



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.03 a.m. – 1.17 p.m.

Gibraltar, Wednesday, 21st July 2021

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The Gibraltar Parliament

The Parliament met at 11.03 a.m.

[MR SPEAKER: Hon. M L Farrell BEM GMD RD JP *in the Chair*]

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

Appropriation Bill 2021 – Second Reading – Debate continued

Clerk: Meeting of Parliament, Wednesday, 21st July.

We continue with the Second Reading of the Appropriation Bill.

5 **Mr Speaker:** The Hon. Sir Joe Bossano.

10 **Minister for Social Security, Economic Development, Enterprise, Telecommunications and the GSB (Hon. Sir J J Bossano):** Mr Speaker, the 23rd of last month was the 49th anniversary of my election to this House. On the 10th I had my 82nd birthday and GBC made a point of congratulating me, as a news item, which I appreciate very much. However, they said I was going to be 83 years old, an innocent error which I am sure does not mean they want to accelerate my ageing process. I have also been wished well by many people, not all of whom vote for me, with one person in particular doing so at one minute past midnight on the 9th to be the first. I am grateful for the warmth of all those well-wishers, irrespective of whether they agree with my political views or not.

15 Given that I have in the past, some 20 years ago, said that I would offer myself as a candidate to the GSLP until I was 90, I would not want anybody to think there are now only seven years left as a result of the mistake made by GBC. In fact, I have since put the record straight and made clear that I could see no valid reason for throwing the towel in so soon and therefore my offer to my party is that they can continue to count on me for at least eight years and hopefully for many more after that. (*Banging on desks*) I know that this will disappoint some sectors of our community – obviously not on this side of the House – who have wanted to see my name disappear from the ballot paper for a long time, but since everything I have done as a Member of this House is driven by what I am convinced is in the best interest of Gibraltar, even those who want to see the back of me stand to gain if I turn out to be right in my analysis of what is best for us.

20 Before I proceed with my analysis of the issues that are relevant to this year's Budget, I want to deal with accusations that have been made outside this House, where I have been the target. I am dealing with them here because those making accusations have been or are Members of the House. The Hon. Mr Bossino – who, at the moment, is not here – chose to launch an attack on me in an opinion published by the *Gibraltar Chronicle* on 15th March. In it he accuses me of doing a U-turn on my views in relation to Spain of such magnitude that he says it is the biggest U-turn in the history of humanity since the conversion of Paul. I will quote what he wrote:

The only U-turn, however, was in our midst that very night in the mouth of Sir Joe Bossano, who underwent a miraculous metamorphosis last seen on the road leading to Damascus when St Paul famously converted to

Christianity. I had been so struck by what Sir Joe had said that I had to watch his speech again like a doubting Thomas. The man who had been the incarnation of militant hawkishness for a generation and more, the man who said 'no' to every initiative at closer co-operation with Spain from the Strasbourg process to the Brussels and Airport Agreements (our very own Maggie with his 'no, no, no') was here telling us that a treaty had to be had with Spain because the pressure was too great – we were 'naked and crawling'.

Let me first correct the hon. Member's misrepresentation of where I was in the past, which incidentally is where I still am today and will continue to be in the future. I am the man who created the first initiative on mutually beneficial co-operation with the hinterland, as Chief Minister. This was done with Pepe Caracao, the then President of the Mancomunidad de Municipios. However, I insisted that the co-operation should be with individual municipalities as members and not the Mancomunidad because the Spanish government had intended that the Mancomunidad should have a Gibraltar seat. The Our Lady of Europa Economic Co-ordination Council, as it was called, started originally with Algeciras and Gibraltar as members and then was joined by other municipalities from the Campo and finally Ceuta. The last session was held in Ceuta and after that it stopped meeting as a result of the implementation of the freeze on old age pensions for the Spanish pre-1969 frontier workers, about which I will have more to say at a later stage.

At the same time as I was promoting co-operation with the nearby neighbours I was campaigning against the attempted betrayals of our sovereignty in the Strasbourg talks with Sr Oreja in 1976-77, the Lisbon Agreement in 1980, the Brussels Agreement in 1984 and the 1987 Airport Agreement. Both of the latter were then stopped and boycotted by the Socialist Government that I led between 1988 and 1996 concurrently with the initiatives on co-operation with no strings attached that I have previously mentioned. The fact that the hon. Member describes our opposition to these instances of attempted betrayal of our sovereignty as saying no to initiatives at closer co-operation with Spain says a great deal about who is the *palomo* in this House, him or me. May I also remind him that eventually the party that he hopes to lead when led by Sir Peter Caruana also rejected, belatedly, the Brussels Agreement and the 1987 Airport Agreement. Was that saying 'No, no, no' like Maggie Thatcher?

Let's be clear in this House and let the people of Gibraltar be clear what the accusation against me is. If Paul shifted from persecuting Christians to advocating Christianity, then the hon. Member is suggesting that I have gone from no talks on sovereignty to make Gibraltar Spanish. I will not say the hon. Member is lying, but I am urging him to seriously consider a visit to a psychiatrist because he seems to have lost his wits. If he had been telling the truth it would mean that in accepting the tax deal with Spain on the basis that in my judgement it represents no risk to our economy and no threat to our sovereignty, I would have been lying. It would mean that I have been lying to the Gibraltarians who have placed their trust in me for the last 49 years in the belief that I would never put Gibraltar at risk of a takeover by Spain. That is the seriousness of the accusation against me from the hon. Member opposite.

So, when he witnessed this radical change happening, how did he react on 25th February – on the day, not 18 days later on 15th March? He did not react. No reaction at all, not a word. I am not saying that he was lying in the article to deceive the people of Gibraltar; I am assuming that he believes this extraordinary nonsense that he has published. How else can a pious, traditional Christian like him act, other than by saying what he believes to be true? Is he not the equivalent in Christianity of someone with a fundamentalist faith – which of course he is perfectly entitled to be and is totally acceptable in our tolerant society, and for which I have not the least criticism at all? I respect his beliefs – I am a fundamentalist myself, a fundamentalist in saying no to Spain – but I ask myself how could someone with those strict beliefs make a comparison with the conduct of St Paul? Is it not almost inevitable to argue that the monumental U-turn of Paul from persecutor to promoter of Christianity had a great deal to do with the success of Christianity?

Is that the sort of conversion of Joe Bossano, from fiendish opponent to even the very thought of discussing sovereignty with Spain, let alone conceding it? Has he undergone a miraculous change to now becoming an advocate for a Spanish Gibraltar? The hawk has become the greatest

palomo in Gibraltar history – is that what the hon. Member believes? If this is all nonsense and this is what he compares to what happened to Paul, do we need now to go back and revise what might have happened to Paul on his way to Damascus after all? Is it that the hon. Member did not listen to me saying that if there was no deal I would be the one to put the first brick? Was that the
85 dove going back to being a hawk? Will St Paul be retreating from the road to Damascus and returning to persecuting Christians?

That is a matter for theologians, but I will let this House into a secret. I had no intention of speaking in the debate, but when I arrived I was ambushed in the ante-chamber by the hon. Member before I entered. He said he could not understand why I was in favour of the Tax Treaty
90 and I explained it to him. He then said it was unfair to Gibraltarians who wanted to live in Spain. I said you could not have your bread buttered on both sides. If some Gibraltarians wanted to live in Spain, then then they had to comply with the Spanish laws. He then said he understood my position, and so I decided that this merited that I should explain it for the benefit of the other Members on the other side of the House. I have to say that I was not relying on any privileged
95 information that was not in the public domain and I was surprised that other Members should need any explanation from me which I think could have been given by any person who has been following the details of the events and analysed the reaction that emerged from the EU and Margallo and their behaviour after the 2016 referendum result was announced.

I will remind the House how the hon. Member opposite reacted after the 2016 referendum
100 result was announced. This is what I said about it in the 2016 Budget:

Last Thursday, Mr Speaker, the former Member of Parliament, Mr Bossino, put forward a very pessimistic view of the consequences of the decision to leave the EU and quoted me in support of his views, saying that I had said we would be doing well if we met my economic growth predictions included in the 2015 Manifesto, but that the future predicted growth that I had in mind was now out of the picture.

Well, Mr Speaker, I actually thought that what I have said on a number of occasions before the vote took place or the result known, and what I repeated in answer to a supplementary from the Leader of the Opposition last week, was actually quite positive for Gibraltar's prospects.

Mr Bossino also demanded that the politicians look him straight in the eye and tell him what the future holds for him. I do not know how many people he used to look straight in the eye and tell them what the future held for them when he was a politician. Nor do I understand why he believes that politicians have the power to see the future but that they lose it when they leave politics, as he has done. [...] However I am, I suppose, one of the few politicians that has regularly predicted our country's potential economic future on a four-year timescale. [...]

So I am quite happy to look Members opposite in the eye – since Mr Bossino is not here –

– which was the case in 2016 and it is the case again today –

and repeat my prediction; or maybe, since one is supposed to speak through the Chair, Mr Speaker, I need to look you in the eye when I say it. The projected growth of our economy, calculated and published in 2015, is an increase in our GDP of £600 million by the year 2019-20, being 33.3% of the estimated value for 2015-16.

That is what I said in the Budget in 2016. I am happy to tell him now that my prediction was right, as he will see when I deal with the economy, so his concern that Brexit would invalidate the prediction has proved to be unnecessary.

105 I have decided to take his advice, but I am frustrated that I am not able to deliver it, because I would like to be saying all this and looking him in the eye.

Chief Minister (Hon. F R Picardo): Where is he?

110 **Hon. Sir J J Bossano:** Mr Speaker, what I told Mr Clinton in the debate was my simple explanation of how the PSOE government would defend themselves in Spain. I said:

The one thing that PSOE could not do was to say, 'We are not going to put sovereignty on the table; we are not going to put anything on the table. We will go and ask Mr Clinton "Will you give us the standard OECD agreement?"'

– and then go back and say, obviously in Spain –

... what a great achievement! Having got all the aces and having these people naked and crawling, we have extracted from them the OECD agreement!’

115 That is what I said. Mr Bossino misinterpreted or deliberately misrepresented it as me having said that we are naked and crawling and as a result have had to accept the Tax Treaty with Spain.

When the mover of the motion on the Tax Treaty made his closing speech he referred to me as follows:

I am grateful to hear the Hon. Father of the House’s contribution, but let me start here on this point with him: he said that this debate has been unrealistic in part. Well, I am not sure if I would concede that to him, but if it has been unrealistic in parts, it has been unrealistic because it has been made by them as unrealistic up until largely his contribution, because at least in his contribution he recognised that this was the price for a Brexit transitional deal in so many words

At a later stage the hon. Member wrote the following in the media:

If the end-game is as reflected in the guidelines, sovereignty will undoubtedly be the issue. The nightmarish scenario is not only that Spain will hold the lock to our continued access to the EU single market but the further lock to the UK-EU deal. Talk about double-lock! As someone told me recently, ‘Yes, we could be British and bankrupt!’

120 That is what he said when he was scared in 2016. That is what can be interpreted as us having no choice, either being British and poor or continuing to be well-off and Spanish. That was his fear in 2016. This gave the impression that we were being subjected under pressure to a situation where the choice before us was that we would go bankrupt in order to stay British. This clearly implied that a deal on sovereignty would have to be done if we wanted to survive.

125 These are the sentiments that he attributed to me this time. I have no difficulty with the Leader of the Opposition saying that the Tax Treaty was part of the negotiations for Gibraltar to be included in the transition period. Whether we agree that the treaty is good or bad is a matter of judgement, but that is a totally different thing to saying we have bartered away sovereignty in order to be in the transition period. That did not happen, has not happened and will not happen in anything else that we do with Spain.

130 The second issue I want to place on the record of this House, Mr Speaker, is a letter written by Mr Netto on 11th May 2020 – which I would have dealt with in the 2020 Budget, if there had been one – entitled ‘Establishing historical facts’, which he signed in his capacity as a former Minister who served between the years 1996 and 2011 and is therefore relevant to the business of this House. I will read the letter for the benefit of Members:

In his May Day message published in the *Gibraltar Chronicle* on Saturday, 2nd May, the Chief Minister alludes to Joe Bossano’s introduction of the Minimum Wage way back in the latter’s tenure in government as something intrinsically socialist to be proud of. As I have repeatedly told Mr Picardo numerous times before,

135 – I did not know that he was on such close speaking terms –

introducing the Minimum Wage and keeping it in line with annual inflation rate increases certainly is something socialist to be proud of. Yet, how the Minimum Wage was legislated back then when Joe Bossano was the Chief Minister is nothing to be proud of as a socialist. So, once again, let me set the record correct.
In August 1989

– this is Mr Netto’s version –

the GSLP Government introduced the Standard Minimum Wage Order in Gibraltar for weekly paid employees only. The only discernible reason for negating the Standard Minimum Wage Order generally throughout Gibraltar was that at the time the Civil Service administrative assistants’ hourly rate of pay was £1.68 for a 16-year-old person, £1.82 for a 17-year-old person, £2.22 for an 18-year-old person and £2.36 for a 19-year-old person. These rates

were less than the hourly rate of pay for the newly introduced Minimum Wage at £2.50. Therefore the GSLP Government designed a Minimum Wage Order in which the GSLP Government as an employer could use the deliberate loophole of not applying the Minimum Wage to its employees because administrative assistants were employed and paid monthly.

So we had a so-called socialist Government (to whom our current Chief Minister thinks Joe Bossano is his socialist mentor),

– for which I am grateful –

deciding as an employer to keep its administrative assistants below the Minimum Wage. In addition to the above, when private sector employers found out at the time that by transferring their weekly paid employees to monthly they could pay less than the hourly rate of the new Minimum Wage, there was then a movement to circumscribe the legislation, therefore rendering the law almost useless to thousands of employees throughout Gibraltar.

I am proud

– he says –

that as Minister for Employment I closed the deliberate loophole created by the GSLP Government, thus making all employers in Gibraltar comply with the Minimum Wage both in the private and public sector and for weekly and monthly paid. The amendment to the Order was set as from the age of 16, thereby closing all the deliberate loopholes in 1989.

In all probability the Chief Minister's May Day message for next year will continue to peddle the line what a great socialist party the GSLP is, due to having enacted a Minimum Wage before the UK. Someone ought to inform him that being first does not necessarily mean getting a piece of legislation right. There are other vital issues for which the Chief Minister ought to steer away from having Joe Bossano as his socialist mentor, but that will have to wait for another day.

140 This letter is almost a repeat of part of his farewell speech to the House in the 2015 Budget, which was mainly about trying to convince everyone that I was not a socialist and in the process demonstrating that he did not have a clue that the fact is that socialism is a philosophy, not a social welfare programme for the capitalist system – in spite of the fact that he somehow managed to get a degree in philosophy.

145 Although I dealt with some of the things he said in 2015, I chose to ignore this point, so I feel the need to put the record straight now so that at least people will know that it is all nonsense if he wants to keep on peddling it.

150 It seems that Mr Netto feels offended that I should be considered a socialist, judging from the content of the letter. I believe Mr Netto was living in Wales in 1988 when the first socialist government was formed in Gibraltar and decided to introduce the National Minimum Wage in 1989. Of course, Mr Netto would not have had the protection of a national minimum wage in Wales – it took the United Kingdom 10 more years to follow the example of Gibraltar.

155 The legislation we brought was, of course, intended to protect workers in the private sector, not those in the public sector who were on UK salary scales as a result of the successful campaign for parity which I led with the UK employers when I was involved in negotiating for the unions, so I will now place on record the historical facts.

The Minimum Wage for weekly paid and monthly paid employees other than those on salary scales was introduced not to correct the National Minimum Wage; it was introduced for persons at the age 18 – so, nobody at 16 or 17, clerical or otherwise, was covered by the Minimum Wage – in August 1989.

160 In the 2001 Budget the Chief Minister announced the changes in the Minimum Wage to which Mr Netto refers in his letter, saying the following:

I think there has been unprecedented progress. By unprecedented I mean, in all the years that Gibraltarians have been conducting their own affairs, there has been unprecedented progress in the infrastructural improvement of the working conditions of thousands and thousands of ordinary working people in Gibraltar.

– this is the GSD's view of themselves –

The minimum wage has been raised from £3.26 to £3.75 and it now applies to all workers whether they are paid weekly or monthly subject only to a few logical exceptions.

To which, as the Leader of the Opposition, I replied:

To raise the minimum wage to £3.75, we are told is an improvement which has had no parallel since the Gibraltarians started governing themselves, that is since 1945, I almost thought he was going to tell us it was since 1713 or 1704, but no, he will probably do it in his closing speech, because having thought of it he cannot possibly think he is the most exceptional human being Gibraltar has produced since 1945, there must be something wrong with that, he is being too modest, It must be since 1704, Mr Speaker. The £3.75, if one is to believe the official statistics of the Government in the Employment Survey, is hardly going to be obtained by anybody because in the figures published by them on earnings in the Employment Survey, there is virtually nobody with a wage below £3.75, in October 1998. I do not know, what it is that made that made October 1998 the last Employment Survey tabled in the House, but if we look at the Private Sector distribution of earnings in terms of basic wages and overtime, which is detailed by Sector, there is hardly anybody, in fact the average is £4.00 or £3.90 and that does not exclude that there are some people below £3.75, that it is based on earnings and the only people that I knew of, that were earning less than £3.75 at the time were likely to be people like the Security Guards who got a pay increase as a result. That hardly qualifies for the adjectives that it was the most important advance we had seen in conditions of ordinary people since 1945 and that it benefit thousands and thousands of workers. Although the Chief Minister made no contribution to it, other Ministers did recognise that in fact the biggest change, workers had experienced in Gibraltar was in the Parity Battle, which took 4 years and resulted in UK wages. To Suggest that to put the minimum wage at £3.75 was to remove the differential treatment between industrial and non – industrial, all of which are welcome improvements and not to say that they had not done a good thing, but it's clearly not the best thing since sliced bread or the best thing since the Second World War.

165 The Minimum Wage was a flagship policy of the Labour Party in the UK during their successful 1997 General Election campaign and was introduced on 1st April 1999. The first rate was set at £3.60 an hour for adults aged over 22, covering then as many as 1.2 million adults, who had an average pay rise of 10% - which shows what wages were like for 1.2 million people in the UK.

170 I have quoted how the Chief Minister of 2001 announced the change in the National Minimum Wage, and as I have demonstrated in my reply, it did not close any loopholes because there were no loopholes to close. There was no evidence of private sector employers moving people from weekly to monthly pay after 1989, and if that had been happening then the unions should have brought it to the attention of the Government at the time it was happening, and action would have been taken to stop it.

175 The last increase under the GSLP was in November 1995. Mr Netto was a Minister in 1996 and he increased it in November 1996. He did nothing in 1996 to include the monthly paid or change the age – the so-called loopholes he said he had discovered – in 2015. They continued after 1996 until he stopped being Minister for Employment. Before 2001 he ceased being the Minister for Employment and all those loopholes that he claims he closed he did not close. He left them open.
180 It was the late Hubert Corby in 2001 who revoked the 1989 Minimum Wage Order and replaced it with the new conditions announced in the Budget. So, Mr Netto did not change the conditions and in fact did not introduce any pay increases for four years – very socialist I am sure, Mr Speaker; it enables him to give lectures to all the rest of us.

185 Having dealt with these issues, I will now revert to the state of the economy. The economic challenge, and more particularly the public finance challenge of the combined effect of Brexit and the pandemic lockdown is much worse than the challenges we faced as a people with the dockyard closure, the MoD rundown and the 1969 Frontier closure. This is not just my opinion. The International Monetary Fund view in 2020 was that the COVID-19 pandemic 'pushed economies into a Great Lockdown, which helped contain the virus and save lives, but also triggered the worst
190 recession since the Great Depression.' It described the prospect as a crisis like no other in 2020 and an uncertain recovery in 2021.

In our case, not only is the problem unprecedented but finding a solution is particularly difficult. This is for two reasons, one external and another internal. The external reason is obvious. On both of those occasions in the past the challenges we faced were faced exclusively by us. No
195 other country was affected by the closure of the Frontier, except the small percentage of the

Spanish population in the Campo area who finished up having to emigrate, mostly to Germany and the UK. In the second instance it was only the UK that was affected, in those other MoD dockyard towns that were also affected by cuts in the MoD budget. In both cases the UK provided long-term financial help. The Support and Sustain policy introduced by the UK after the 1969 closure paid for almost all of our capital investment. With the dockyard closure £30 million was provided by the UK for its conversion and many MoD assets, especially land, were transferred for civilian use. On this occasion the UK itself and much of the rest of the world are facing a huge drop in government revenues and are propping up their economies by issuing unprecedented levels of public debt. No country is any longer attempting to keep to any given ratio of debt to GDP, especially in the last 18 months, where global GDP has been shrinking and at the same time global public debt has been growing.

So what is the internal reason for the obstacle, the external one I have just explained? What is the internal reason for the obstacle we face today? It is the attitude that apparently exists in a large section of the electorate that the world owes us a living. I think the Hon. Mr Feetham was the first to call it the 'entitlement culture' and say we had to do something about it. The evacuation generation did not have an entitlement culture, except on the issue that after the War they were entitled to be brought back home to Gibraltar, a campaign led by Sir Joshua Hassan which resulted in lifelong following for the AACR. The closed border generation did not have an entitlement culture, and led by Sir Bob Peliza they took on a second job to help Gibraltar keep going with a closed Frontier – the 'two jobs society', as some critics called it. The trade union battle for parity was fought for the principle, and we said to the MoD at the time, 'If you give us more money then we will reject it because it is the principle we want.' In achieving the principle of parity with the UK, to which we are still fully committed in this party, the agreement produced from the payroll of the largest employer in Gibraltar at the time led to a secondary multiplier effect throughout the economy that helped us in the fight to survive the closed Frontier.

The 1988 transformation of the economy was not the result of an entitlement culture but the opposite, the realisation that we had to reinvent our economy and make it private sector led. It was the Gibraltar Government telephone department that led the way by voting in a secret ballot to accept leaving Government employment and transferred to a joint venture, which brought to Gibraltar the state-of-the-art technology that Nynex possessed and created the necessary infrastructure for the financial services and gaming companies that followed. A secret ballot of the membership was held, with only one person voting against, and I gave that person a written undertaking that would guarantee his job in the public sector, which was honoured subsequently by the GSD Government.

Today we do not appear to have that kind of solidarity and commitment, even though we are facing a European economy disrupted by Brexit, a global economy still in partial lockdown because of the continuing pandemic, and perhaps most important of all, the need to relinquish the consumerism that is related to the entitlement culture if life on Earth is to survive.

Today, Mr Speaker, I will deliver my assessment of the economy of Gibraltar for the 47th time. My first was in 1973 and it was acknowledged by my dear friend Adolfo Canepa, then in government, that it was not just my first time, it was the first time that an Opposition Member had provided an alternative analysis of both the economy and the public finances in contrast to that of the Financial and Development Secretary, whose analysis had never previously been challenged and was taken as if it were written on tablets of stone up to 1973.

The second occasion when I missed putting my views to this House was in 2009, due to having to be absent from the Budget debate for personal reasons. On that occasion my colleague the Chief Minister described my absence as impoverishing the debate. He said:

The Leader of the Opposition when Chief Minister, was the first Chief Minister to deliver the speech on the estimates himself as a politician, and not allow that those speeches be given by the then Financial and Development Secretary. Today would have marked his 37th speech in this House, on these estimates, since his first election in 1972, and I am sure that whether Gentlemen opposite agree with his analysis or not, the whole of the House will be the poorer for the absence of his analysis.

Well, he was sure, but he was wrong! The then Chief Minister obviously did not hold the same view of the value of the analysis that I had been putting in this House at Budget time every year and made it clear by saying, referring to my colleague:

He started by saying that the whole House was the poorer for the absence of Mr Bossano's analysis. Well, no, we do not agree, only his side of the House is obviously poorer for the absence of Mr Bossano's analysis. We do not agree with Mr Bossano's annual analysis on the economy and, therefore, its absence cannot therefore be poverty for us. But it must be clear to anybody that has heard the debate on this Budget this year, just how much poverty Mr Bossano's absence as Leader of the GSLP results on that side of the House. We do not regret the absence of Mr Bossano's analysis, although we do of course regret his absence, personally, and especially the reason for it. But we do not think that we are poorer for the absence of his analysis.

Since then, as Opposition, they seem now to value the accuracy of my analysis slightly higher, or maybe a lot higher, which incidentally is not determined by who is in government but by my interpretation of what the indicators are signalling in respect of how our economy is performing, and if this means being self-critical, so be it. None of us is perfect; we all make mistakes.

That was in 2009. I will come back later to remind Members what the GSD was up to in that year, which has some relevance to the question surrounding the decision of the independent charity Community Care to restore the original conditions for payments to individuals linked to a role of delivering community duties, applicable when it was first introduced in 1992.

The economic challenge and, more particularly, the public finance challenge of the combined effect of Brexit and the pandemic lockdown is much worse than the challenges we faced before. The position that we face now we have to compare with the projections that were made in the 2015 General Election when I had projected that the economy would grow at least to a level of £2.4 billion by 2019-20 with the possibility of achieving an economic output of £2.5 billion. Of course, in 2015 nobody could imagine what was going to happen in 2016, and even less what was to follow in 2020. I think Gibraltar must be the only nation on the planet where Opposition Members and sectors of the population behave as if these totally unprecedented events of Brexit and pandemic lockdown had no relevance for either the economy or the public finances and we can all happily carry on as we were doing before, and if we cannot then all we need to do is blame the Government and then everything will turn out all right.

In 2019, notwithstanding the 2016 Brexit vote, I predicted for 2019-20 a better result than the top estimate of 2015: a GDP level of £2.57 billion compared to the £2.5 billion I had originally set as a maximum – an improvement of £70 million. The latest estimate we have today, which was mentioned by the Chief Minister earlier, is that the economy attained a value of £2.566 billion in 2019-20, £66 million more than the top expectation I had predicted in 2015, but £4 million short of the figure I had calculated in 2019.

In 2019 I also set a target for our growth for 2023-24 at a GDP level of £3 billion, representing an improvement of £390 million from a level of £2.61 billion, or £500 million from the original estimate of £2.5 billion. At present we are looking at a base line before the impact of the lockdown of £2.566 billion instead of £2.61 billion and a drop of 4.9% to £2.44 billion for the second half of the 24-month financial period. This is instead of the projected 2½% increase that I was saying we could achieve with the National Economic Plan, which would have put the GDP up from £2.61 billion to £2.68 billion.

We are estimating, in terms of the performance of our economy as at March 2021, £60 million less in output than we were originally targeting without the pandemic lockdown, so, in terms of the effect, it is less than one would expect given the seriousness of the lockdown. This level of difference in most nations' projected GDP would be considered an acceptable error in estimating, even without a pandemic.

At Question Time some time back, when the UK published a drop of 10% in their GDP, I told Parliament that I had no solid data to calculate the GDP impact but that my gut feeling was that it would be less than the UK and could be half the UK rate. The estimate we now have is that we have done slightly better than that, with a drop of 4.9% instead of 5%. So, our economy has done

much better than others in the context of the projections we had for the post-Brexit growth, but not the sort of growth we experienced in previous years.

Does this mean we have no problems? On the contrary, we have a very serious problem because it clearly provides evidence of what I have identified as a problem of perception on innumerable occasions in the past. The size of the economy is not the same as the level of revenue that the Government receives. Economic output is £60 million less than we expected but our public finances have gone from surplus to a deficit of £138 million. Although a growing economy as a general rule produces higher government revenue, this is not based on a fixed proportion.

This is one of the errors that features as one of the factors in maintaining the entitlement illusion which now affects all Members of the Opposition as well. This phenomenon, which is that so long as you believe you are entitled to something, whether you are or not, and whether the money to pay for it is there or not, all you have to do is paint a few placards with what you believe you are entitled to, march up Main Street, and then, after that, your entitlement illusion becomes reality and all your wishes and aspirations will be satisfied. Well, I am afraid in the real world it does not work quite like that, and therefore I can tell hon. Members it ain't gonna happen.

The Hon. Mr Clinton may not understand much about economics but presumably he does understand about finance, having been a banker and he is the shadow Member for the Minister of Finance. Indeed, he has given every indication that he does understand exactly how badly public finances have been hit by the lockdown. In public interviews where he has dealt with the subject he has done so to such an extent that I do not think he could have explained it better if he had been in government. Indeed, I have even commented to my colleague the Hon. Finance Minister that the hon. Member opposite was doing a better job of explaining it than he was – which did not surprise me, since he has often been briefed on the financial impact in greater detail than I was.

So, when I say we can protect the economy of Gibraltar and we can continue to grow, and that it is possible for me to aim at delivering the growth targets we set ourselves in 2019, I am not saying anything that indicates that the public finances are in a good shape, which manifestly they are not, just because the economy, in my view, is in good shape.

In my new responsibility for restoring financial stability, which is closely linked to my previous responsibility for public sector efficiency, I have of course a fundamental interest in ensuring that we maximise the use of our resources in the most efficient way possible so that we can restore the application of the golden rule that I introduced as Chief Minister after 1988. This, Members know, is that living within our means requires that we do not borrow to meet the operating costs of the public sector. We were there before the pandemic and we are not there after the pandemic, and it is in the interest of every Gibraltarian citizen in the public and the private sector, in education, employment or retirement, that we get back there as soon as possible so that we can restore the stability that is vital for Gibraltar.

In looking at how that stability is reflected in our economy, we need to analyse what is happening in the labour market. The period covering the two Employment Surveys which we have available in this Budget gives us a snapshot of the labour market as it was in October 2019 and October 2020. I think it is useful to see the changes from October 2011 to October 2018 and then see the effect of Brexit and the pandemic lockdown in October 2019 and 2020.

The 24-month period which has hit public revenues so hard has created a new labour context for the planning of the economy. When we prepared the post-Brexit National Economic Plan we were expecting that the labour market would continue to grow in line with recent trends and produce a total employment figure of around 32,000. In the post-Brexit scenario we expected that the economy would be reshaped by us to produce less labour-intensive work. We therefore planned that the future market for the four years 2019-23 should be stabilised at a maximum size of 32,000 jobs and that future economic growth should be delivered by increasing productivity from a static workforce rather than an ever-increasing workforce, as had been the case previously and which could not be extrapolated to continue indefinitely.

Even though we left the EU at midnight on 31st December 2020 and the free movement of labour under EU law no longer exists, the degree to which we shall be controlling the labour market is still pending the outcome of what is agreed in the proposed treaty on our relationship with Schengen. The EU will be setting out their terms and we shall see whether in the negotiation after that an agreement acceptable to us can be reached. Should there be no deal, we will be in the hard Brexit scenario that I have been suggesting would be the most probable outcome since the result of the 2016 referendum was announced, and there is no doubt in my mind that we would have been there already, a long time ago, if Margallo had remained in office.

The treaty's outcome in the next six months will put pressure on the labour market as regards dependence on frontier workers. Our dependence on that source of labour has to start declining, since if we have an agreement at this stage it may not survive the so-called implementation period if Spain and the EU expect Frontex to be removed and Spanish officials to take over four years after the treaty comes into effect.

The Hon Mr Clinton said:

Once we go down the route of the Customs Union it will be difficult to undo and we may have lost business and business opportunities and some freedom and control in managing our economy. There has to be a clear-cut economic case that joining the Customs Union, in whatever form, will prevent a loss of business without crossing the red lines of sovereignty, jurisdiction and control. This discussion has to be open and frank.

At present, there are conflicting figures as to the number of frontier workers between the numbers registered by the ETB and those declared by the employers in response to the October 2020 Employment Survey. The ETB figures at 31st December 2020 were compiled to establish who will enjoy continuing labour market access in accordance with the Withdrawal Agreement.

I agree with the view expressed by the hon. Member, but I think I need to point out that in fact we are not asking to have a customs union, and, as far as I know, nor are we being offered a customs union. The relevance of seeking some understanding or agreement or derogation is so that the movement of personal purchases does not stop the queues that no longer exist because we are in Schengen. At the end of the day, every time somebody comes in and buys something from Morrisons, or every time somebody goes into La Linea and buys something there, it has to go through Customs, and if there is a queue on the Customs side then in effect one thing would be negating the other. I think whether such a thing is possible we do not know, but what we are talking about is if we have managed to do the first and then find that the second negates the first, then the whole exercise would have been worthless; we would still have a situation of people having long queues to go in both directions.

The market for labour is likely to be stable or declining from now on, but this does not mean that they will be the same people doing the same work, as in the past the turnover has always been higher than the net increase. We have always had the situation of many people leaving every year and more people coming in than have left. That is because it is, in some instances, the kind of work that had this high turnover, was work where people do not go into it for a long time in the tourist industry.

For example, the labour market figure that we use for calculating the GDP and therefore planning the economy has always been the figure in the Employment Survey reports. Since these are the numbers reported by employers, they are likely to be accurate or, if anything, conservative as it is unlikely that employers will be recording workers they do not have, although they may be under-recording some of those they do have.

The size of the labour market consisted of 22,247 jobs in October 2011. This is the full-time and part-time figure, but not necessarily 22,247 individuals since there will be persons holding two jobs, although it is not likely to be significant statistically. The public sector was 4,574 and the balance was the MoD and the private sector. This is in October 2011.

The private sector, which is what concerns us now in the context of the policy on the labour market, was 16,960 in 2011, up from 15,561, an increase of 1,399 since October 2007. The last

term of the GSD administration saw a growth in the private sector of 1,399 jobs, from 15,561 to 16,960. In October 2018 the figure for the private sector was 23,969 compared to 16,960, an increase of 7,009 individuals in seven years, compared to 1,400 in four. The increase was higher than that when compared to 2012, since in our first year there was a drop of 1,116 jobs. Our first year in government resulted in the figure falling and if we compare, therefore, the figure of 15,844 from 2012-2018, then it went up every year, and there was a total increase in six years of 8,125 persons taking up employment in Gibraltar.

The drop from 2011 to 2012 in private sector frontier workers was from 7,287 to 6,189, a total of 1,099. The public sector in turn lost 79, making the total more than the contraction in the jobs market, which in fact meant that we had lost more frontier workers than we had lost jobs, and therefore some of the previous frontier worker jobs had been taken by resident workers. There was a slight increase in the use of resident workers because we lost more resident workers than we lost jobs in that time.

This was reversed from 2012 to 2018. Frontier workers more than doubled in the private sector from 6,189 to 13,371, providing 7,182 workers for the increased demand for labour of 8,125 jobs, which was what happened up to 2018 before the world changed. By contrast, with this higher expansion in the private sector from 2018 to 2019 it only grew by 32 jobs and shrunk from 2019 to 2020 by 1,214 jobs. The frontier worker figures for 2019, however, grew from 13,371 in 2018 to 13,839 in 2019, an increase of 468. This implies that the net growth of 32 jobs meant a replacement of 436 resident workers by the same number of frontier workers. We had 32 more jobs in the private sector but we brought in 468 more workers, so it meant that 436 jobs fewer were held by residents. This is entirely consistent with the fact that the public sector grew in 2018 and 2019 by 593 jobs and that, of these, 437 came from the private sector and were replaced by frontier workers. Quite frankly, this is not good for the sustainability of the public sector or the security of the private sector, which becomes more dependent on frontier worker fluidity as a result.

From October 2019 to October 2020 the number of jobs in the private sector fell by 1,214. The frontier workers in the private sector dropped from 13,839 to 12,571, a total of 1,268, which implies again, as has happened before, that resident workers in the private sector went up by 54. The correlation between the movement in the public sector and the frontier workers in the private sector lends support to the complaint of private sector employers that the demand from the public sector forces them to recruit frontier workers as replacements. The evidence is there.

Whereas the private sector reduced its dependence on frontier workers in 2020 by reducing the number by 126, the public sector saw an increase in the number, of 57, with the biggest element being those designated as 'other EU nationals'. It is possible that this increase was not due to more people being employed in the public sector but employees living in Spain previously using a Gibraltar address, which they were forced to change due to the controls at the frontier during the pandemic initially and later our departure from the EU. It meant that people who were supposedly living here but were living there had to give their real address because they were facing problems getting home at night. The frontier workers registered in Gibraltar at the end of December was a much higher figure than the number registered in the survey returns by the employers, and this of course will need to be scrutinised as we go through the year to ascertain the accuracy of the figure for economic planning purposes.

A new area that I have been made responsible for recently is financial stability, with which I have been entrusted by the Chief Minister with the task of restoring financial stability, which was not part of my responsibilities in the last Budget, two years ago. However, in practice it is closely linked to the policy of increasing efficiency in the public sector, for which I was responsible already.

I said, when my additional responsibility was announced, that we had lost financial stability because, by definition and by the determining criterion, stability in public finances requires the implementation of the GSLP golden rule introduced by me from 1988 in the first socialist Government. For many years financial stability has been maintained because it requires balancing income with expenditure in respect of recurrent spending in the public sector and preferably

providing a surplus to fund, in our case, principally three areas: investment in the creation of capital assets, which the GSD also did between 1996 and 2011; contributing to the finances of the independent charity Community Care Ltd; and building a rainy day fund, which the GSD did not do between 1996 and 2011 and which indeed they rubbished as soon as they were elected in 1996
440 when the Chief Minister of the time announced in this House, 'The rainy day is today,' and emptied what he called all my piggy banks. This, of course, left Gibraltar more exposed to losing its financial stability than it would otherwise have been as a result.

Restoring financial stability, in our book, requires keeping a tight control on spending. Such decisions are taken by the Cabinet, which decides the policy of the Government – although I tend
445 to be blamed if there is a negative reaction resulting from such measures. The Chief Minister has recently told the House and the general public that we have been so badly hit in our revenues by the pandemic lockdown and extra public health COVID measures that we have finished with a deficit of £158 million, the largest deficit in Gibraltar's history but a similar situation to that experienced by many other countries in Europe and by the US, who incidentally have never
450 implemented our golden rule on recurrent expenditure and were in many cases running current account deficits and borrowing to cover it.

This year's Budget reflects the need to restore this stability. As the Chief Minister also announced in an earlier meeting, the result projected for the current financial year is a deficit of £51 million, almost £1 million a week. Let's be clear what this means: the projected expenditure
455 is expected to exceed the projected revenue by £1 million every week starting on 1st April, so anybody who wants more than is in the Book wants us to either cut somebody else's allocation or borrow more than £1 million a week. It is simple to understand. This is not a complex exercise.

Total departmental expenditure is £46.5 million more than the actual expenditure of 2018-19 compared to the annual average of £69.5 million in each of the 12 months in the preceding
460 24-month period. So, although we are still up on 2018-19, we are less up than we were in the last 24 months, partly because there is a lot of expenditure there which is not being repeated and because of the measures we have taken.

The Government is nonetheless committed to restoring financial ability, which means getting back to projecting recurrent levels of spending that come in at or below the expected levels of
465 income. To achieve our target for this year will not be easy and therefore a number of policies have been implemented that require that Cabinet approval be obtained before expenditure is incurred. This is as it should be, but in the past it has frequently been the case that the Cabinet position on approving additional spending has been a paper exercise since the spending had already taken place. This is not a new phenomenon and indeed I remember one particular issue
470 with the GHA spending on relief cover, which was removed from the Budget by the GSD administration so that the allocation would not be accessible without the prior approval of the Chief Minister's office in an attempt to keep control of the item – an attempt which, if I remember correctly, eventually failed to achieve the desired result, as so many attempts do.

The elimination of waste in the procurement process is also something that requires to be
475 looked into. There is a tendency for Departments to simply reorder supplies by repeating periodically what has been ordered in the past. It is an area that may not yield the kind of savings we are looking for, but we have to become conscious that every penny counts – and we have not been there for a very long time. The mind-set that has been created is that every year, without much effort, the revenue of the Government goes up and the expenditure goes up as well, as if
480 that were the natural order of things. It has not always been like that, but I accept that there are many people who have never known anything else and will need to get used to the new normal.

A recent press release from the hon. Lady's party said something to the effect that revenue has not increased under the present Government. This can only mean that whoever wrote the press release has never looked at the Estimates Book. Revenue increased from £383 million in
485 March 2011 to £708 million in March 2019. Eight years produced a growth in revenue of £325 million. There has been an increase in revenue in many areas without any increase in what people are charged, simply because there has been more activity in the economy.

What we have had in the last two years has not been what was normal but could become the new normal and may require the Government to look in future to new areas where revenue can be raised. A real test in the nine months ahead is to contain expenditure so that it finishes no higher than the amounts that we are approving this week.

We need to establish as a standard the notion that an increase in costs in one area must be matched by savings in another. The departmental spending in future should be constrained by accepting that the overall priority is that we, as a community, consider what is the most important expenditure from the limited resources we are going to have, so that they should be devoted to those areas. This is how the public judges us when they criticise a government for spending money in one area and then having to say no to something else that is more deserving of public funding. It happens to every government, it has happened to us, and the people are right when they criticise us for it. It also means that since we have to borrow £1 million a week to cover costs, it is more important than ever to spend money on things that cannot wait for better times ahead, which I have no doubt will come when we think of all we are going to do when we come to the rest of the elements in the economy.

Keeping the economy on an even keel is something that I am confident we can do in terms of the modest level of growth we are committed to. A target in the output of our economy of £3 billion for the end of financial year 2023-24 is what we aimed for in 2019 and achieving it is still possible. However, restoring revenue levels to what they were in the past is not going to be easy. I have already previously said that I do not expect to see the revenue level we attained in 2018-19, which was the highest ever at £708 million, before the next election and perhaps not even for some time after. The financial strategy we need will therefore require inevitably that we should address the efficient use of resources to contain expenditure, looking at what we charge for the services we provide and where in most instances what we provide is provided at a loss.

In considering the efficient use of resources, we cannot ignore the size and cost of the public sector payroll. The Chief Minister has given figures that show that although we are committed by our manifesto to maintain the number in the complement of civil servants that we inherited in 2011, in practice currently there are many more in employment and that complement is now far exceeded by the number of employees. The numbers employed in the public service have also grown substantially since 2011, not just in the Civil Service. It cannot go up any further and indeed it will have to come down, not by dismissing anybody but by redeploying people to meet changing requirements in the service. Doing this is not austerity but good management.

The Opposition have criticised us when it has been increasing and criticised us when it stopped increasing. In our first time term Mr Feetham in a debate accused me of having created a bloated Civil Service in the first few months when we were still filling vacancies created by them. The GSD had a system of keeping vacancies on hold and recruiting little over a period of time, and then opening them up in a pre-election boost to improve their chances of winning the election. We continued their pre-election recruiting for the first four years and added an extra 400 employees. When we put a stop to it after the 2015 election we were accused, by the same Mr Feetham who had said were creating a bloated Civil Service, of introducing austerity. Based on the numbers in the Employment Survey report for October 2020 and October 2011 and the subsequent recruitment of 94 AAs since last October, we will be talking probably of something like 1,800 more employees than in October 2011.

This is something that must be understood: controlling the numbers of jobs in the public sector is the only way we or any other government can protect the jobs of those who are in employment now and for the future. Every time somebody leaves, we need to ask ourselves do we really need to take somebody else on to do the same job, and if we find that we do not then the next question is how we can put that money to better use. That is not austerity, it is managing one's budget the old-fashioned way before the culture of entitlement became the norm. It is something that controlling officers should be doing all the time, because they are not there simply to control what has been approved by this Parliament but to make sure that in a world of changing methodology and new technology we are delivering the services we need in the most cost-effective way.

540 Restoring financial stability is not rocket science, it is simply politically difficult because it involves becoming unpopular for doing what is required, doing the right thing in the long-term interest of the public service and securing the future of our country so that we depend on no one. We must develop the capacity to be competitive, to earn a living that will enable us to maintain the quality and breadth of services that we have become used to having until now.

545 The antithesis of financial stability is the culture of entitlement. So, what is the culture of entitlement? Perhaps the first indication of a culture of entitlement – the Hon. the Leader of the Opposition may remember this – was the self-granted pay increase on 17th December 1998 which was presented to this House in the first GSD term, something they had not bothered to put in their manifesto, incidentally, during the election campaign. The Government had first granted the
550 Financial and Development Secretary a 25% increase and then they followed by linking their pay to the new enhanced salary, giving themselves a higher percentage than was the case in respect of the old salary. As Leader of the Opposition I pointed out that when salaries had previously been reviewed Sir Joshua Hassan had first discussed it with Peter Isola, the Leader of the Opposition, and myself as the sole representative of the GSLP in 1980. The GSD had decided that it should be
555 done by them alone, without any consultation. The reply from the then Chief Minister was that by bringing a motion to the House and the fact that we could speak – he actually allowed us to speak in those days – and vote against the motion, it meant that we were being consulted. That is what he said; it is in the *Hansard*. It is worth remembering what the definition of consultation was with a GSD Government, Mr Speaker. The basic argument for the need to introduce much
560 higher salaries, which reflected the values of the GSD, was explained by the Chief Minister as follows. He said:

The fact of the matter is that it is the Government's view that if as Gibraltar must in its long-term interests, if Gibraltar is going to attract into the field of politics and through the field of politics into these ventures people of the right calibre to govern Gibraltar they have got to be paid adequately, otherwise Gibraltar will be condemned to be governed either by people who have enough private capital to do it on a charitable vocational basis, in other words the stinking rich, or those people for whom a salary of £27,000 amounts to an improvement in their salary which of course was the case with most of the Opposition Members when they became Ministers of Government. It is the view of the Government that it is not in Gibraltar's interest for the categories of people who can afford to go into politics should be limited to that. The point is to give the electorate the choice of every category and not to use quite wrongly the system of remuneration to keep the competition out until eventually people offer themselves, regardless of the conditions to do something about it. The hon Members

– meaning us; I suppose he had no choice but to call us honourable –

are entitled to their views, which of course are as respectable I am sure

– meaning he was not –

as our own but I have not heard it articulated anywhere in Western Europe that those that govern should somehow not be paid a full and proper salary because there is some romantic value under-paying them because somehow it demonstrates their commitment to the people and it demonstrates their sense of sacrifice and their sense of commitment to the affairs over which they are responsible.

565 I would point, Mr Speaker – I am coming now to my voice – that although he tried to wriggle out of it later, the implication of what he had said was clear. This was at the beginning of the term. His message was that the existing system could only attract the filthy rich who were bored and were entering politics as a hobby, or the ignorant poor who would see it as an opportunity to get a pay rise. He went on to say that the second category was the one that had applied to the GSD Ministers in the previous administration. He argued that the word 'ignorant' was my
570 interpretation. Well, if it was not ignorant, in what respect was the GSLP Government of 1988 to 1996 made up of people of low calibre, attracted to becoming involved in politics in order to get a pay rise because we had no expectation of being able to earn £27,000 otherwise? One person

who was probably better off at that point in time was Minister Netto, who I suppose the GSD would have considered a low-calibre candidate, but I do not know if that was also the attribute that they applied to Peter Montegriffo or to the Hon. Mr Azopardi, who were also part of the team – perhaps they were the filthy rich. (*Interjection*) Yes, the filthy rich who were bored! There were only two categories: filthy rich or poor calibre! (*Interjection*)

In 1998, when I pointed out that the normal way we set guidelines in this House was by reference to getting advice from the House of Commons, as had been the case for Members' remuneration in 1979, the response from the Chief Minister was that by wanting to bring an expert from the UK I was undergoing a sudden conversion on the road to Damascus. There seems to be an urban myth within the GSD that I am constantly making trips to Damascus.

Calibre might be the yardstick that the GSD has used in selecting their candidates over the subsequent years, although I cannot say that I have seen any spectacular improvement over the years. I would not be expecting this for the GSLP since it does not classify people in terms of calibre but in terms of political conviction and commitment to the defence of Gibraltar against any possible attempt by Spain to take us over, the qualities that the GSLP requires from potential candidates. Those values and those convictions are not swayed by the size of the pay envelope, but the new value system that the GSD wanted to attract into politics people of calibre is a measure of how much some people need to be paid to be attracted by the opportunity of being involved in guiding our country's future. If it is a question of calibre, political ideology is not relevant in the system; it becomes just another job which pays well and allows you to lord it over your fellow citizens, which in the case of the then Chief Minister clearly was what gave him his adrenaline rush.

If Ministers only do a good job if they are paid enough money, why should anyone else in the public service be any different? That was the seed that led to the dismantling of the parity basis for relativity in the public sector that has had such a negative effect on the total cost of the public payroll. The introduction of the parity principle, which was seriously undermined, enabled people to accept pay differentials between different groups and trades on the basis that the rule was that you were being paid this for doing the same work as in the UK in the public sector, for better or for worse. Since then, with every departure from UK analogues the culture of entitlement has grown by discontent with the creation of internal relativities peculiar to Gibraltar. Why should a police constable earn higher pay at the lower part of an SEO, and not a nurse? Who is more valuable in our society? Well, it depends if we are in the middle of a crime wave or in the middle of a pandemic. How can such a system endure without being constantly affected by never-ending leap-frogging claims which people feel entitled to have met? It was what used to be the norm in the 1970s and was banished by UK parity determining the acceptable relativities. If someone is happy getting £50,000, he becomes unhappy if he sees a fellow worker overtaking him and jumping above, going from £50,000 to £70,000. It happened with the GSD in government and has continued since and is very difficult to put an end to.

The culture of entitlement grew under the GSD, was inherited by us in 2011 and has been growing since. Its most recent and worst example was at the beginning of this month. On Wednesday, 30th June the GSD in general and the Hon. Mr Clinton in particular were condemning the increase in contributions which will be paid as from this month and will go to restore the finances of the Statutory Benefits Fund. The payments, as I said in my interview by way of example, show that 30,000 workers pay insurance contributions and fund the old age pension of some 6,000 pensioners. Failure to raise contributions means having to borrow money and subsidise pensions which contributors of the past have earned with the contributions that went to pay pensioners of their time in the pay-as-you-go system we inherited in 2011, but not the 1996 model, which was to hold reserves that provided investment income and made pensions funding less vulnerable and less dependent on the size of the labour market and the level of insurance payments.

The next day, on 1st July, the GSD Members of Parliament participated in a demonstration which was calling for payments to persons who receive tax-free occupational pensions in excess

625 of £21,000, predominantly retired government employees mainly in previously highly paid
employment with Civil Service non-contributory final salary pension schemes, which they, the GSD
in government, shut down in 2011. This demand, the demo organiser says, is to be backdated as
if the charity that makes payments to persons in need had a legal obligation to pay anyone
anything, and must continue non-means-tested payments until the old age pension for men is
630 brought down from 65 to 60.

Introducing such a change, which Members support, is to increase the cost of what would be
the payment of an old age pension to five times as many men as is the case until now. So, if we
did what the Opposition wanted us to do in supporting the demonstration, we would be paying
pensions from the Statutory Benefits Fund, which has no money, to men reaching this year the
635 ages of 65, 64, 63, 62, 61 and 60 – all this year and at the same time. According to the stance of
the day before, we have to make no increase in the payment of insurance contributions, which
the legislation provides has to pay for the pensions. The policy of the Members opposite who have
previously opposed borrowing to create assets and fund fixed capital formation, even though they
did it in government but they opposed it in opposition, now were going to have to pay recurring
640 expenditure. Is that what they would do if they were in government? Would they be borrowing at
this stage to pay pensioners from the age of 60? The rest of Europe, which like us faces an ageing
and longer-living population, is going in the opposite direction and raising women's pensionable
age to 67, not reducing men's pensionable age to 60. I have to tell my good friend Roy Clinton that
I am disappointed that he should have participated in this blatantly obvious farce which destroys
645 any credibility he might have and indeed did have, in my eyes, for commitment to prudential
public finance policies. How can we be prudent in reducing the age for pensioners, in not raising
contributions and in borrowing more money than the money we are having to borrow already –
£1 million a week? The GSD has blown hot and cold on the question of public expenditure and the
entitlement culture to the point of being almost psychotic.

650 I have also recently undertaken the additional responsibility of Minister for Social Security and
my first responsibility was to put into effect an increase in Social Security payments, which had
not previously been raised since 2018. Mr Clinton made the point, in a public statement, that it
was the first act I did in my additional duties. I hope that does not mean that he believes or is
trying to persuade others to believe that the reason for increasing is the fact that I have been
655 given the responsibility for Social Security, which of course is not the case because it is the
implementation of the policy of the Government, with which I entirely agree of course but it would
have been done whoever was the Minister.

The rates of Social Insurance contributions are not government revenue, as every Member of
this House knows. The money that is paid in Social Insurance contributions goes directly into the
660 Health Authority as to 70% and directly into the Statutory Benefits Fund as to 30%. This has always
been the case, except in one particular year when the GSD broke the legal limit for the maximum
public debt and, to restore the ratio, they retrospectively legislated for the contribution to go into
the Consolidated Fund and out of the Consolidated Fund before it went to the GHA, and it has
continued since then like that.

665 The Social Insurance Pension Fund has been facing a potential crisis similar to the one faced by
the revalued pensions for pre-1969 frontier workers for years without the issue being addressed
by the GSD. I will give some details of the pre-1969 frontier workers situation later on.

The Statutory Benefits Fund, the current version of the Social Insurance Fund, has since its
creation received the Social Insurance contributions. These are not taxes, have never been taxes
670 and have never been credited to the Consolidated Fund. I hope the hon. Lady by now understands
how this works and that the statement from Together Gibraltar which says the opposite reflects
the ignorance of whoever wrote it, and not hers. I will read the statement and demonstrate its
inaccuracy:

Together Gibraltar says the Government's recently-announced increase in social insurance payments amounts to a
regressive tax,

675 – actually, it is not regressive and it is not a tax –

and damages an already battered private sector – adding any such measures should have involved consultation with the Federation of Small Businesses and the Chamber of Commerce. In a statement on the changes – which are set to come into force from the 1st July – the Opposition party says it believes that given the damaging effects the pandemic has had on the Rock's economy, it is not the time to increase social insurance payments.

– but just to increase Social Insurance pensions; of course, that goes without saying –

Together Gibraltar says the Government's assertion that those on the minimum wage will not be affected is 'disingenuous', as the rise will affect a large number of employees in the bracket only marginally higher – adding these numbers are especially high in the most troubled sectors, such as retail, wholesale and hospitality.

It also describes as disingenuous Sir Joe Bossano's argument that social insurance payment are used to pay pensions and healthcare – arguing that most government revenue is collected into one pot, and that therefore, if any expenses in healthcare happened to exceed the revenue from social insurance, the Government could source funds from other parts of the budget.

A budget which is in deficit, of course.

680 A tax, for those who do not know, is something we all pay to finance the provision of public services and pays for the salaries of public servants, government contractors and procurement of supplies. With Social Insurance, if you do not pay you do not receive a pension. The more contributions you pay, the higher the pension you get. These are not the characteristics of a tax. These are insurance premia, just as you contribute to an occupational pension scheme. If you do
685 not pay your taxes you can be prosecuted, but if there is a fire in your house the Fire Brigade will still come to put it out, notwithstanding that you have not paid your taxes. I hope this assists Together Gibraltar to understand the difference.

Not only is it not a tax, it just cannot be regressive if it is a percentage of earnings, because the higher the earnings the higher the contribution, though the cap can be said to be regressive and
690 that is what has been made less regressive by the increase.

There are, according to the Employment Survey reports, 29,516 employee jobs, of which 18,105 are above the cap and would pay more if the cap was at a higher level than the £363 weekly income. Of the 11,411 with incomes below £363 a week, 4,089 are between the Minimum Wage and the £363 and are affected by the increase in the cap. So, the cap increase affects 4,089 and
695 there are 7,322 at the Minimum Wage or below because they work less hours and have lower earnings. That group is not affected by the increase in the cap. That group gets a pay rise by the increase in the Minimum Wage and they pay more insurance because they have higher pay. They would have paid the same higher level of insurance if there had been no movement in the cap.

The increase in the voluntary contribution eliminates the regressive nature of this contribution where the amount paid was lower than the rate paid by employees who were cross-subsidising the persons making the voluntary contributions, because the workers are paying £36 and the payment by the people who were paying voluntary contributions was £15 and has now been put to the same rate as the workers are paying. At the previous rate of payment of the volunteer contribution, if we compare it with, for example, the purchase of an annuity to understand how good or bad an investment it was, was the equivalent of being able to buy an annuity that gave a rate of 22%, and at the increased rate the comparable rate of an annuity would be delivering a return of 9%. The best annuities you can get in the United Kingdom now produce a return of 5%, so even at the new rate there is a 9% return on your money on what you are going to get in higher pensions, and before you were getting a 22% return on your money on what you were getting at £15.
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In terms of what it buys in pension increases, this depends on how many employee contributions have already been paid, with the lower the number of contributions already paid the higher the benefit obtained. At the old rate of voluntary contributions, the contributor would get his money back from a higher pension within a time range of between six months and five and
715 a half years. So, he pays his £15 and when he gets his pension, six months later he has already got

his £15 back, if he has very few contributions. The average is the figure that I gave before of the percentages and this is the range between the people who benefit most and the people who benefit least. The more stamps you have already paid the less effect the ones you buy have, clearly. The position with the new rate is that instead of six months and five and a half years, they will get their money back in a period that ranges from one year to 13 years. Since almost everybody's expectation now, with the present life expectancy for men, is that when you retire at 65 you still have 15 or 20 years in front of you, nobody will lose money by paying the contribution at the rate it is at now. There are 232 voluntary contributors out of the eighteen thousand and whatever it is currently, and I have asked the Department to do an exercise to see what their personal circumstances are, to consider if any adjustment is required in any individual case. Any new volunteer contributor will be paying the new rate.

The Social Insurance Fund has been having serious problems of long-term funding as currently structured. This has been the view of the GSLP for a long time and explains why we are committed to deliver a new Social Insurance scheme in which the ages of the beneficiaries would be equalised, which is what our manifesto says. The new scheme cannot be prepared, let alone delivered, until we know what our relationship with the EU will be as a result of the Schengen access agreement. If there is an element that deals with the Social Security arrangements for EU workers, then it will mean that what we are able to do will be constrained as opposed to what would be the case if such a condition is no longer applicable. We are not going to do anything until we can deliver a system that will protect future generations, which is the responsible approach to take on what is a long-term intergenerational issue. At present, young people still working pay for the pensions of those who are retired. That is not a system that can survive and it is not how the scheme was intended to work initially. I illustrated in a recent example that I gave that as it stands at present, every additional pensioner added to the expenditure requires five new workers added to the workforce to contribute to the revenue, or if the increasing number of workers is not happening, as is the case now, then it would mean that future increases in contributions would have to be higher by the remaining working population.

The future of the pensions provisions that we make that are statutory is linked, and has been linked since 1989, with Community Care, so I will now deal with the issues of Community Care and aspiring community officers. The role of Community Care in protecting the standard of living of our senior citizens seems to have been forgotten by Members opposite, in spite of the fact that in government the party they represent acted in a totally disgraceful way, pretending to uphold the survival of the charity whilst planning its demise, as was revealed for the first time in an interview published in the *Chronicle* on Thursday, 17th July 2010. I quote what the then Chief Minister said:

For example, on the pensions and Community Care the complete abuse of a statement by the Leader of the Opposition

— me —

that the Government has allowed Community Care to run out of money.

— completely abused to say that —

He did not say that as a matter of bookkeeping. He said that to transmit to the elderly of Gibraltar the view that the Community Care payments may be in jeopardy, which he knows to be a complete and utter lie. But did he have any reluctance to worry elderly people in Gibraltar? No. It has been the Government's policy for 15 years

— 15 years of promising in this House to protect Community Care and 15 years of a policy being implemented —

to run down the fund in Community Care

– the lie that I am supposed to be selling –

So that he says we can make alternative and better arrangements.

755 And we welcome the better arrangements, but we do not know what they are. He says:

Does that mean that anybody's payments are in jeopardy? No.

So, he is telling us he has got better alternatives, better arrangements and everybody is going to be paid the same as they were being paid before. Okay.

760 I know they have since then disowned the policy of getting rid of Community Care, whilst in opposition after 2011, but they spent from 1996 to 2009 denying whilst in Government their plan to close down Community Care – that is until they owned up and admitted that they had been planning and doing it from 1996 to 2010.

765 I also know that they frequently claim they are not responsible for the actions of the GSD in government, except when it suits them, as was recently the case when Mr Bossino, who aspires to be the next leader of the GSD, told Parliament that he was proud of the GSD's record on tourism, as if he had had anything to do with it. I will not set out to demonstrate that even in that area there was little done to be particularly proud of, because what I want to establish is simply that the link with the past performance of the GSD Government is there when it suits them.

770 Much of what I am about to say is and was in the public domain already, and of course because of my long involvement I sometimes take it for granted that others in this Parliament, or outside it, while organising petitions, know the past and choose to ignore it. However, it is quite possible that there are people out there who have no idea of the past and are making false statements out of ignorance rather than malice, and I am prepared to give them the benefit of the doubt by putting the record straight.

775 It is also the case that much of what happened in the past in relation to the funding of Social Insurance old age pensions is very relevant to understanding what is happening now and what the future may hold. The creation of an old age pension scheme was the work of the AACR Government in 1955, following on the United Kingdom National Insurance Act 1948. At a later stage, collection for the Group Practice Medical Scheme contributions was added. The Old Age Pension Act was passed and created a scheme that was always intended to be self-funded with the revenues kept separate from the Consolidated Fund, legally held for the purposes of the Act and not available to Government to be used for any other purpose. The requirement of the Social Insurance Fund was subject to periodical actuarial reviews, usually five years, to establish the level of contribution that was needed to maintain its self-sufficiency and generate a surplus, as that would create a reserve which was considered by the actuary to be at least the equivalent of one year's estimated payments. That would be over £30 million now. That was considered to be the prudential level of reserves. So, those who say that this is simply a tax that the Government can use for whatever they want do not know what they are talking about. Given that the same system has been in place for 66 years, there is no excuse for not knowing this.

790 It was precisely because it was not part of the Consolidated Fund, where all taxation receipts go, that there was a special fund and a Spanish sub-fund made up of the contributions made by the withdrawn frontier workers with payments from 1955 to 1969. The total amount contributed by each worker was of the order of £38 each in the whole of the 14 years – under £38, actually. Based on their contributions, on paying the £38, they were then entitled, for the rest of their lives after retirement, to a maximum weekly pension of around £1 a week for a single person and £1.50 for a married couple. These were exactly the same benefits payable to Gibraltarians with the same contributions at the same time.

800 In 1973 the Social Insurance Ordinance was amended to give annual pension increases for those contributors who continued to work in Gibraltar and pay Social Insurance. The contribution rates and the pension payable for this second category was raised every year. The Spanish workers

did not contribute because they had been withdrawn by the Franco government. The Government of Sir Robert Peliza offered to transfer the accumulated fund of the Spanish workers, which was estimated to be about £4½ million, and their accrued rights to the Spanish government – well, no, it was £4½ million much later; at that time it would have been much less; at the beginning it would have been, probably, £1 million or £1½ million – but this offer was rejected by Franco and criticised by the AACR Opposition, who then, when they were in government, tried to do the same thing as Bob Peliza and offered it to the Spanish government, and that was also rejected.

The 1973 amendment which was made by the AACR, however, provided for pension increases for resident workers in Gibraltar who had not contributed to the pension fund at the new increased rates post 1969. So, we had the post-1969 contributions being increased after 1973 and providing increased pensions and increased payments for people who were retiring with 1973 contributions. People who had retired with pre-1973 contributions – in the case of the Spaniards, pre 1969; in the case of the Gibraltarians, between 1969 and 1973 as well – were getting the pension at the old rates, the rates that had never been increased. The number of Gibraltarian pensioners in this category claiming on the basis of residence because they did not have more contributions in the new system was minute.

In 1985 the Frontier was reopened following implementation of the Brussels Agreement. The Spanish government informed Spanish pensioners at the time that they would be able to collect their Social Insurance pensions at the 1969 rate of £1 from February 1985 and that this would be revalued to the level payable to resident pensioners in January 1986 when Spain joined the European Union. The GSLP in opposition proposed confidentially to the Government that the Social Insurance Ordinance be restructured to avoid the liability that would arise and which the fund was incapable of meeting. The Government of Gibraltar under Sir Joshua Hassan rejected the solution on the advice of Sir David Hanney, who said it would go against EU law. This advice was incorrect. 'Sir David Hanney was Margaret Thatcher's Mr Europe,' Joshua Hassan told me – how could I know more than him? Well, I did not know more than him but I knew in whose interest I was working, and that was Gibraltar's and not the UK's.

In December 1985 at the Brussels negotiating sessions in Madrid, even though the AACR was saying in motions here in this House that there was no connection with Brussels on the pensions saga, Sir Geoffrey Howe agreed with his Spanish counterpart to pay revalued pensions to former Spanish workers from 1st January 1986. They had not previously cleared this with Sir Joshua Hassan, who was present at the negotiations and who issued a public statement subsequently refusing to accept responsibility for this. An agreement was reached with the UK by the AACR, under which consultants were engaged to produce a report to examine how the Gibraltar Social Insurance Scheme could be refinanced to meet the liability and the ODA contributed some £15 million to meet the payments for the period from 1986 to 1988 – when another election was due and we were expected to win, so it would become our problem. The GSLP included a manifesto commitment in that election that it would not contribute one penny of Gibraltar's money to finance Spanish revalued pensions and campaigned in the 1988 elections on this basis and won on this basis.

The consultants' report commissioned by the UK simply came up with the self-evident conclusion that the liability, running then at £8 million a year, could be met by large increases in Income Tax or Social Insurance to be paid by the Gibraltarians. Immediately after the election I held meetings with Baroness Linda Chalker – a very good friend of mine subsequently – the Minister responsible for Gibraltar, and this was the first policy conflict of many over the pensions with the UK government.

The amount allocated to meet the pre-1969 revalued pensions which had been provided by the ODA proved too little and the first demand from the UK was that Gibraltar should pick up the tab and start paying after July 1988, when the funds available were exhausted. The UK wanted us to pay all of it. They said they were not putting in a penny. I remember in one of the conversations that we had that they said they would simply stop payment and there would be riots in La Linea. I said, 'Well, I suppose La Linea and Gibraltar are 5,000 or 2,000 or however many miles from you –

and it is the same, we are equally distant from you – but I can tell you that if I pay, the riots will be in Gibraltar, and if I have to choose I will choose the La Linea riots, which are a million miles away, as far as I am concerned.’ So, then they said they would be prepared to pay, but they wanted us to make a contribution because they said that we should pay £1 million, which the AACR had offered to contribute, even though they considered it was not enough and they were already generous to allow me to do a deal with just £1 million, and I was told that since that had been a commitment of the previous Government, which had put £1 million on the table, I had to honour it. My reply was that from the Opposition I had been saying not one penny, that I had a manifesto commitment saying not one penny, and that when the people voted for us they had removed the £1 million from the table and now there was not even one penny left on the table. So, the ODA diverted funds which had been voted by the UK Parliament to assist Gibraltar’s infrastructure projects a long time before and which the AACR had failed to spend and was still sitting in the ODA account, and used it to avoid ending the payments in August 1988. This was done, by the way, without the agreement of the GSLP Government, but we could not stop it; it was their money and they had it in their account.

The UK agreed to continue the payments beyond 1988 but attached two conditions. Pension levels would be frozen at January 1989. They had some argument, with some logic when they put the argument – some logic, not all logic because they were responsible for the whole business by giving the wrong advice to the AACR in the first place. They were saying, ‘If I am paying the pensions and you are deciding the increases, what is to stop you deciding tomorrow to double the increases and I have to pay? I will pay the pensions as they are when we agree, which means if there are increases you have to pay the increases to the Spanish pre-1969 workers because you cannot just increase it for the Gibraltarians.’ There was some logic in their analysis that we would have the freedom to impose on them what they had to pay.

In any case, we had no choice. Either they stopped paying altogether or they were willing to take on the responsibility for a period of five years. The first condition was that it was frozen and the second condition was that the Social Security system had to be dissolved – we had to scrap the 1955 Act and have no Social Security system – and that the balance of the accumulated fund would be distributed, with the UK paying pro-rata lump-sum payments to Spanish pensioners when this happened in December 1993. An insane proposition. As a Government, when you are negotiating, sometimes you have no choice. What was the alternative? The alternative would have been perpetual war with our neighbours, who would have blamed Gibraltar for them not getting a pension that the British government was prepared to keep on paying them. The UK actually informed the Spanish government of this proposal and the EU Commission, and nobody reacted. It seemed that only we were horrified at what they wanted to do. They thought it was quite normal, the Spanish government thought it was normal and the EU Commission thought it was normal.

In 1989 the Government established a Social Assistance Fund, which was entirely funded from the proceeds of import duty. The fund’s objectives included the making of grants to charitable organisations. And in 1989 a charitable organisation, Gibraltar Community Care Ltd, was set up by a number of individuals, not by the Government. It introduced a household cost allowance for assisting persons living in Gibraltar whose cost of living was and is and will continue to be much higher than those who live across the border. The housing cost allowance was paid in December 1989 at the rate of £26 per quarter for a single pensioner and £39 per quarter for a pensioner couple, irrespective of the existing level of pensions from the frozen Social Security system. Therefore, whether you got the full pension or the minimum pension, you got the same payment. There was no link to the contributions or to the size of the pension.

The structure that was to replace Gibraltar’s Social Security system post 1993 was the subject of discussions with the United Kingdom, which were never ending. At first the UK experts insisted that there could not be a state-run Social Insurance successor in Gibraltar based on Social Security legislation, as this would be caught by EU regulations and be seen as a device to discriminate against the former Spanish pensioners by ending their pension entitlement but reinstating a

905 pension entitlement for Gibraltar pensioners. They insisted that each pensioner and each worker contributing to the scheme up to December 1993 would receive a lump sum after the dissolution of the Gibraltar Social Security system and that this lump sum would be transferred to an occupational private sector pension scheme, which would be a money purchase scheme.

910 After innumerable meetings and considerable work to try and meet the UK's demands, the advice was reversed. The UK experts then decided that a private sector occupational pension scheme would not do, as it would breach the UK's requirements with aggregation and apportionment of Social Insurance pension rights based on contributions made in different member states, and the Gibraltar Government was told it had to replace the existing system with a state-run public sector successor scheme, which was what we wanted to do in the first place but
915 which they said we were not permitted to do. It shows that this reliability on the expert advice that they produced, which had been the source of the problem in the first place, was not advice as ... We were dealing with people who never made mistakes – they made colossal mistakes throughout.

The public sector scheme would then operate only on the basis of contributions made from
920 1994, without any credits for persons who had not retired but had been contributing under the scheme up to 1993. Let me see if I can explain that. The Spanish pensioners are the people who were withdrawn in order to cripple our economy and bring us to our knees in 1969, and they paid £38. In Gibraltar we had the two-jobs society, we tightened our belts, we did everything we needed to, the UK gave us some money and we kept on going with a closed Frontier and kept on
925 paying insurance. Now, because they decided at a meeting in Brussels – I mean the Commission – that we had to pay the people who left and paid £38, not £1 but the £38 that has been earned by the contributions of other people subsequently, in a bill that is £250 million – that we had to pay the £250 million was a physical impossibility; not even I can produce that kind of money – or we had to, first of all, not have a Social Insurance scheme, which everybody else had, which they had
930 had since 1948 and which we had in 1955, or we had to have a money purchase scheme ... And then they did not say, 'This is a wrong thing to do, this is immoral what we are doing to these people.' They said, 'The EU won't let us do it. No, you have to have a Social Insurance scheme, but all the insurance that you paid between 1969 and when we put the new one in, in 1985, all that money, all those contributions will not count in the successive one of January 1994. They will stop
935 paying in 1993. Everybody will then get their money back' – which was going to be distributed, or now their money back which has to be put in a separate fund and will not be used to [inaudible] So, people who were, say, 64 in 1993 would have had one year to pay for the new pension, because what had been paid in 1993 could not be counted. That was their second brainwave.

On the suspension of the pension payments the Spanish pensioners were informed that in
940 accordance with the 1989 UK-Gibraltar agreement accepted by the Spanish government at the time, they would receive lump-sum payments. Let me tell Members an interesting anecdote about what happened when that took place. I mentioned, in relation to the accusations from the Hon. Mr Bossino, that I am against co-operation, and I was against Brussels because I am against co-operation, and that we had set up a council which included Ceuta and that Ceuta was where we
945 had the last meeting. When we were in Ceuta and we had the last meeting I warned Pepe Caracao and the other leaders of the municipalities, 'The UK government is now going to remind the Spanish government what they told them five years ago, which is' – this was in December – "This is the last month that you can pay pensions." Since most of the people who were frontier workers are in your municipalities you are going to get a reaction, so I am just giving you a friendly warning,'
950 in this cordial co-operation council that we had, 'that this is going to happen.' Since we were having this meeting in Ceuta, I said at the end of the meeting, 'Off the record, not on it, I can tell you this is happening now in Madrid, so you had better think how you are going to deal with it. This is something that the Spanish government has known for five years and the EU has known for five years.' I came back here and we had a meeting of the House, and the then Leader of the
955 Opposition asked me how the meeting had gone in Ceuta. I said, 'It went very well. We are very optimistic that we can do lots of things together.' He said, 'How is it that Sr Caracao has just been

interviewed as President of the Mancomunidad and said that the work of the Our Lady of Europa Co-operation Council is now finished, that they are all withdrawing their participation in it because you kicked him in the shins under the table in Ceuta?' I said, 'I didn't kick anybody in Ceuta at all.'

960 This is what politicians are like. I gave the guy a friendly warning and then he came out with this. It is all in the record of *Hansard* if anybody is interested in looking it up. That is what stopped the co-operation. The co-operation stopped because the politicians in the municipalities had to make some gesture to defend themselves and show anger at the action of the United Kingdom, which was totally irresponsible, of course, but in January people were left without pensions, there and

965 here.

The Junta de Andalucía then instructed all their pensioners in the Campo area not to accept the lump sum and advanced loans to them equivalent to the level of pension they were getting for the five years between 1988 and when the pensions were closed. So, I did the same. We did the same in the Government. What the Andalusian government was giving to the Spanish

970 nationals we gave to the Gibraltar pensioners. Therefore, the UK had triggered what their plan was but the trigger failed because the Junta de Andalucía took compensatory action to protect their pensioners and obviously we did exactly the same, and they could not stop me doing it – because how could they defend that I could not do for my pensioners what the Junta could do for theirs? – but it meant that the money that was supposed to be given back to the pensioners as a lump sum to get rid of the problem was never distributed because it was not accepted.

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The situation then was that, on instructions from the Junta de Andalucía, the bulk of the pensioners refused the payment, they gave them loans and the UK then was faced with a problem at the EU level. The UK argued that they had no obligation under EU law to keep paying Social Insurance pensions for life or at any given level. The Spanish pensioners argued that there was a

980 legitimate expectation. Well, I do not think there was a legitimate expectation in the first place, but certainly by giving it to them in the Brussels meeting at the beginning the expectation was created that once you start paying the pensions they are for life.

The Spanish pensioners commenced legal action against the Government of Gibraltar, funded by the Andalusian government, using the Chambers of Messrs Triay & Triay, which at the time had

985 Peter Caruana as partner. The Gibraltar Government was alleged to be discriminating against the Spanish workers on the grounds that Community Care was continuing to pay Social Security pensions – which it was not – which had been suspended in the case of the Spanish workers. So, the Andalusian government were giving loans, or we were giving loans, and they thought it was not that we were giving loans but that Community Care was giving pensions and that that was

990 why people here were happy with the system. There was absolutely no substance in this allegation since the pensions had been suspended for both Gibraltar and Spanish pensioners and Community Care Ltd had been giving the household cost allowance since 1989. So, it is not that they started doing it when the fund was closed; they had been doing it all the time. It was not from 1994, at the time of the suspension of the pensions, as they thought.

In 1994 the EU Commission took up the question of the dissolution of the Social Insurance Fund with the UK government as a result of receiving complaints from Spanish pensioners who at the time were in receipt of temporary loans from the Junta. The UK government refused to provide the Gibraltar Government – us – with details of its exchanges with the Commission and copies of the correspondence, claiming that these matters were confidential. They expected us to pay, but

1000 it was confidential and we could not know what was going on.

By October 1995 the Commission issued a reasoned opinion against the UK on the grounds that the decision to dissolve the Social Insurance Fund was in breach of EU law. The initial position of the UK on the replacement of the occupational private sector pension system was also considered by the Commission to be against EU law. The UK's position at first was that they would

1005 defend the decision before the European Court of Justice on the basis that there was no obligation to have a state-run statutory Social Insurance system or to have a given level of pension rates, that this was up to each member state to do as it pleased and it was mandatory under European

law. However, early in 1996 the UK capitulated when faced with imminent infraction proceedings and decided to restore the frozen pension system.

1010 This history shows a relationship of struggle with the British government where consistently the Government of Gibraltar is proved right and the UK government is proved wrong, capitulates and changes its position – and we were supposed to be the aggressive side in that relationship in the campaign that the GSD had against us.

1015 They decided then to restore the position which had been terminated in 1993 and which had operated in 1989. In the course of meetings I was asked to agree to restore the frozen Social Security pensions, backdated to 1994 – which I had no problem with since I did not want to freeze them, to close the system in the first place. This was done to contain the 1988-93 cost to £50 million, as opposed to the £250 million that the whole thing would have cost if these steps had not been taken. So, now we were being told, ‘Okay, no lump sum. We are going back to the
1020 pensions, but now we do not just want them frozen for five years, we want them frozen until the last pre-1969 pensioner dies.’ Well, that would have been a very long time because there are a lot of stories about guys having their fund preserved, after then, to come and have a fingerprint here and still claim their pensions, so it could have been much more than £250 million.

Naturally I refused to give any such undertaking, so the United Kingdom said, ‘We will restore
1025 it on this condition,’ and I said, ‘I do not accept the condition.’ The United Kingdom position was that they would not proceed with paying for the restoration of frozen pension payments until this matter was cleared up. So, here we were. They said, ‘This can be done.’ They said, ‘We are going to fight it in the European courts,’ and then they said, ‘It cannot be done. The European court is right.’ They told us, ‘Freeze and close down.’ Then they said, ‘Unfreeze and come back, but keep
1030 the new one frozen forever.’

I had agreed to a text of a letter provided by them as to the commitments that they would require prior to this question of the household cost allowance being raised, but would not accept that the letter should be amended to include any reference to the payments by Community Care. My position was that since they were saying there was no legal obligation to continue with the
1035 frozen pensions they should go ahead and let the Commission commence infraction proceedings and defend themselves in the European Court of Justice using the arguments in the court that they had been using with me to persuade me in 1988 to agree to the dissolution of the system in 1993.

Following the 1996 General Election, in the Official Opening of the House of Assembly, in my
1040 statement as Leader of the Opposition I made these facts public, and then, later in 1996, the new Government brought legislation to the House of Assembly to restore the frozen pensions backdated to 1994 and claimed that there had not been any negotiations on this matter with the British government and that they were simply giving effect to what had been agreed with me, which was something that had not been agreed with me because they had refused to accept my
1045 condition to keep Community Care out. Apparently, without any effort on the part of the GSD they agreed with the GSD to leave Community Care out of the equation.

Having given this level of detail, Mr Speaker, let me now summarise how I see the essence of the detailed explanations I have shared with the hon. Members opposite and what this indicates about how they behaved in this context.

1050 In 1992 Community Care was providing support to pensioners and widows and was asked by Minister Robert Mor to introduce a scheme for over-60 unemployed men willing and able to work but not finding a job because of competition from younger applicants in the labour market, what he called a ‘social wage’, which meant that rather than people depending on social assistance, those in need provided useful duties in the community and received the equivalent of a part-time
1055 job on the National Minimum Wage, which had been introduced in 1989, doing 80 hours a month of community duties. This is what started in 1992 and continued after 1996 until 2008 – 16 years, most of the time under the GSD. It was changed after 2008. In 2008 Community Care was asked by the GSD Government to extend it to everyone, whether working or not, with an income from

work, but not from occupational pensions, below £15,000 and not above £20,000, otherwise you were debarred. So, you had to have less than £20,000 and £15,000 or more as a minimum.

By 2009, as a result of the change it grew so big that the charity could not provide enough community duties to those they paid, and reduced the requirement from 80 hours a month to eight. At the same time the GSD had been planning all the time to close down Community Care by letting it run out of money, as was revealed in an interview in the *Chronicle* in 2010 and had set up a committee to stop funding the charity and pay a statutory benefit system to have means-tested HCA or some other product.

The GSD Government set up a committee of senior civil servants in 2009 and announced their plan as government policy in the New Year Message of 2010, in a lengthy interview in the *Chronicle* and in the Budget session in the House. They defended the policy on the grounds that it had to be done to protect government finances from claims for equal treatment from frontier workers which might be legally successful and create a liability on public funds described by the then Chief Minister as a ticking time bomb. The Government was not willing to provide the Opposition with any information of how this was going to be brought about. The implementation date was delayed, and during the election campaign of 2011 they confirmed it was ready to initiate in January 2012. In opposition, former GSD Ministers claim not to know anything about these plans, even though they were candidates in the election that contained the commitment. In 2015 they announced a change in policy and said they would continue the present system of funding for Community Care.

We were elected in 2011 and started re-funding Community Care, which had no reserves when we came in. Therefore, when we came back and provided the funding, Community Care continued simply with the policy that the GSD had asked them to introduce in 2009. They found themselves with money. We did not tell them what they could use the money for or not use the money for. The result was that in the last eight years the charity has dished out almost £40 million from funding we provided in a scheme that was originally designed by us to help those in need. The recipients consisted of practically the entire male resident population between the ages of 60 and 65, including a former Chief Minister ... a former Chief Secretary – close to the Chief Minister – receiving £6,000 a year from the charity for supposedly doing some community service for eight hours a month. It is to perpetuate that that the Members marched.

From day one the charity has been funded from the receipt of import duty, initially directly and later with the payment approved through the Social Assistance Fund but identified as to the source. This has been seen by both GSLP and GSD Governments as necessary to prevent anyone claiming an entitlement as a taxpayer or contributor to Social Security. We have known all the time that the word 'entitlement' was lethal. We knew it and they knew it.

So, the GSD wanted to close it down in 2011 because there was a risk of challenge, changed their mind in 2015 agreeing there was no risk, and in 2021 took part in a demonstration on the basis that the payments from the charity are an entitlement which forms part of the statutory pension system, creating the very risk that their Chief Minister said he was trying to avoid in 2010 when they believed it was there. Mr Speaker, you could not make this up.

Let me spell it out for the Opposition. What they are supporting is for community officers ... and what the lady hon. Member wishes to extend to everyone who has paid 50 contributions to our Social Security system in their lifetime, making it legally binding to make payments from the age of 60, for which there is no funding and no funding is ever likely to exist, which will probably finish costing more than the Spanish pre-1969 pension claim. The decision of the Members opposite to publicly support the argument of entitlement of persons who have retired from work, some voluntarily as early as 50, who already at the age of 50 knew they would be facing hardship at the age of 60 in the future if the system was not continued ... I wish I knew these guys. They are better than me at predicting what is going to happen. I have only got a four-year span. And then the decision of the Members opposite is to publicly support this argument of entitlement of persons who have retired with incomes of seven multiples of the National Minimum Wage, convertible or converted into six-figure lump sums. It is the most irresponsible, incomprehensible

and dangerous behaviour I have witnessed from elected Members in my 49 years of membership of this Parliament. It is a level of insanity without parallel, inexplicable and indefensible, to put our country's future at risk in order, presumably, to obtain some electoral advantage – because there is no other logic to this.

1115 If they were in government with a policy of delivering what they are now promising, which of course is not necessarily what they would do because for 15 years they promised to protect Community Care and they were making false promises, and instead of ensuring its survival they were planning its disappearance secretly for 15 years ... But at least Sir Peter Caruana, who was guilty of that deceit, eventually came clean, went public and explained why he was doing it.

1120 Let me remind the present Members of the GSD how the GSD Government planned to close Community Care. In the last quarter of 2009 the GSD Government set up a working party, which was formed to brainstorm ideas for the possible reform of the Social Insurance and Social Assistance systems. The working party consisted of the following participants: Dilip Dayaram Tirathdas, Financial Secretary; Mario Gomila, Principal Secretary DSS; Frank Carreras, Commissioner of Income Tax; Marie Carmen Davitt, DSS SEO; and Stephanie Saez, DSS HEO.

1125 The agenda included the following items: Gibraltar Community Care current benefits; Gibraltar Community Care cashflow statement; current Social Insurance benefits and Social Assistance payments; Statutory Benefits Fund current position and year-end projections; Social Assistance Fund current position; background information on criteria for inclusion of benefits as special non-contributory benefits (SNCBs); Council Regulation (EC) No 1408/71; introduction of new special non-contributory benefits.

1130 The party that had been empanelled by the GSD Government considered the following options. The existing Community Care benefits could either be *discontinued* in February 2010 when the Gibraltar Community Care ran out – so I was scaremongering was I? – or, alternatively, the payment of these benefits could be closed to new applicants only – the applicants only? isn't that what the people with the placards are complaining about? – and continue to be paid to existing beneficiaries – isn't that what Community Care has done? – on a closed-scheme personal-to-holder basis. Some transitional arrangements in the winding down of these schemes would also need to be considered. New benefits would then be introduced to enhance the basic state pension – the old age pension – in the form of SNCBs. A system of tax credits could be introduced for the over-60s. The existing pensioners' utility grants could be extended to cover the costs of electricity, water and telephone charges.

1135 Other areas of possible reform were looked into, as follows: the streamlining and simplification of the benefit systems under the Social Insurance and Social Assistance Schemes and the possibility of transferring some functions related to unemployment benefits in order to minimise duplication of work. They took into account that the qualifying period would continue to be 45 years for men and 40 years for women.

1140 In relation to the issue of the benefits currently payable by Gibraltar Community Care, the following was discussed: the possibility of integrating these benefits within the Social Insurance Social Assistance Scheme or replacing some or all of these benefits with other payments or benefits that could be classed as non-exportable under EU regulations. The integration of the Gibraltar Community Care benefits within the Social Insurance Scheme would increase the liabilities of the Social Insurance Scheme significantly. This is because state pensions are exportable and insured persons who work in Gibraltar for just one year are entitled to a pro-rata pension. Alternative benefits that would not be exportable or that could be classed as SNCBs were therefore considered to be more appropriate. The requirements under the relevant EU regulations were looked into in order to establish that these benefits were non-exportable. In order for a benefit to qualify it would need to be a cash benefit, non-contributory, funded out of general compulsory taxation, not based on aggregation of periods of employment or contributions and based on an individual assessment of financial need. Does anybody really think that that individual assessment of financial need would not apply to all the people who are now complaining? This was being planned in 2009.

The party submitted a report on 18th December 2009. That was the secret plan initially to be delivered before the 2011 General Election and then deferred to be implemented after Chief Minister Caruana said there was a ticking time bomb and, as long as Community Care existed, because its charitable payments could be challenged the challenge might be successful and the UK this time round would not pay and Gibraltar would face a massive bill.

But what the present Leader of the Opposition and the rest of the GSD have just done by supporting the campaign, the arguments and the demonstration against Community Care, is a thousand times worse than what Chief Minister Caruana did. They have just legitimised what we have spent 32 years trying to protect Community Care from. The Members opposite told us in 2015 that they knew nothing of this, which they were committed to implement if they were elected in 2011. That is why I have difficulty in believing it. If they knew nothing, why didn't they ask? It was being said publicly. How can you be a Minister and hear publicly that Community Care is not going to be there after the election and not ask the person who is telling you, 'How is that going to happen?' I was asking. None of the Ministers were asking.

This Policy was reflected in the Chief Minister's New Year message, which included the following passage, which shows the connection:

When in 2007 the UK paid the pensions claim of pre-1969 Spanish workers

– that is to say the final settlement of the £250 million bill, which was part of the Cordoba Agreement –

based on their challenge to Community Care, which Gibraltar has always told the UK was its responsibility, the UK has made it clear that Gibraltar would have to meet the financial cost of any successful EU challenge by post 1969, i.e. current Spanish workers in Gibraltar, who eventually might make the same claim.

That was in Peter Caruana's New Year Message.

Whatever we may think of the merits of such a claim, it represents a financial time bomb ticking under our children and grandchildren in the future, for which they will have no recourse to the UK. I am not willing to bequeath this potentially lethal legacy of a massive and unaffordable backdated claim to our future generations, and so, this year the Government will, as I said at Budget time, introduce significant reforms to protect Gibraltar from this possibility. This reform will not result in financial loss to our pensioners or recipients of Community Care."

Well, Mr Speaker, I am not willing to bequeath this lethal legacy of massive and unaffordable backdated claims to our future generations either. I do not believe what was there carried that risk. I believe that what is being done now does carry the risk because, before, there was not one Gibraltarian saying it, it was all being said by people on the other side, but now there are Gibraltarians saying it, there are elected Members saying it, there is the Official Opposition saying it and there is a letter to the Governor saying it, no doubt for the Governor to relay it back to the UK.

How can a Chief Minister deliver a New Year Message like that and his Ministers not have a clue what it is all about, on something which the Chief Minister says is so serious that it is an unforgivable act of irresponsibility? That is what he told me – it was unforgiveable and irresponsible of me to not give my support – and all I was saying was, 'I will support you if you show me how you are going to do it.' I was not saying, 'I will not support you'; I was saying, 'I will support you, but you have to convince me.' It was totally responsible.

In 2015, Mr Feetham, as Leader of the Opposition, brushed aside all my arguments and said it was just a change of policy – a change of policy from believing it was a ticking time bomb to believing it was a damp squib, not dangerous at all. Some change in policy – what the Hon. Mr Bossino would no doubt compare with a St Paul's conversion on the road to Damascus. He then ridiculed my concerns and my request for clarification of what was being planned by saying I was caught in a time warp, I was living in the past. *(Interjection)* Yes. Well, Mr Speaker, if I was in

a time warp in 2015 it was future time warp, because here we are – the problem is here and now, not past, so my concerns of 2015 have now materialised in 2021. Well, let me tell the hon. Members of the GSD that if Sir Peter Caruana – Mr Feetham’s hero, the greatest living Gibraltarian – was correct in identifying the danger, then they, and in particular those who were

1205 part of the Government at the time, have now increased the risk identified in 2009 exponentially.

As for the hon. Lady, words fail me to describe the insanity of the policy she has adopted and the language she has used in the article published in the *Chronicle* to defend it. I will remind the House, so that we have a record of this insanity if the time ever comes when we need to apportion blame.

1210 If ever the Spanish campaign needed an ally to improve their chances of success they have just found one in her. I will tell her what the Spanish campaigners think they are entitled to. They are entitled to not just pensions but schooling and everything else being paid by their taxes and they have put out press releases saying it. She has said the payments should be made irrespective of residence, which goes even beyond the Campo area and their claims, as there are persons getting

1215 Social Insurance pensions but never claiming housing cost allowance, and they are resident throughout the European Union, by virtue of having paid one year of contributions here in their lifetimes. We are talking potentially of hundreds or even thousands of new recruits to the entitlement culture.

The mistake by her father led to the first problems with the pension payment. Peter Caruana

1220 tried to remove the risk that the mechanism that was put in place he felt was creating, to put right what her father had done wrong. I did not agree that such a risk existed, but she has now made a statement capable of creating the risk that Peter Caruana envisaged, supporting the right to claim household cost allowance and included in it even those who have never ever thought of claiming it before. If the GSD was right in 2009, then what she proposes is not a just ticking time bomb, it

1225 is an atomic ticking time bomb.

This Government is not going to be the one that makes the ticking time bomb explode. Indeed, as the Minister responsible for restoring financial stability, if such a step were contemplated I would have to advise the Government that financial stability could not be achieved. The impact of such a policy on government finances would be much worse than the impact of the pandemic

1230 lockdown effect which we have experienced and which continues to be causing us to have deficits.

If this issue is not resolved by those complaining or those giving support and encouragement from the Opposition benches to the campaign, by them coming to their senses and abandoning the dangerous road they have embarked on, then the best thing might be to call an early election just on this issue and let those who want to implement the huge pay-outs explain to the electorate

1235 how they are going to save Gibraltar from the disastrous consequences of what they are advocating on public finance and the elimination of Community Care, which we have been defending since 1989 – the day it was set up, 32 years ago. A struggle of 32 years shared with the GSD – one of the few things that we both fought the same side on, to protect Community Care – now being put at risk for what? It seems as if they wanted to make sure that they inflicted the

1240 maximum possible damage on Gibraltar’s finances and viability. The hon. Members opposite have supported a petition which gets handed to the Governor, who presumably is expected to make sure it reaches the UK government, which does the very thing that Sir Peter Caruana claimed he feared could happen – that they say they do not pay – and set him on the course of dismantling the role of Community Care, because strictly speaking he could not dismantle the charity but only

1245 starve it of funding, which he had already been doing for 15 years.

The document they are supporting claims a version of history argued in the past in the UK and fought against by the GSLP Government up to 1996 and the GSD Government between 1996 and 2007. The document implies the UK was right and our defence of the role of the charity was wrong, a defence in which the Leader of the Opposition for a time was a Minister in the GSD Government,

1250 defending Gibraltar and putting the contrary view. He was part of the GSD that was defending what I am saying the same way we have defended it.

The Opposition have publicly and officially supported the incorrect argument that the household cost allowance provided by Community Care was created by a GSLP Government in 1988 in lieu of paying pension increases to all pensioners. In 2002 the GSD told the UK:

In 1989, there was established in Gibraltar by a group of private individuals

1255 – not what the people organising the petition say –

a private charitable trust (Community Care Trust) with the object of performing a range of charitable functions for elderly persons in Gibraltar. Amongst its objects, the Trust pays a financial sum to persons of pensionable age in Gibraltar to assist them in meeting household costs (i.e. electricity, water and other utility and household costs which are particularly high in Gibraltar given the diseconomies of scale which apply here).

Housing Cost Allowance is paid at the same rate to persons on the minimum and on the maximum pensions. The minimum is 25% of the maximum.

1260 It is not therefore in lieu of pension increases, as the petition says, as the Governor has been told and as the British government is going to be told, as the Spaniards were claiming and as we were denying. It is not in lieu of anything. Furthermore, if it were a replacement for pension increases it would not be happening because pensions it was supposed to be a replacement for when they were frozen and they were unfrozen a very long time ago and are still being paid. They were frozen at the instigation of the UK and unfrozen as a result of the United Kingdom paying £60 million to pre-1969 Spanish pensioners under the Cordoba agreement. If that is what they were, they would have stopped when the Cordoba Agreement was done. They were not stopped and it was the GSD that was there.

1265 The housing cost allowance was not stopped when pension increases were reinstated after Cordoba. The petition the hon. Members support says the following:

The household cost allowance is a scheme for Gibraltar-resident men aged 60-plus and for men aged 65-plus that was created by the GSLP Government in 1988 in lieu of paying state pension increases to all pensioners.

1270 Is this the new policy of the Opposition, to say that this is true? How can you say, 'We support a petition,' and march up Main Street if you know it is not true? It was not what you were saying before. It is the first time you have said it.

If so, when did they decide to abandon the previous position shared with the GSLP which they have defended since 1996? Are they now reneging on the statement of Mr Feetham as Leader of the Opposition in the 2015 motion that I brought to the House, when he said a GSD Government would continue funding the independent charity as we were doing and retain its role?

1275 The charity's role is not and has never been to provide the combination of the household cost allowance and the state pension so that the two form the equivalent of this country's state pension, as the petition says. If that is now their position, then they had better start looking for a few hundred million pounds because the residence requirement would be in breach of EU law in how it has been paid in the past and would need to be stopped once this interpretation is accepted. They had better go back and review the results of the committee they set up in 2009 but pretended never existed or that no one in the Government knew it existed. Furthermore, they had better tell the people who signed the petition and those who wrote the text to get community officer allowance as a statutory payment, as the GSD-sponsored study group found in 2009 that all such payments could only be provided by the state if they were based on need. This means means-tested, and certainly not at £21,000 but inevitably at the rate of the National Minimum Wage, or even lower. Means testing the housing cost allowance would radically limit its application, which currently is that every resident pensioner gets it on top of pension increases. The pension is increased and the household cost allowance is on top, irrespective of any other income. And finally, the Members opposite had better put their thinking caps on and come up

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1290 with how they get themselves out of their new policy commitment, because they have just opened a Pandora's box and we may not be able to close it.

I think I would like to tell them now about the National Economic Plan, the positive side.
(Interjection)

1295 Mr Speaker, the strategy I put together in 2019, which is reflected in the 2019-20 National Economic Plan, is designed to change how we deliver economic growth. It is about laying the foundations for Gibraltar's future as a trading nation. In the election I often reminded people how in 1988 we had to change the way we made a living after years of almost total dependence on the UK defence budget, which in Gibraltar had been declining since 1984, in my view as part of the process of talks with Spain initiated with the Strasbourg talks after Franco's death in 1976. He died
1300 in 1975; the talks started in 1976.

The transformation in 1988 was possible because people understood and accepted the need for change. It created an economic model with two elements: a global one in gaming and financial services based at Europort serving an international and United Kingdom customer base, and a local element serving visitor numbers arriving by sea, air and land, the day visitor traffic by land
1305 making the biggest contribution to revenues and employment. The tourist surveys clearly show this.

In 2019 tourist expenditure reached an all-time high at £308 million, and a year later, in 2020, an all-time low last seen in 1998. The principal source of the expenditure, the day visitors from across the border, in 2019 provided £255 million, the highest level since 2011, and fell to the
1310 lowest level since 1993 at £61 million. This is the context of what we might expect of a Schengen border or if there is not an acceptable treaty that provides fluidity for day trips in and out of Gibraltar. What we are seeing now could become a permanent feature. We need to know that and face it. The figures for the land visitors are unlikely to show much recovery this year. In the light of continuing COVID measures, even if there is more fluidity it is unlikely to go back to
1315 previous numbers since a high proportion of the visitors who came in coaches were UK citizens on holiday in Spain.

The fall in the numbers of customers was quite dramatic last year in respect of all three methods of arrival. The low-value, high-volume model required imports of labour and goods with the supply coming principally from the same direction as the bulk of the customers – overland.
1320 The new economy for which we are setting the foundations now is happening 18 months later than I intended, although as much preparatory work as possible has been done in the period since the General Election, which I hope will be reflected in showing tangible results this financial year.

What we have to move into now is the emergence of Gibraltar as a trading nation. We must see Brexit not as a disaster but as an opportunity to do in the future what we could not do in the
1325 past. The following data on some of our international trade indicates what has been happening and how well we are competing with other markets.

The potential volume of business we can deliver limited to activities within Gibraltar would be very small and incapable of restoring higher levels of economic growth if we just bring people to sell in Gibraltar. This will continue to happen in a small way, of course, but what is much more
1330 important and has more potential is attracting new businesses that will have their head office in Gibraltar and subsidiary companies in other jurisdictions. Currently the Ministry of Economic Development is engaged in discussion with a number of such potential new partners on a global scale that fit the characteristics of the new model, and if these discussions that are taking place finish with a successful outcome the details will then be published.

1335 Trade with the UK is one important part of the strategic development of the new economy and it is worth noting what has been happening in our bilateral trade following Brexit and the pandemic lockdown.

The Hon. Mr Clinton has said:

The subject of Brexit and indeed a 'Hard Brexit' is one that deserves closer economic analysis, because of course its meaning is different in a UK context to a Gibraltar context.

I agree, and it is relevant to see how trade has affected the UK and Gibraltar. The UK's international trade is down with almost all its partners but is probably much more likely the result of the lockdown than Brexit, which in theory has not been a hard one since there has been a post-withdrawal trade agreement.

Since 2011, the value of total trade with the UK per year with Gibraltar has been: 2011, £1.6 billion; 2012, £2.6 billion; 2013, £2.3 billion; 2014, £2.9 billion; 2015, £2.6 billion; 2016, £2.6 billion and the Brexit referendum; 2017, £3.4 billion; 2018, £4.1 billion; 2019, £4.6 billion; 2020, £3.8 billion and the pandemic lockdown. So, we see a clear movement when the Brexit referendum happens of an increase in our bilateral trade, and a slowdown in what has been increasing when the pandemic comes in. Gibraltar was at £3.8 million in the four quarters to the end of quarter 2020, that is by the end of December 2020. This was a decrease of 16.1%, or £740 million from the end of quarter 4 2019, climbing down from the £4.6 billion to the £3.8 billion. Of this £3.8 billion – because the billion is the combined amount in both directions – UK exports to Gibraltar amounted to £3.3 billion in the four quarters to the end of 2020, a decrease of 19.2% or £774 million, compared to quarter 4 of 2019.

Gibraltar was the UK's 44th largest trading partner in the four quarters to 2020, accounting for 0.3% of total UK trade. In those four quarters the UK imported from Gibraltar at a value of £581 million, which was an increase of 6%, or £34 million, compared to the four quarters of 2019. We still run a trade deficit with them. As I recently pointed out to the people who came out from the Foreign Office, we are helping the balance of payments by having a deficit and we are also helping sterling.

The UK trade with Morocco and Malta – which I have looked up in order to give some sort of comparator so that we can judge our performance, which looks very attractive and healthy – fell back in 2020. By comparison, the goods and services between the UK and Morocco was £1.4 billion in the four quarters of 2020. It had been £1.3 billion in 2011, so Morocco finished up not with a drop which took the trade back from 2020 to 2019 and is the pandemic; in the case of Morocco it went back from what it was in 2019 to what it was in 2011, £1.3 billion and £1.4 billion. In 2018 and 2019 they had £2.1 billion – better, 50% higher, but we are talking about £1.4 billion. The total in goods and services between Malta and the UK had been £1.4 billion in 2011. It went up in 2018 to £2 billion, to £2.8 billion in 2019 and then it fell to £1.2 billion in 2020.

The total in goods and services between the next highest one after us is Slovakia, which is ahead of us with £4.4 billion. At £4.6 billion we were ahead of Slovakia in 2019 and we are now just behind them. Our trade after the drop is higher by £1 billion than the combined trade with Malta – which I choose because of the Mediterranean location, it is not the kind of relationship where the UK ... you would expect them to be buying UK products like we do – and with Morocco because this is where I see an opportunity for us to be enlarging our presence and being able to increase trade with Morocco and help in increasing trade between Morocco and the UK.

These figures show that what I would like to see us being able to do is not pie in the sky. The evidence we have is that there is a potential there that perhaps we have tended to neglect because we have had money coming in fairly easily, frankly, without having to do a great deal. That is the truth of it. It is the reason for the entitlement culture and it is the reason for us not being more proactive in searching for new markets. Now we have to. It is not a question of choice anymore, and therefore putting this before the House is to make them understand that there are things that are being looked at which have serious potential for us being able to overcome the hole that we are in. I am talking still about the economy. I am not talking about the Government finances. The Government finances may take a couple of years to finally start getting the benefit of these new areas of activity. These things are not things that can be done in one day. The establishment of this will, in all probability, not hit Government revenues this side of the election because we have already used up one and a half years of the four and we want to be starting now, if there is no resurgence of pandemic and our people do not start closing down again.

So, in 2018 our trade went up by £2 billion to reach £4.6 billion, compared to £1.6 billion in 2011. We are looking to increase this trade in 2021 and in future years. I am quite hopeful that I

shall be able fairly soon to lead a trade mission abroad with a number of projects which will entail inward investment in those countries from new investors setting up corporate headquarters for the investments from Gibraltar .

I am particularly excited by one which involves an Israeli investor who is an inventor and who has designed a car for the taxi trade which meets the criteria of the circular economy, which I will explain later and which I consider to be so important for us to support, where the vehicle is not sold but paid for by usage. The state-of-the-art design of the vehicle would be produced in micro-factories in different jurisdictions. The micro-factory would be produced in Germany linked to a university – I have already talked to the professor who is in charge of this; he came in on a private jet for one day to discuss it – that specialises in research in modern technology and the conversion of these results in delivering it to the market. This approach to manufacturing is an alternative to the mega-factory producing millions of cars and requiring vast movement of energy in the transportation of components from one country to another. The micro-factory requires less energy consumption. It is designed to meet local demand, so the product is not transported from one end of Europe to the other, and it is not just for Europe. It would employ a couple of hundred workers in two shifts and on a footprint of 60,000 square metres, delivering something like 30,000 cars annually.

The investment for this option is in tens of millions of dollars instead of hundreds of thousands. It is a much more environmentally friendly concept and it is designed to minimise waste. If we are successful in sponsoring the development, the micro-factories would be subsidiaries of the Gibraltar parent, which is expected to have a quoted value, according to the people who want to set it up, in excess of US\$1 billion. It would be the highest value UK company.

I am sharing this information with hon. Members to reassure them that I am thinking outside the box on how to reposition our economy. I am not doing it to encourage them to start finding fault to try and stop me.

I would like to close, Mr Speaker, with my concerns for the environment, as I did in 2019. Beyond the green economy there is the circular economy, which in my judgement is the only initiative that has a chance of stopping the climate change catastrophe. The green economy is not enough because it only addresses how we produce what we consume. It says nothing about the fact that we consume too much. What it does is say we should produce what we consume with a less polluting, more environmentally friendly technology. If consumption of electricity is very high and growing, what is wrong is that it is produced by fossil fuels. So, we have natural gas instead of oil, which is less polluting, or wind and wave power, or solar power, which is greener, but we can still continue consuming ever higher amounts of electricity per capita. Of course, even if the green energy source is less damaging and less CO₂ producing, it still needs us to use raw materials and metals to manufacture the substitute technology. The scientific evidence is that 91% of the resources we take from nature is wasted to enable us to consume the remaining 9%.

The really disruptive approach is to develop a new way of life, a new approach to consumption, which many see as a novelty but in my view is going back to how we used to do things, and apply the same principles, the same approach, the same philosophy, except that we do so with what is possible today and in the future with the latest technology. Let me explain what I mean.

I call it the Belling system. I can remember when in my household my mother used to cook using charcoal. It may not seem possible, but it is true. At one stage we had the City Council, which used to run municipal services before the 1969 Constitution merged the City Council and the Colonial Government – *el Citi Caunci y la Colonia* in Llanito. The Municipality came up with a way of introducing a mass shift to electric cookers. They bought cookers and leased them, as well as selling the electricity to the consumer. The rental of the cooker made it available to low-income families who would not have been able to buy one, my family being one of them. The cookers were manufactured to last. They were provided, repaired and replaced by the City Council and the scheme was self-financing for one reason and one reason only: the Belling cooker was built to last 50 years, not designed to have a limited life and be cheaper to replace them to repair. Indeed, I believe there are still some Bellings around in our city and still working. This, which is my memory

of the 1950s, is the hot technology of the future which is considered by many serious scientists our only hope of slowing, stopping and reversing climate change.

1445 The decision taken by the European Parliament in 2020 and this year promoting an alternative lifestyle and production model for industry seems to me to be the only real hope we have that may reduce and then reverse global warming and climate change. Based on this analysis, our National Economic Plan will include a strategy of sponsorship for inward investment projects that promote the circular economy and support local initiatives that are compatible with that
1450 objective. However, I have to say that the prospect of success for that approach developing at a strong enough pace and on a sufficiently global scale are not very high, in my judgement. We face the problem here on a miniature scale. Indeed in this very room, between the 17 of us elected to protect Gibraltar and its future can we protect Gibraltar from a catastrophic environmental disaster if the rest of the world does not act soon enough? The answer is clearly no.

1455 No one is safe anywhere on the planet. We have floods in the heart of the EU with no parallel in recent history, melting ice everywhere and in particular the two poles and Greenland, which can lead to rising sea levels and warming sea temperatures. We are experiencing, on the west coast of America and Canada, temperatures in excess of 45° and dry vegetation which is causing spontaneous wildfires, which in turn will accelerate the CO₂ content of the atmosphere and
1460 produce more climate change.

There is only one answer, unless by some miracle we make a technological change which enables us to find virtually free inexhaustible energy by harnessing the fusion process that provides the energy of the sun and in turn supports life on earth, which I imagine will happen sooner or later, as there is a great deal of research and investment, but the issue is will it happen
1465 soon enough? And if it were to happen, can it happen painlessly? Can we move from fossil fuels to inexhaustible clean energy without a huge disruption in the global economy and a huge shift in where the balance of wealth and political power will lie? Put at the simplest level, can we make people understand, in what is little more than a village of 30,000 – which is what we are – that we cannot consume more than we produce – or is that too difficult? – and that we cannot take more
1470 from the planet than we put back into it? Can we give leadership to people by telling them that it is not possible to have more of everything every year?

It requires disruptive technology because it combines the philosophy of the past – building things to last and repair and reuse – with the technology of the future. This will not happen on a global scale, but if it is adopted then it is the manufacturers and designers who will have to adopt
1475 is and they will not do it if the consumers are unwilling to become users of artefacts instead of owners. This may really be the ultimate stumbling block, given the place that ownership has in our social values as a way of reflecting the individual's importance in the eyes of the rest of the tribe, the person's peers, by whom most people feel they need to be judged in order to boost their self-esteem. In fact, it will only become possible if we are able to free citizens of the addictive condition that I described in the 2019 Budget, which I called 'compulsive consumption disorder' and
1480 described as the illness of western civilisation, an illness which poorer societies aspire to also be contaminated with, so that they can stop having to reuse, repair and recycle, and instead use and dispose, which is the lifestyle which is predominant as the sign of success.

It is easy to understand how we got here. It makes short-term economic sense because the
1485 concept of the polluter pays is just that, a concept, but in reality the polluters were in the west and have not paid the price until very recently; the developing so-called poor countries, coincidentally the least polluting, have been the ones paying. But whether what is done is what is needed is another matter.

The National Economic Plan will evolve from a post-Brexit future-proof plan to a post-pandemic future-proof plan by aligning itself with the future of where our civilization needs to be,
1490 the circular economy, promoting it, participation in it and investing in it profitably. We are not going to change the world, but we have to be where the world needs to be if it is to survive the climate catastrophe that is threatening life on earth.

1495 Paying more money to people who do not need it for doing nothing, and moreover with the money we do not have and need to borrow, and not so that they do not suffer hardship, is the opposite of what we should be doing, because to do that is to enable them to increase their already high level of consumption. It is the very opposite of what the world needs us to be doing. It is not what we need to be doing in what is, without a doubt, the most difficult time in human history.

1500 Is it that the 17 of us cannot agree or are not willing to accept that this is the reality, that we have to spend less to consume, that we have to consume less and that we have to pay ourselves less? If we do not, then the gap between us and the generations that follow us will go into the reserve of what it has been up until now – each generation worse than the preceding one, instead of better.

1505 Our destruction of the planet's ability to support life makes the human species the worst and most dangerous life form earth has ever had. By comparison the COVID virus is benign. And in addition, our continuing to increase our consumption levels will be the most selfish thing that any humans and indeed any lifeforms have done in respect of protecting their offspring. This is very simple, Mr Speaker: the more we take out of this planet compared to what we put back, the less there will be for the generations that follow us. The rainy day fund concept of the socialist Government in the 1980s, originally rubbished but now welcomed, in theory at least, is the tangible proof of what needs to be done to provide for those who follow us. This year is the first time in our history that we are talking about a deficit of £138 million and projecting a further deficit of £51 million, and we still have a debate about spending more and not raising revenue.

1510 If we think that this debate is all about who wins the next election, then let me tell the House that in the context of the issues that face Gibraltar as part of the global scenario in the field of economics and the environment, the actions that the members of homo sapiens take in what they do in the lower part of the Rock is about as important as what the Barbary Macaques do in their not dissimilar primate battles to gain influence in the upper part of the Rock: the natural behaviour of primates – in my humble opinion, of course – Mr Speaker.

1520 Thank you. (*Banging on desks*)

1525 **Hon. Chief Minister:** Mr Speaker, in order to enable us to digest what we have just heard, which I think will be edifying for all of us, I would propose that the House should return at 4.15 to continue with other Members' contributions.

Mr Speaker: The House will now recess to 4.15 p.m.

The House recessed at 1.17 p.m. and resumed its sitting at 4.15 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 4.15 p.m. – 8.25 p.m.

Gibraltar, Wednesday, 21st July 2021

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The Gibraltar Parliament

The Parliament met at 4.15 p.m.

[MR SPEAKER: Hon. M L Farrell BEM GMD RD JP *in the Chair*]

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

Appropriation Bill 2021 – Second Reading – Debate continued

Mr Speaker: The Hon. Roy Clinton.

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

5 Today is the first day, since the surreal COVID-19 Emergency Budget that we had on 20th March 2020, that we can revert to some semblance of normality in how the annual Appropriation Bill debate is conducted.

10 In hindsight I do not think this Parliament could or should have done anything materially different in the way the crisis was tackled from a financial standpoint. I welcome the way the COVID-19 Response Fund was created and indeed is properly reflected in the Estimates Book 2021/2022 and I wish to personally thank the Chief Minister and the Financial Secretary for listening to us and taking on board some of our suggestions as to how the COVID-19 Response Fund should be published on a quarterly basis and accounted for in the Estimates Book.

15 The IMF's advice to governments in 2020 on tackling COVID-19 was to do whatever it takes but keep the receipts. In due course the Principal Auditor will, of course, conduct an audit of the COVID-19 Response Fund and produce his report. Although it is a two-year outturn period that appears in the Estimates Books, as the Chief Minister has already explained, it will be clear to readers of the Estimates Book that no netting off has occurred, and the full effect of the support from the COVID-19 Response Fund can be clearly seen by line item in Appendix S of the Estimates Book. However, Mr Speaker, regretfully, all that I have said in previous Budgets about the inadequate way our public finances are reported and structured and the relevant failings in the Budget process remain entirely the same, and in that respect nothing has improved. We still have no visibility of the state of Government-owned companies, indirect debt is not recognised, we now have three years' Supplementary Appropriation Bills outstanding, we have no proper Finance Bill – more of which I will say later, and the last report of the Principal Auditor was for financial year 2015-16. We have no Public Accounts Committee and the cumulative result is that this Parliament cannot exercise any effective financial scrutiny over the executive or the Government, and so I still cannot support a half-view Budget and will not vote for it, no matter what screams – and no doubt there will be screams – of the need for solidarity, the new word that we hear again and again, that will come from the Government benches.

25 Although COVID-19 has undeniably cost this community £227 million to 31st March 2021, and as will be published tomorrow, a further £25 million for the three months to 30th June 2021, and our revenues are down, it only serves to highlight how this Government has previously mismanaged our public finances and continues to do so despite the Chief Minister's May Day Message and pledge to hunt down waste and abuse. Regretfully I can only describe this Budget and the Estimates Book for 2021-22 as 'the begging bowl Budget' – begging bowl in that this

Government now has to beg, borrow and scrape to try to balance the books that are shown to us today, even if only in half of the year. So, let's see now how this Government is attempting to beg, borrow and scrape its way out of the financial hole it is in.

40 Turning to begging, this Government has in the past spent – and I use the word liberally – lavishly on brand new sporting facilities with the gross costs reported, as far as I can establish, as follows: the Europa Sports Stadium and facilities, around £37.5 million; the Lathbury Sports Complex, still not finished, about £28.9 million to complete; the rifle shooting range, another £7 million. This all totals around about £73.4 million at my best guess.

45 I was delighted to read the Government's press release on 22nd June this year announcing plans for the building of a National Theatre. The performing arts, compared to sports, have long been overlooked by this Government despite its repeated manifesto promises. This delight was short lived because I then found out that the cost of this theatre was to be met by begging from the general public and generous private donors. Yes, Mr Speaker, begging. To announce the
50 creation of a foundation to spearhead the fundraising campaign as some great event was truly Orwellian given the way this Government has spent on previous capital projects with no regard to affordability or balance. It is worth quoting directly from the glossy project plan – a very nice, glossy prospectus which the Government has produced, no doubt to send to all those donors who will dish out the millions to produce the project that they said they were going to do. It is really
55 quite remarkable. On the front page ... these are comments from the Minister's foreword at the bottom. It is quite remarkable. He says:

Government at this point of time cannot commit the amount of funding that this project will require to achieve the standard that Gibraltar will expect.

I had to read this twice because when you translate it, roughly what it means is, 'I know I promised to buy you lunch, but I cannot afford to buy you a lunch that would be worthy of you.' The free lunches are indeed over.

60 This Government needs to stick to its budgets. The Minister for Culture and Environment, who unfortunately is not with us at the moment, in one breath says he needs to raise £½ million from donors to fund the next stages of the design process for the theatre project, and yet in another he just shrugs his shoulders and says, 'Oh, by the way, the Midtown Park project will be £1.3 million over budget.' What is the point of having a budget if you are going to be £1.3 million
65 over? And how can he now go to private donors and say, 'Look, I haven't got any money – can you please lend me half a million quid for a design project?' It is just nonsense.

Remarkably, yesterday the Chief Minister saved the Minister for the Environment's skin, quite literally, by announcing, by surprise:

the new park at Midtown is being funded entirely by a very generous donation from Trusted Novus Bank. There will be no cost to the taxpayer. This donation of the entire costs of the development of the park is a gift to all of the people of Gibraltar by the board and shareholder of Trusted Novus Bank.

70 A very generous donation indeed because in the Estimates Book for 2021-22 the Improvement and Development Fund shows that an amount of around £3.9 million has been expended on the 'construction of central park' and there is an additional £100,000 estimated in 2021-22 expenditure estimates to completion. And so what we have is a very generous £4 million donation by Trusted Novus Bank and of course this will be a windfall to Government revenues in 2021-22. I wonder if the Chief Minister in his reply would be kind enough to say who identified the Midtown
75 Park as the worthy beneficiary of such generosity – or was it that the begging bowl was already out? (*Interjection*)

The 2009 Music Festival came in at a record £3 million over budget and since its inception it has lost £16 million. Surely that would have gone a long way to pay for a theatre. The free lunches and the lavish parties are indeed over, and now we have to beg for projects that this community
80 legitimately deserves and expects.

We heard yesterday from the Deputy Chief Minister that the Parasol Foundation was very generously earmarking £1 million for the refurbishment of the Mount. The Government fundraising machine is surely on overdrive: £5 million in pledges already and counting. They really put the GBC Open Day to shame.

I regret to say this, but the begging bowl is also out for this very building. Having spent £885,000 for the Piazza cafeterias, the Government now says it cannot afford the repairs and refurbishment, but it has been offered another very kind contribution by the Parasol Foundation for the external refurbishment of the building. Has this Government no shame? Westminster is currently facing a hugely expensive refurbishment programme, but it would know better than to have it partly paid by private donation. If we cannot afford to do it, we should not do it. I do take objection to seeing the design statement complete with the private donor's logo on it. This is our Parliament, it is our building. **(A Member: Shame!)** Shame! It cannot be that the seat of Government is propped up by private donors; it just does not look right. If we cannot afford it now, then we should not do it. As the Deputy Chief Minister pointed out yesterday, there is nothing in the Estimates to actually provide for any refurbishments. In fact, it is just as well that there is no flat above No. 6 that requires urgent refurbishment.

And yet for other projects close to the Government's heart, such as the Victoria Keys development, money is no object. It grows on trees. The Government has put out tenders for moving the Eastside rubble mountain and also for building an extension to the Coaling Island jetty, all at the cost of the taxpayer. So, we have a begging bowl in one hand for public benefit projects and a huge, heavy pot of gold for a select group of private sector developers. It is nonsense. The Government cannot be allowed to go begging for money for projects it should have built and then provide money to developers in the private sector. This is his brand of socialism. It is a very strange brand of socialism and is yet another symptom of the historic mismanagement and misdirection of our public finances.

Let's turn from the begging bowl to borrowing in its many forms. Mr Speaker, the nature and level of this Government's borrowing is, to put it mildly, significant, and I must therefore beg your indulgence because I need to spend some time on the matter.

I normally talk in terms of direct and indirect cash borrowing, but this year I need to add a new category, and that is the borrowing of assets. Let's consider first the easier to understand, which is the direct and indirect cash borrowing. On the direct cash borrowing the Chief Minister has already indicated that the projected Consolidated Fund outturn for the two years ended 31st March 2021 is a net loss of £138 million, and indeed he projects a net loss of £50.7 million for the year ended 31st March 2022.

I need to talk a bit about our income and expenditure, as Sir Joe has done, so that we understand the levels of direct borrowing. Our recurrent revenue is no longer covering recurrent expenditure – I am probably now stating the obvious – such that for the two years ended 31st March 2021 our costs are now 11% greater than our revenues, thus Sir Joe's gold rule of not borrowing to cover recurrent expenditure has necessarily had to be broken. This is before taking into account the assistance of the COVID-19 Response Fund that has re-credited the Consolidated Fund with £158 million in respect of lost revenue, the main areas that have lost revenue being £74.4 million in respect of import duty, £48.5 million in respect of company tax and £16.6 million of income tax. The direct incurred costs of COVID-19 amounts to £64 million in the same period and when you add this together with the revenue loss of £158 million it will give you the COVID-19 Response Fund expenditure number of £227 million to 31st March 2021 as per Appendix S.

The Consolidated Fund in pure cash terms has paid out £256 million net and this has necessitated the borrowing of £250 million, without which the fund would have been overdrawn by £131 million as at 31st March 2021. And so, when you look at the Consolidated Fund as a pure cash in and out sort of bank statement, the Consolidated Fund in pure cash terms has paid out £256 million in the two-year period and this has necessitated the borrowing of £250 million, without which the fund would have had to be overdrawn by £131 million at 31st March 2021.

The Government's gross direct debt position as at 31st March 2019 – well before COVID – was £447.7 million and this was made up by £247.7 million of debentures that were issued to the Gibraltar Savings Bank and £200 million of bank debt, which was due £150 million to Barclays Bank and £50 million to NatWest RBSI. As at 31st March 2021 the Government's gross direct debt position is now £697.7 million – i.e. £250 million higher, as expected – and this is now represented by £372.7 million of debentures issued to the Gibraltar Savings Bank and £325 million of bank debt, which is now due £150 million to the Gibraltar International Bank, £75 million to NatWest RBSI under existing five-year facilities and £100 million to NatWest RBSI under the UK £500 million guarantee scheme. These numbers are as at 31st March this year.

As regards the £325 million bank debt, of this, £150 million is repayable to the Gibraltar International Bank within one year, all borrowing under the £500 million UK guarantee has to be repaid with three years – i.e. by 3rd December 2023 – and the pre-COVID facility with NatWest for £75 million expires on 31st March 2025.

The estimates for next year show that it is anticipated that a further £50 million of borrowing will be required this year ending 31st March 2022, which will bring the total gross direct borrowing to £747.7 million, and indeed we were told yesterday that the Government has already drawn that further £50 million.

Looking ahead to 2021-22 we are told to expect a deficit of £50.7 million in the Consolidated Fund and revenues will still be short of normal levels by £55 million. Recurrent expenditure will exceed recurrent revenue by 8%. The Father of the House has already indicated that it will take some time for revenue to recover; it is not going to happen in one year, it may not happen in two years, it may not happen in three years – it will take some time. I do not see in these figures and I have not heard from the Chief Minister or indeed from Sir Joe any actual plan for the repayment of our increasing direct debt levels, nor the management of recurrent expenditure, other than to identify and eliminate waste and increase efficiency.

In the last normal Budget in 2019 – I say 'normal' in the sense of 'before COVID' – the forecast estimate for total Consolidated Fund recurrent expenditure for 2019-20 was £676.4 million. The estimate for recurrent expenditure in 2021-22 is £684.2 million excluding any exceptional contribution to the COVID-19 Response Fund.

As Sir Joe has pointed out, recurrent expenditure does not decrease if we have a drop in recurrent revenue; we still need to pay to maintain our health and education systems and other services. What is evident is that the Government's only plan at the moment is to resort to further borrowing to pay for these services, unless it has in its mind an intention to further increase taxation in the future.

The Government knows it has access to reserves of at least £50 million of surpluses held in the Savings Bank and again I would urge it to abandon its empty political rhetoric in manifesto politics and use those reserves that belong to it, i.e. the people, rather than increase third-party borrowing, as it seems intent on doing. Why borrow £50 million when you have £50 million in your right pocket? Surely the sensible thing to do is use that rainy day fund. As it is available to it, it can do it now. If these are indeed rainy day funds then now is the time to use them, and I can tell Sir Joe now I will not criticise him or the Government for using them because –

Hon. Sir J J Bossano: Don't worry it is not going to happen.

Hon. R M Clinton: But why not? It is your rainy day fund. It is our rainy day fund. Why borrow £50 million from a bank when you have £50 million sitting in the drawer? It makes no sense and it is just political nonsense. He has my guarantee that I will not say a word if he uses it. I will, in fact, congratulate him.

Hon. Chief Minister: You won't say a word from now? If you will sit down and you will not say another word, I might be tempted to persuade him!

Hon. R M Clinton: Well, persuade him first and then maybe I will sit down! (*Laughter*)

Mr Speaker, talking about real sinking funds, I note that the Sinking Fund at 31st March 2021 was £20 million, such that the aggregate – i.e. the gross minus the Sinking Fund – public debt is £677.7 million. With the projected increase in borrowing of £50 million I expect total gross debt before Sinking Fund to be £747.7 million at 31st March 2022, as is reflected in the Estimates Book, and yet aggregate public debt – i.e. after the Sinking Fund – is reported lower, at £672.2 million, which implies that there is an increase in the Sinking Fund to £75.5 million. I would appreciate if the Chief Minister in his reply would explain where this extra £55.5 million in the Sinking Fund is expected to come from, as it is really not evident from the information in the Estimates Book. On the one hand gross debt is going up, and on the other hand aggregate debt goes down. Where is the difference? I would be grateful if the Chief Minister would explain where he expects to get £55.5 million, if not perhaps from the Savings Bank.

We only have a one-year projection in front of us, and that shows a deficit of £50.7 million to 31st March 2022. Even if the Government manages to break even by March 2023 it is still unclear in these estimates as to how it intends to repay the amounts borrowed under the UK guarantee facility that expires in December 2023. Or is it that we will have a General Election in between and it will be somebody else's problem? By that time I suspect that the amount borrowed will probably be of the order of £300 million of the £500 million facility. Given this scenario and the interests of Gibraltar PLC, I would advise the Government to seek an extension to the duration of the £500 million facility to a longer period, not of three years but of at least 10 years, so we can put in place a scheduled debt management plan and at least give a decent chance to Sir Joe's National Economic Plan, which I do not think he will see producing returns within a year.

Whereas in the Emergency Budget of March 2020 I did confirm that the Government had existing headroom under its borrowing powers for an additional £500 million of debt, I did not of course suggest that it borrow a full £500 million. Indeed, as our borrowing limits are defined as a maximum of 40% of GDP, I would urge caution as GDP is already, as announced yesterday, forecast for 2020-21 as £2.44 billion, which shows a reduction of 4.9% on the previous period. I acknowledge what Sir Joe has said, that this is not as bad as the UK's –10% GDP, but given we have a small economy it has to be taken in that context. Our direct gross debt has thus grown by £250 million to £697.7 million, as I have outlined, but I remain very concerned as to how we are going to repay this and any future requirements.

We heard yesterday that the Government had already borrowed that £50 million for 2021-22, so as at today, as far as I am aware, our direct gross debt is £747.7 million – I am happy to be corrected if I am wrong – and the debt limit, based on 40% of last estimated GDP, would be £976 million. So, on these numbers, the Government is already at 76.6% of the absolute direct debt legal limit.

Let's now turn to indirect debt. Each year I try – and I use the word 'try' with reason because I cannot know for certain – to quantify the indirect gross debt, which I would define as being moneys borrowed through Government companies, and this year I have the following list: Credit Finance, £400 million borrowed from the Savings Bank; GCP Investments Ltd, £16 million borrowed from Gibraltar International Bank secured on Government property; ES Ltd, £78 million, Lombard PLC, secured on the power station; Gibraltar Capital Assets Ltd, £300 million, loan notes secured on the six housing estates by way of mortgage; Eruca Investments Ltd, £165 million in some fancy structured finance on the 50-50 affordable housing. This adds up to a gross amount of £959 million in addition to the official gross debt of £697.7 million as at 31st March 2021. If you add those two numbers together it will take you to a total gross debt position of, rounded up, £1.7 billion, or, if you want the broken down number, £1,656.7 million at 31st March 2021, as compared to £1.2 billion as at 31st March 2019 – and if I give you the full number it will be £1,241.7 million.

The Leader of the Opposition was quite astute and quick to pick up on the following confession from the Chief Minister yesterday when he said – and I am afraid I cannot imitate his voice as well as Sir Joe does Caruana:

if we had all Government company borrowing as direct borrowing of the Government we may have exceeded the 40% to GDP limit provided for

This is an open admission that the company borrowing is, in fact, and has always been Government borrowing but structured off the books in an indirect way – a confession, Mr Speaker. He then has the audacity to say – just to compound his guilt – in respect of my historic assertions that this was always Government debt:

we were lucky that we never took his advice on the matter of Government company borrowings,

240 That is what he said, Mr Speaker, because he knows that if the Government had done so ... It is not a matter of *if* they would have exceeded the 40% to GDP ratio, but at a limit of £976 million the Government *would* have exceeded the legal limit by, on my estimate, £680.7 million. Yes, they would have broken the limit by £680.7 million and what is astounding is that the Chief Minister seems almost proud of defeating our borrowing power limits by the use of indirect Government
245 company borrowing. We might as well shred the Public Finance (Borrowing Powers) Act 2008 because it simply does not bind the Government's ability to borrow. This Chief Minister is proud of the fact he has defeated the powers of an Act of this Parliament.

Of this amount of £1,657.7 billion only £250 million, or shall we say 15% of it, can be attributable to the COVID-19 response. The remainder of this debt mountain is a monument to
250 this Government's inability to control its thirst for unsustainable spending without regard for future generations. (**A Member:** Hear, hear.) We do not know where the money is coming from. We do not know where he gets the money to pay the housing allowance, which is around £11 million in 2020, to Gibraltar Capital Assets Ltd to service the £300 million mortgage. Is this funding stable? And, if not, how will the money be made up? He boasted on public television and
255 said, 'Well, look, it's only half of the revenue from a certain commodity that I get every month.' Is that still true? Has he still got that revenue? How is he going to pay for this? Where is the money coming from? I cannot tell you, Mr Speaker, and I cannot tell the public because he will not tell us.

Without the UK Government's guarantee it is highly unlikely that any third-party bank would
260 be willing to lend any further money to the Government without significant security. Indeed, the expiry of the £150 million facility with Barclays could only be replaced by £25 million from NatWest, who would not take any more, and the remaining £125 million had to be obtained by going to Sir Joe and issuing debentures to the Gibraltar Savings Bank to take up the difference. Indeed, as at 31st March 2021 I calculate that 67% of the Savings Bank's assets are invested in
265 Government debt or Government-owned or controlled companies. The Savings Bank – Sir Joe – has become the Government's lender of last resort.

Yesterday the Chief Minister claimed he had a bank or banks willing to lend the Government £500 million without the need of a UK sovereign guarantee. Perhaps in his reply he could indicate the rate that would be charged, the term and any other security that would have been required
270 for such lending to support his claim that –

Hon. Chief Minister: I would be delighted.

Hon. R M Clinton: – and I quote:

when the banks have X-rayed our economy and our public finances they have considered our public finances and our economy strong enough to lend us £½ billion.

275 Well, Mr Speaker, that is quite a boast and I would be delighted to hear if he can provide us with all the information in that.

Hon. Chief Minister: I would be delighted to in my reply.

Hon. R M Clinton: Excellent, because certainly that is not the view that Barclays Bank had, who did not renew the £150 million unsecured facility.

Hon. Chief Minister: How do you know they did not renew it?

Hon. R M Clinton: So, Mr Speaker –

Hon. Chief Minister: How do you know that they did not renew it?

Hon. R M Clinton: Well, because I have asked questions in this House as to the breakdown of debt and the name does not appear.

Hon. Chief Minister: Yes, all you know is they are not renewing the debt but with them not that there is not an offer to renew. That is your problem. All you know is that.

Hon. R M Clinton: May I continue, Mr Speaker? (**Mr Speaker:** Yes.) Thank you.

There is only so much the Savings Bank can do to help finance the Government, and in the absence of any other lenders – although perhaps the Chief Minister will enlighten us – the Government is now embarking on a new way of financing in what I would describe as asset borrowing. Asset borrowing is really renting. Rather than borrow to spend money on capital projects, or indeed spend its own money, which it no longer has, the Government's new preferred method appears to be to borrow or rent the assets. Invariably this will come at a higher long-term cost to the public purse. I will give the example of some specific buildings and equipment as follows.

This new trend of renting buildings has commenced with the move of GBC to new premises at South Jumpers Bastion. The Government announced some time ago that the building will be rented for – although the numbers may have changed since then – £300,000 per annum with an option to purchase for £7.5 million.

Following on from that we heard about a brand new St Mary's School, but again the building will be rented from a private developer. This is what we were told in answer to Question 245/2019 on 19th December 2019. They said, in answer to the question, that the rent would be:

£29.75 per square foot ... We also successfully negotiated an option for the developer to fit out the school at an additional rental cost of £4 per square foot

– so now they are actually renting the school equipment as well as the building –

or pay the developer the capital contribution in respect of those fitting-out costs. We then secured a right to buy an option to buy the property at defined intervals, which is based on a 4% per year yield at year 14 and a 6% yield at year 21 and every seventh anniversary thereafter, and that is assuming an RPI of 2.5%.

Not a bad investment proposition, Mr Speaker.

Again, the Government is incurring a rental cost with an option to purchase, with an attractive inbuilt yield for the developer, but of course the more the developer makes the more it costs the taxpayer. On the one hand we have Sir Joe worrying about recurrent expenditure and on the other hand we have a Chief Minister increasing recurrent expenditure. This methodology, it would appear, is going to be applied also for Sir Joe's modular construction projects, being the Rooke Nursing home and the Workers' Hostel at Eastern Beach. We will see a developer own the building who will enjoy a guaranteed rent from the Government.

This is a thinly disguised way of borrowing money by way of paying long-term rentals for the building with invariably an option to purchase, because no one will suggest that the Government would ever give up the usage of a school. It is unlikely that the Government would turn to the

private sector for a school and a nursing home in this way if it could raise or had the money itself. This is another way of borrowing.

325 The renting of equipment on a longer-term basis appears to be a new policy of this Government, again to avoid capital expenditure which it can no longer afford by its own admission. In December 2020 the Government announced it would be leasing 13 electric vehicles for the Post Office from Bassadone Motors. The cost over seven years was announced as £434,028, whereas in answer to Question 646/2020 it was stated that the outright purchase cost would have been lower at £341,473, or £92,555 less. At the end of the rental period the
330 Government will not even own the vehicles, despite having paid more than the purchase price. This model, I suspect, is going to be rolled out for the entire Government motor vehicle fleet, given the reference to expression of interest issued in December 2016 and for which apparently Bassadone Motors were the only party.

335 In obtaining the use of buildings and equipment in this way by long-term renting, the Government is in effect now borrowing the assets. It has an implicit financing cost. Indeed, if the Government were ever minded – which I doubt it would ever do – to move to accrual accounting and adopt IFRS, under IFRS16 the Government would have to put these long-term rental assets and the associated liabilities on its balance sheet as what are now known as ‘right of use assets’.

340 And so, Mr Speaker, after begging, this Government is now borrowing. It has borrowed cash directly, cash indirectly, and now it is borrowing assets and renting things rather than acquiring them, as it can no longer afford to do so.

Let’s now consider how the Government has signalled how it intends to scrape together whatever cash it can find at the back of the proverbial No. 6 plush leather sofa. In his 2021 May Day Message, over which I am sure he agonised, the Chief Minister stated the following – and
345 again I really cannot impersonate his voice, but I will have to go for lessons:

I can guarantee you that we will ensure that we will stop all waste and all abuse we detect in government spending.

Well, Mr Speaker, I would dearly like to hear exactly how the Government intends to go about doing that, because I have heard nothing tangible so far.

So, let’s talk about waste. I wonder what the Principal Auditor has to say about waste. The Appropriation Bill before us today shows no decrease in recurrent expenditure and so I can only
350 assume that no waste has been detected. But then again, given that the last Principal Auditor’s report was for the year 2015-16, we in this Parliament do not have the benefit of the Principal Auditor’s opinions regarding expenditure and value-for-money spends for any subsequent years. For this reason alone, in the detecting of waste Parliament needs the Principal Auditor’s reports now and not years later. We need his reports as soon as they are available. We cannot wait five
355 years for his reports.

I understand that one of the reasons given for the delay in such reports is the need for the passing of the Supplementary Appropriation Bills. I drew attention to this in 2018 and again in 2019, and the situation has only got worse. The Supplementary Appropriation Bill for 2016-17 was originally published on 12th January 2018 and we have still to debate it in this House. It is actually
360 on the Agenda now and it has been for months. The Supplementary Appropriation Bill for 2017-18 was originally published on 8th March 2019 and we have still to debate it in this House – and please do not tell me it is because of COVID and Brexit, because we have had umpteen other Bills debated in this House but not these two Bills because the Chief Minister does not think they are important.

365 Both these Bills embarrassingly then had to be re-gazetted on 31st October 2019 because Parliament dissolved and we had a General Election. So, we had two supplementary appropriations for a Parliament that had been dissolved and they have not yet been debated. It is perhaps without precedent that two Supplementary Appropriation Bills for a prior Parliament have had to be carried over to a new one. What would happen if a new Parliament declined to
370 approve them? The Supplementary Appropriation Bill for 2018-19 was published on 30th January

2020 and again we have still to debate it in this House. That cannot be. The Constitution is quite clear when it states, under section 69(3):

(3) If in any financial year it is found –

(a) that the amount appropriated by the appropriation law for the purposes included in any head of expenditure is insufficient or that a need has arisen for expenditure for a purpose for which no amount has been appropriated by the appropriation law; or

(b) that any moneys have been expended on any head of expenditure in excess of the amount appropriated for the purposes included in that head by the appropriation law or for a purpose for which no amount has been appropriated by the appropriation law,

the Minister with responsibility for finance shall cause a supplementary estimate showing the sums required or spent to be prepared and laid before the Parliament and the heads of expenditure shall be included in a supplementary appropriation bill introduced in the Parliament to provide for the appropriation of those sums.

Hon. Chief Minister: When?

375 **Hon. R M Clinton:** Mr Speaker, the intention is quite clear, and yet no doubt the Government
feel that by merely introducing a Bill they are complying with the Constitution. A simple, plain
reading of the Constitution is clear as to what the intention is: in any year you bring the
Appropriation Bill. It cannot be that you have three years of Supplementary Appropriation Bills
outstanding and yet approve subsequent years' Budgets. It is nonsense. What happens if in the
380 case of the two years that were pending the new Parliament refuses to approve it? Does that
mean to say the entire Government is guilty on this appropriation? It cannot be allowed to
continue in that way. The Chief Minister can say, 'Well, it doesn't say when,' but it does not have
to say when, it is obvious. At present, none of those excess expenditures have been authorised by
this Parliament and as such they remain unauthorised expenditure for which the Minister for
385 Public Finance is solely responsible. And so I would urge Government to put its house in order and
allow the debate of these Bills. If they do not, I can only conclude that they are actively seeking to
undermine the work of the Principal Auditor and delay his reports so that they are of no value to
this Parliament in identifying any waste or scrutinising Government.

It is also verging on the ridiculous for the Financial Secretary to write a circular to controlling
390 officers and accounting officers on 28th January 2021 stating:

You are therefore formally notified that should it appear to this office that proper budgetary control and cost-cutting
practices have not been observed by any Department, Agency or Authority, appropriate action – including
surcharging your salary with the unauthorised expenditure – will be taken against the respective controlling officer
or Agency/Authority head for failing to adhere to this STRICT Government instruction.

And yet the Minister for Finance ignores the requirement of our Constitution to obtain approval
for excess expenditure – not for one year but for three years. Perhaps this Parliament should write
him a letter threatening to surcharge his salary for the full amount. No doubt he can afford it.
(Interjection)

395 I imagine that, given the circumstances, Government would want the Principal Auditor to
conduct more value for money audits, and yet I note that the headcount for the Audit department
is set to decrease by 10% – or is it that this Government does not consider the audit function as
necessary or value for money?

I can already identify one clear area of waste – if the Chief Minister wants to take a note – and
400 it is simply this, and this really is quite remarkable: why on earth do we have two sets of the
2021-22 Estimates Book? Why was the Book reissued in full, 292 pages – it is quite heavy –
multiplied by I do not know how many copies they produced, plus all the effort that went into it?
Why on earth reissue them in full only to reflect a ministerial reshuffle? A five-year-old could have
told them that a simple one-page insertion showing which Minister had responsibility for which
405 head would have been sufficient; perhaps they will adopt that in the future. As much as Sir Joe
loves the planet, it is evident that the Chief Minister does not, because he is happy to kill another

tree in unnecessary waste. (*Interjections*) Why go to the trouble and the need to amend the Appropriation Bill by reordering the head numbering? Surely Government Ministers do not need reminding which Departments they are responsible for – or perhaps they really do not know any more. The Government preaches about the need to reduce waste but cannot see its own crass waste of resources, especially at this difficult time.

That was waste. Let's turn to the question of abuse that the Chief Minister alluded to in his May Day Message. In their 2019 Manifesto the GSLP Liberals promised to create an Anti-Corruption Authority and said the following:

given that there have been suggestions by others that such an independent Anti-Corruption Authority should be created, we believe it is important for transparency that the incumbent Government should not stand in the way of the establishment of such an authority. We will therefore now, as we said we would, establish a totally independent Anti-Corruption Authority within six months of the election. As we had proposed in 2011, the Authority will have the right to investigate matters as from 1988.

Given the Chief Minister's vow to tackle abuse, I would have expected this to be high up his political agenda and already on the Parliament's Agenda, but I have yet to see a Bill introduced to Parliament to put this into effect. This does not indicate to me that the Chief Minister is really serious when he claims to want to tackle abuse – or is it that he already knows where to find it and he does not need an independent body to identify it? The tax-paying public deserve action to stamp out abuse, and not empty words.

On the subject of abuse and waste – and here I really am flogging a dead horse, I fear – I again recommend that this Parliament set up a permanent Public Accounts Committee to review all matters that require investigation and any that are raised by the Principal Auditor. I will again remind this Parliament that we are the only UK Overseas Territory that does not have a Public Accounts Committee. Montserrat has one. St Helena has one, for God's sake! The fact that we do not have one means that we stick out like a sore thumb and it goes against what is deemed best practice in the oversight of public finance. The Chief Minister will claim to the public that Gibraltar will come to a grinding halt because everything will be bound up in bureaucracy and nothing will move, but it is nonsense because it happens in every parliament in the world – but here we are special. Without regular and prompt reports from a properly resourced Principal Auditor, ignoring the need to have excess unapproved expenditure brought to this Parliament and approved, not setting up an Anti-Corruption Authority and not having a Public Accounts Committee, how exactly does the Chief Minister hope to tackle waste and abuse? How? I will not hold my breath because I am sure he has no answer.

Let's move on to this Government's need to scrape at the back of the taxpayer's sofa for the odd coin to make up its deficit. Let's talk of stealth taxes and the rationing of services. On this side of the House we have long warned of the excessive spending by this Government and that ultimately it would be the taxpayer who would foot the bill. We have already seen the huge Social Insurance increases that this Government has imposed, without warning or consultation, with effect from 1st July, some of which it claims is newly discovered social justice to explain sudden 142% increases in voluntary contributions, which it never saw fit to do in 2017 when they were last revised.

In the Chief Minister's revision to the HEPSS scheme it was really telling that those affected would be allowed a transitional period and grandfathering for two years, a luxury that this Government has not extended to those paying voluntary contributions. No transitional period for them – oh, no, it is only afforded to highly paid executives. This is this Government's socialist credentials at their best and their concept of social justice. But I have to, at the very least, thank the Father of the House for considering my plea that he reconsider the increase in Social Security contributions for voluntary contributors, of which he says 'bar 232', and if I understood him correctly what he is suggesting is that they will consider requests from individuals who may face hardship in meeting these increases. In that respect I do thank the Father of the House for what seems to be an indication of some flexibility, although I gather he says for new contributors it will

be that rate with no flexibility. I hope he is true to his word and he does show some flexibility to those 232 voluntary contributors who of course, unlike the HEPSS, which the Government is so fond of, have not been given any kind of transitional period.

It really is truly sad to see the Chief Minister tell people that they should be content with Budget measures as they would be worse off in Germany. It was even more pathetic to hear him rattle off a set of GDP per capita league tables and debt-to-GDP ratios which even the Father of the House openly admits are meaningless and that he himself admitted were meaningless and irrelevant to this debate since it did not mean more money for the Government or indeed the taxpayer. It is total nonsense and all it does is perpetuate what Sir Joe has called this concept of GDP perception: 'We have the highest GDP, we are better than Luxemburg, we are better than this, we are number 7 in the league table.' Why go on and on about it when he knows it is nonsense? The Father of the House keeps on telling him it is nonsense (*Interjection*) but he keeps on saying it. So why say it? What is the point? He does not get more money in the Government revenue. The taxpayer does not feel any better off. On the contrary, they are thinking, 'Hang on a minute, I should be as rich as the richest guy in Luxembourg but I don't feel rich.' Why say it, Mr Speaker? It is just pure, unadulterated waffle and nonsense only inserted to add spin to a speech which had no substance. And he has the audacity to call our taxpayers spoilt and tells them to grow up. This Government is now telling taxpayers, 'You are spoilt: grow up. We are the Government, we know what is best. We owe you money, we take your money. Shut up.' It does not wash.

We have seen how all sorts of Government licences and fees have been increased without warning. Housing rents keep on going up by 3% every year. Why? We have to pay the £300 million mortgage on the six housing estates – the £300 million that disappeared. He spent it. What on? I do not know – we did not debate it in this Parliament. We gave no approval to it. They have not even given approval to it themselves because it has not been approved by this Parliament. Completely bypass Parliament, his Government company system – fantastic. I am sure he will win a public finance prize.

We have seen the rationing of post-graduate funding for our students. We have seen GJBS bailed out with £23 million. Where does the money come from? I do not know. Maybe he can tell us.

We can see today in the Estimates Book that there is no contribution to Community Care by this Government in the last financial year, which ended in 2020, despite all we have heard from Sir Joe – and he did go on a bit – about Community Care. The outturn for 2019-21, the two-year period – in fact, we are talking about a two-year period, not even a one-year period but a two-year period – zilch, zero, nothing. Nothing to Community Care in two years, Mr Speaker. Community Care is now having to rely on its reserves, which by my estimation of about £80-odd million would only last four years. And so it is the GSLP that is now running down Community Care's reserves, contrary to their much repeated mantra. Let me say that again: it is the GSLP who are running down Community Care's reserves. It is no wonder that the rules of Community Care have been arbitrarily changed at some mysterious date on 17th February 2020. Why that date? What is so special about it? Why then? We do not know, but what is undeniable is that in this Book for two years, 2019-21, there is no contribution showing, at least from reserves, going to Community Care, other than perhaps somewhere back in the Social Assistance Fund, which is an amount which is usually £7½ million ... I cannot remember, but there is no contribution from surplus and there is no top-up going to Community Care. (*Interjection by Hon. Sir JJ Bossano*) No, but again we are not winding down Community Care, they are.

Yesterday we heard of increases in corporate tax and electricity bills. There was also, I think I detected, a thinly veiled threat that the Government may yet increase personal taxes and perhaps even tax pensioners. So, where are the rainy day funds Sir Joe is so fond of? Where are our public finance buffers?

This is evidently a Government in a panic and it is evident for all now to see as it hits their pockets in its dash for cash. Yesterday, in a bid to raise £25½ million the Government has put up

505 for sale the 700 berths in the small boats marina – the small boats marina it was so proud of – at prices of between £32,000 and £40,000. Is there anything else it can flog to stay afloat, I wonder? What else is left of the family silver that he can flog?

Hon. Chief Minister: Ten pounds a flog. *(Laughter)*

510

Hon. R M Clinton: Well, I am sure he will enjoy that – I am sure he is willing to pay for it himself.

Mr Speaker, the Chief Minister alone is the one who needs to grow up – I think he just demonstrated that – and accept responsibility for his mismanagement of our public finances.

Now a few words on inward investment. We have seen little in the way of the Government's post-Brexit economic plan. The joint venture projects in Chinese modular construction show little by way of generating employment and inward investment. On the contrary, the money is flowing in the wrong direction, to China. We have seen nothing in respect of the 150,000 square metre reclamation project which was central to the Government's economic plan. The Deputy Chief Minister said nothing of the tenders on the Rooke site and we have heard nothing of the Queen's Cinema and Queen's Hotel sites, for which the Chief Minister claimed he had a very attractive proposal. Whereas I can accept some delay due to COVID, it would appear that some, if not all of these projects are no longer on the drawing board. Very strangely, all we have seen are some rather tacky flags appearing on buildings in Line Wall Road declaring in almost Soviet and not Cuban style 'National Economic Plan – Sponsored Project'. All they had to add was 'coming soon in the lifetime of this Parliament ... perhaps'.

525 The Employment Survey published for 2020 shows we have lost 1,087 or 3.6% of the jobs in the economy. I hear what the Father of the House has said about wanting to change the nature of the economy to a less labour-intensive and less cross-border-dependent type of workforce, but where is the Government's National Economic Plan to recover those jobs? What is the Government's future job strategy, other than a newfound faith in medicinal cannabis production, on which I remain to be convinced as to the merits?

530 Mr Speaker, Sir Joe treated us to his usual very detailed and very informative contribution to the debate, which, as he quipped, was invaluable to this House in the past, and I think it is still of value, if not invaluable, too. He said a couple of things. I am not going to go through his entire speech, because to do so would be to repeat unnecessarily, but let me pick on a few points he made in the context of the economy, inward investment etc.

540 The first point: on the concept of waste – and on this we are all on the same page – he said every penny counts, and I agree every penny does count but the example has to come from the top and that has to start with the Government. The public, the Civil Service, every Agency will want to see that economising and that efficiency coming from the top; otherwise, I fear that rather than achieving good management the word 'austerity' will be used. And so I am at one with him on the need to save every penny, because we really do need every penny, but how you go about achieving that requires buy in from the general public, it requires buy in from every single Department, every single service, all the unions in Gibraltar, the private sector, everybody. As he freely admits, it is not going to be easy. It is not an easy political sell. I can tell him that I agree with what his intention is but he has to be able to get buy in, and to get buy in there has to be example and the Government has to act in the way I have already suggested, which is by way of putting in mechanisms, as he has already suggested, where unauthorised expenditure or excessive expenditure has to be pre-approved rather than post-approved. Otherwise, what on earth is the point of having the Budget and what on earth would we be doing here anyway? So, I agree with him.

555 He may have missed my comments about the voluntary contributions, but I will repeat them now briefly – that if I understood him correctly, he is willing to consider some flexibility for those who may truly be in a hardship position when they come to meet the increased requirements. In that respect I thank him for at least considering that, which I think will be received well by those 230 people concerned.

Talking about the customs union, he and I have both agreed on public television that we are at one on the concept of whether Gibraltar should or should not join the customs union and we have both come down on perhaps the more hawkish side in that we do not necessarily see the economic advantage. But in his contribution – and I have to bring this up – he kind of downplayed it and said, ‘We are not really asking for a customs union, all we are talking about is our shopping bags and’ – I would have said sausages, but you cannot get sausages anymore – ‘whatever it is we take over to Spain, cheese, dairy products, whatever since there is on a border inspection post in La Linea.’ But if he reads the Framework Agreement he will know that there is a ‘may’ section in there, of which the Chief Minister said, ‘Well, it is “may” but is not “may” because we do not really have a choice, because if we do not have it we cannot have a free-flowing, fluid border, because Schengen without a customs union is not going to make any sense to Spain.’ So, I really must urge him to perhaps re-read the Framework Agreement in that we are not really talking about the question of what is in your shopping bags every time you go across. This is actually a lot more serious than he would suggest in his contribution and there are indications that the concept of the introduction of VAT is not so much a ‘Maybe, but if you want this, this is what you are going to have to do,’ and if we do have to do that it will have a significant impact on our economy.

Talking about our economy, he made reference to trade opportunities and the fact that he may be leading a trade mission to Morocco and perhaps other places. He may not remember, but in probably the first TV debate we had in the 2015 election we were asked the question ‘Where do you see trade?’ I said, if I remember correctly, that we should be looking south towards Morocco, and he said, ‘No, I am looking north because I am selling to 500 million people in the European Union. But of course that is no longer available to us, so in that again, at the risk of repeating myself, I agree with him – we should be looking south and we should be looking at opportunities in Morocco. We have good friends in Morocco. We understand Morocco and we have very good contacts there, so in that respect I would encourage him in his efforts in order to generate trade.

I was very interested in the analysis that he did on the relativities of the export market of the UK to Gibraltar, Malta and Morocco, and that Gibraltar is quite a significant export partner from the United Kingdom. In that respect it is even more important that in whatever is discussed in the European context we do not lose our ability to trade with the United Kingdom, because of course at the moment on financial services we have a bilateral agreement for access to the United Kingdom and what we never want to happen is for somebody in the Treasury to say, ‘You have got a good deal with Europe, we are going to close the door,’ because that, as he has already pointed out, is £4 billion worth of trade. Of course there are exports from the UK to Gibraltar. I am not quite sure what those exports are, whether they are invisible services or actually goods, but in any case, if we can capture a fraction of that market as a go-between for Morocco or some other territory in North Africa, we will be doing well, as indeed Gibraltar used to do in the 19th century.

In terms of his efforts on trade, all I can say is it is interesting and it is probably the direction that Gibraltar needs to look at. As he said quite honestly and openly, he is thinking outside the box and I think that is what we need to do. As a collective, we need to think outside the box and be creative in how we approach our economic plan. In that respect I would welcome, at some point in the future, if he would update his post-Brexit plan into what he calls now the post-pandemic plan, in terms of how he sees Gibraltar moving in the future. What kind of economy does he expect us to have? What kind of opportunities will there be for our youth in the years to come? In that respect I welcome the Father of the House’s contribution and hope that next year we will have the results of his hard work and efforts in Morocco and other places.

Mr Speaker, if I can now turn to something a bit more mundane – and I am drawing to a close – I was surprised yesterday to hear the Chief Minister say:

businesses have often said that it is difficult to deal with these measures once announced, without the relevant legislation in place.

605 By 'these measures' he means the Budget measures. This was the very point I raised in my Private Member's Motion in March 2018 when I urged the reintroduction of a Finance Bill. When I made the point to the Government they admitted in the questions that Budget measures for 2015 and 2016 had not yet been published as amending Bills. So, this is not a malaise that he can attribute only to a GSD Government but in fact to every Government since Sir Joe did away with
610 Finance Bills, which had covered Budget measures prior 1988. Prior to that date it was the practice to have an Appropriation Bill and a Finance Bill. The Finance Bill is meant to reflect changes in taxation and necessary consequential amendments to primary legislation.

We had a very long debate on 26th March 2018 as to the virtues or otherwise of a Finance Bill and the Government claimed that it was not their mantra to have one, as they were not in the
615 business of raising taxes. I do not intend to rerun the debate now, and obviously my motion was defeated by Government majority, but when the Chief Minister claimed yesterday that he had finally heard the complaints of businesses about the time lag in amending legislation to enact Budget measures I really was pleasantly surprised that finally the validity of my argument would be heeded. But the Chief Minister then stated:

In respect of those measures which require a primary change to legislation, I will be seeking to amend the Bill before the House in order to propose the inclusion of the changes necessary to the Income Tax Act as we pass this Bill ...

620 Mr Speaker, first of all we have had no notice of this proposed amendment, and secondly I think it is technically incompatible with the Appropriation Bill. Our Standing Orders refer to the Appropriation Bill under Rule 32A and a Finance Bill under Rule 32B. They are different beasts. The Appropriation Bill requires notice under Rule 29 and the Finance Bill is exempt from this requirement. Furthermore, the Finance Bill cannot be proceeded on under Rule 32B(3) before the
625 Appropriation Bill has been read for the third time. They are separate animals, Mr Speaker. The Appropriation Bill by definition can only cover matters in respect of expenditure.

Budget measures requiring amendment to tax legislation are evidently Finance Bill matters and not Appropriation Bill matters. I cannot see how such Budget measures can be added to the Appropriation Bill. It is illogical and incompatible with the Rules of this House. But if the
630 Government were minded to bring a Finance Bill to this House with those amending provisions for which they need not give any notice under Rule 29, I for one would not object and in fact I would urge them to do so. It would put this House back on track on modern fiscal parliamentary practice. As I said in the debate in 2018, we need to do better because we cannot afford to have legislation playing catch-up with taxation.

635 Mr Speaker, in the event that the Government is not minded to bring a Finance Bill I would be grateful for your formal ruling on the point of order that Finance Bill taxation matters cannot be added to the Appropriation Bill and that the procedure of Rule 32B needs to be applied. They cannot be mixed, Mr Speaker, and I would be grateful for your ruling if the Government is not willing to bring a Finance Bill in that respect.

640 To sum up and conclude, this Government is now having to beg, borrow and scrape to make ends meet. It is begging for donors to fund public sector projects and, importantly, the National Theatre, which they forgot to build despite their many manifesto promises that fall under that category. They have borrowed directly to fund the cost of COVID-19 but do not have a credible repayment plan that I have heard of, and the UK guarantee for three years is far too short. Our
645 gross direct debt is now £697 million at 31st March 2021, having grown by £250 million. The indirect gross debt levels are now at a level where we simply do not know if they are affordable or not, which I now estimate at another £959 million. Our total gross direct and indirect debt I now estimate to be around £1.7 billion – yes, Mr Speaker, £1.7 billion – at 31st March 2021, of which only £250 million can be blamed on COVID-19.

650 The Government is now resorting to borrowing buildings such as the new St Mary's School, the Rooke Nursing home and the hostel by renting them because it simply does not have the cash. It is renting vehicles that it will not even own after paying more than it would cost to buy them

outright. These measures will cost the taxpayer more in the long run, as I can guarantee the private sector providers will ensure they make a very healthy profit for themselves.

This Government is now scraping together every last penny it can squeeze out of the taxpayer with Social Insurance increases, rent increases, fee increases, and yesterday we heard they are even flogging the berths in the small boats marina. *(Interjection)* Yet in sharp contrast – which the Chief Minister finds so amusing – he seems to find the money to pay for the transfer of the rubble mound for the Victoria Keys reclamation and its private developers. This is his concept of social justice. This is his concept of socialism: tax the population, gift to the private developers.

In his May Day Message the Chief Minister called for solidarity. There can be no solidarity while he refuses to allow transparency. There is no transparency of Government-owned companies and their borrowing. There can be no solidarity when he claims to want to stamp out waste and abuse while gagging, evidently, the Principal Auditor and not setting up an Anti-Corruption Authority or even a Public Accounts Committee. Where is the intent? Words, Mr Speaker. There can be no solidarity when the taxpayer is asked to pay for this Government's mistakes and its pet projects such as Victoria Keys for its very favoured developers, with no accountability, no responsibility and no consequences. There can be no solidarity without trust, and this is not a Budget that can be trusted.

This is a begging bowl Budget, lacking in transparency, responsibility and accountability, and I simply will not vote for it.

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

Mr Speake: The Hon. Samantha Sacramento.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, it is indeed a privilege to address Parliament this year, as we were unable to do so in the normal manner last year. And what a year it has been. Little did I expect, when I was appointed Minister with responsibility for Civil Contingencies in the autumn of 2019, what this would entail a few months later.

The Office of Civil Contingencies has been at the very centre of the Government's response to the COVID-19 pandemic. This crisis response operation saw the early activation of the Government's command structures and the establishment of a COVID-19 Strategic Co-ordinating Group, which I chair and which was responsible for continually assessing the risks and vulnerabilities, implementing the Government's strategy and co-ordinating the tactical activities across all Government Departments, responding agencies, the military and, of course, the army of volunteers who stood up to help in every possible way. The challenges posed by this deadly virus have been both manifold and manifest, and Government has left no stone unturned to protect the lives of those in our community and manage the impact on our livelihoods and our way of life.

But 2020 was not only dominated by the COVID-19 pandemic. Indeed, last year we saw the United Kingdom and Gibraltar leaving the European Union. As negotiations towards a Brexit deal continued, Government also increased the tempo in its contingency planning and preparations to mitigate the impact of a potential no-deal Brexit. This work, led of course by the Chief Minister and the Deputy Chief Minister and supported by the Office of Civil Contingencies, ran in parallel to the COVID-19 pandemic and peaked at the time when Gibraltar was hit hardest by December's killer second wave. The hive of activity generated by these two once-in-a-generation events occurring simultaneously was both intense and unrelenting.

As soon as news of a SARS-type lung infection in Wuhan broke in January 2020, Government immediately convened a meeting to assess the potential impact of this disease reaching our borders. By 27th January 2020, Government formally established the Civil Contingencies Co-ordinating Group responsible for monitoring developments and ramping up planning and preparation. In early March 2020 Government activated its COVID-19 response structures as follows.

705 The GHA was faced with a potential scenario of hundreds of deaths and people requiring hospitalisation. St Bernard's Hospital and Elderly Residential Services have been at the sharp end of the pandemic. Increasing bed capacity, resources, equipment and PPE to deal with this was a critical requirement and the Government's main effort. COVID-19 also brought the requirement to establish unique capabilities that were outside the normal functions of a conventional hospital.

710 Such requirements included the need to establish the following bespoke capabilities specifically for the pandemic.

The GHA 111 service call centre has been a crucial service. We needed to provide people requiring medical assistance with a way to get the support they needed quickly and without physically turning up at the Hospital. Effective infection control would be a key weapon against

715 the spread of the virus, and for this reason every effort possible was made to minimise non-emergency visits to the Hospital. GHA 111 became the focal point for all medical matters, and since the start of the pandemic the operators have dealt with well over 35,000 consultations over the phone.

The COVID-19 swabbing station: because testing and screening was key. Government's ability

720 to effectively contain the virus would rely heavily on knowing who was carrying it. For obvious reasons, the COVID-19 swabbing station had to be established outside of the Hospital, again to reduce the risk of transmissibility. A facility that was set up from scratch, the COVID-19 swabbing station has collected and processed over a quarter of a million swabs.

The COVID-19 laboratory has been our eyes and ears, without which events would have

725 unfolded very differently, allowing us to have a firm hold on the developing epidemiological situation, thereby driving the decision-making process. Their efforts and achievements have been tremendous. Our scientists and laboratory support staff have worked tirelessly throughout, often working endless hours, and it is incredible that in little Gibraltar we are now also undertaking genomic testing to identify the strain of the virus in positive cases in under 72 hours.

730 The Contact Tracing Bureau has effectively dealt with over 4,000 positive cases. This has required a thorough risk assessment of every case as well as the identification and management of close contacts, and the spread of the virus has been significantly slowed down, ultimately resulting in many lives being saved.

ERS, as the organisation responsible for the largest vulnerable group, bore the brunt of the

735 COVID-19 response. Infection control was their top priority and efforts were made to control the spread of the virus and provide healthcare to all their residents.

The Nightingale Hospital was a facility created at the Europa Point Sports Complex to provide additional bed capacity to St Bernard's Hospital for lower dependent patients and also prepared to take higher dependency patients if St Bernard's became overwhelmed.

740 The isolation facility at the Europa Retreat Centre was created to isolate those mostly non-residents and sea farers arriving from high-risk countries. The facility also accommodated positive cases who were either unable to self-isolate at a place of residence or were discharged from hospital.

The Care Agency was tasked with looking after vulnerable groups, and the Vulnerable Groups

745 team was established to provide that support.

We also had response teams, and a dedicated response team worked under the direction of the Care Agency to support the more vulnerable households. Support included the provision of free food packs and other essentials during lockdown. We also had a Community Support Group, which was established to co-ordinate the support from the hundreds of volunteers, organisations

750 and individuals.

Importantly, the Mental Health and Well-being Support team was established because mental health, and post-traumatic stress disorder in particular, has been a central area of concern throughout the response operations. A bespoke Mental Health and Well-being team was established to deliver frontline resilience management training to all responding organisations, as

755 well as support to the more vulnerable members of the community through the setting up of a befriending service.

We set up a Public Information Call Centre. The 200-41818 Public Information Call Centre became the one-stop focal point to deal with all non-medical issues in the community. Telephone operators were quickly able to deliver support to members of the community and well over 45,000 calls have been received since it was established.

The Business Support Group: as lockdown measures and other restrictions were imposed, many businesses were either forced to cease operations or operate differently. The creation of CELAC allowed Government to work closely with the private sector.

The Logistical Support Group: the ability to procure and manage critical equipment such as PPE was severely tested during the earlier part of the pandemic as demand far outweighed supply. As countries scrambled to get as much PPE as they could, efforts had to be made to source these from wherever possible. It was important that these were centrally managed to ensure that frontline departments were issued with the equipment that they needed.

Command Support: the gathering of timely information and shared situation awareness across all Government Departments is a crucial function. The Office of Civil Contingencies has published daily situation reports (SITREPs) since the very start of the pandemic. These have been prepared by the Civil Contingencies Co-ordinator, Mr Ivor Lopez, who I can assure you, Mr Speaker, has worked 365 days on this, as he provides the SITREP without fail every single morning. The timely and accurate reporting of critical information has been the key factor in the Government's decision-making process.

Legislation Support: since the start of the pandemic, the legal team from the Government Law Offices has published over 300 regulations under the Civil Contingencies Act. These have set a legal basis for the introduction of various public health measures, which again has been key in controlling the spread of the virus.

Media: another indispensable tool in the response has been the Government's ability to communicate with the public. Daily press conferences, regular press releases, as well as constant engagement with the local and international media has allowed the public to be kept regularly informed.

It has taken a pandemic for the general public to understand the existence and the role of the Office of Civil Contingencies and also the importance of the essential role that our healthcare and Social Services professionals play. I am very happy that the efforts of the collective were recognised by His Worship the Mayor in granting them a special Mayor's Award, and more recently that Ivor Lopez and Sandie Gracia were recognised in Her Majesty's Birthday Honours List.

Beyond the pandemic, the Office of Civil Contingencies is driven by a formal identification of threats and risks to Gibraltar. Emergency plans are developed to ultimately save lives and ensure an efficient response. Under the umbrella of the Gibraltar Contingency Council, below are some of the plans on which the Office of Civil Contingencies continues to work closely with other organisations and agencies: marauding terrorist attack; chemical, biological, radiological and nuclear explosive response framework; cyber security; and mass casualty plan.

I must thank everyone from the Civil Contingencies team, so ably lead by Mr Ivor Lopez MBE, for leading the pandemic arrangements with such military precision.

In August last year a Cabinet of 10 Ministers became nine when my good friend Gilbert Licudi stepped down from the Government benches and I was given the privilege to receive, in the middle of a pandemic, the additional portfolios of Health, Elderly Care and Social Services and the Care Agency, the Departments at the heart of the COVID-19 response.

Let me start by referring to the work of the Elderly Residential Services, as they have been the most precious Department during the last year. In 2019, the number of doctors at ERS was increased. During the pandemic the medical team was further increased in order to be able to cope with the implementation of a medicalised model of care, the aim of which was to prevent admission to St Bernard's Hospital as much as possible, and the introduction of a matron for ERS in 2019 was widely welcomed by health users and professionals.

Since the early days of this pandemic the dedicated teams at ERS have worked tirelessly to put in place infection control and prevention measures to curtail the spread of the virus. This has included daily PCR and lateral flow testing and use of PPE for all staff, not to mention the cautious enhanced cleaning and disinfecting that continues to take place.

Acquiring and refurbishment of the onsite cottage and converting it to a new four-bedroom isolation unit for Mount Alvernia, bringing the total isolation bed capacity to 16 beds ... In addition to isolation rooms, which were created and equipped with all the necessary equipment, and staff bubbles created in all the departments to safeguard any further exposure, all staff were upskilled and trained to deliver acute care. The safety and well-being of the residents in ERS has remained a top priority and they continue to use all the resources available to them to keep them safe. There was a daily increase of physiotherapy to all residents, which helped with mobility, and increased medical support was delivered to ensure the health and safety of all residents. As well as protecting the physical health of ERS residents, helping to protect their mental well-being and prevent loneliness was also an important step. This included daily video calls for all residents and their families and increased activity programmes for those able to take part.

I have nothing but the highest praise for the management and all staff at the ERS for their absolute dedication to the service and its residents, always going over and above to keep them safe. I cannot thank everyone at ERS enough for the work they have done and continue to do – this was under the extraordinary leadership of Susan Vallejo in particular.

Throughout the pandemic ERS was also extremely mindful of residents and people in the community living with dementia, and special provisions were put in place both in terms of outreach support and within the facilities to be able to support people who have dementia, in line with our Dementia National Strategy and National Plan. A lot of the outreach support was done through the Bella Vista day centre, which unfortunately was suspended during the pandemic. This building was adapted to cater for a 26-bed residential care facility as part of the COVID response, and support then to those users was provided through the outreach team. The aim of this team was to continue with therapeutic services and assistance with medical and social care, as well as the provision of the meals on wheels service.

I regret to inform the public that I have been informed by GHA and ERS management today that a decision has been taken, following Public Health advice, to cease the service at the Bella Vista day centre commencing from Monday. The service will continue for the next few days only for those who have not been able to make alternative arrangements. It is with great regret that this decision has been taken, but it has been taken in the interest of all service users, to contain the spread .

Mr Speaker, turning now to the Gibraltar Health Authority, I would like to start with some background to the two previous financial years and the unexpected but very significant pressures placed on the GHA. The start of the GHA's financial year coincided with a major incident posture as declared by the Chief Minister on 27th March 2020. By this point the GHA was already fully in action with COVID preparations. With this formalisation of command structures and processes, routine and non-urgent clinical services were reduced or stopped, teams were reorganised, dedicated COVID and non-COVID wards and clinical areas were set up and staffed, and patient consultations were moved primarily to telephone based. At that time the Ophthalmology department was moved to the University, the Chemotherapy Suite was moved to the Cancer Relief Centre, and routine blood taking in the PCC was moved to the old PCC site – all measures put in place to minimise patients coming into the Hospital and being placed at risk of infection.

The GHA introduced a readiness or threat assessment system, graded from green to yellow to amber to red, dictated by the number of COVID cases in the community and therefore how ready the GHA needed to be for a possible surge in cases, while at the same time allowing key personnel some well-deserved annual leave and rest. On 21st December 2020 a sharp rise in COVID cases led very quickly to another lockdown and the declaration of a second major incident on 22nd December 2020. January 2021 was an extremely difficult month with a total of 66 COVID deaths, of which 39 were in the Elderly Residential Services. The GHA went in to black alert status on

11th January 2021. Routine clinical services were once again stopped and staff were recalled from annual leave. Due to the rapid lockdown and escalation of the readiness status, the rise in cases was thankfully short-lived, and on 29th January the GHA reduced the alert status to red, and then to amber on 22nd February and yellow on 19th April. The Europa Nightingale Field Hospital was decommissioned on 5th March 2021 and routine clinical services gradually resumed once again.

A staff COVID-19 swabbing service was introduced on 13th July 2020, originally offering monthly swabs to all GHA staff. Since then, the service has expanded in reaction to the rise in cases and the need to protect patients, staff and visitors to GHA sites. Now vaccinated staff are swabbed weekly and non-vaccinated staff twice a week.

On 10th January 2021 the COVID-19 Pfizer-BioNTech vaccination programme, which we called Operation Freedom, started with three main efforts: staff vaccinations at the St Bernard's vaccination centre, individuals over 70 years old and those in vulnerable groups at the old PCC at the ICC vaccination centre, and the residents of the Elderly Residential Services on site. Dedicated and trained teams from across all clinical and administrative specialities formed the vaccination teams and delivered a seamless service to all those vaccinated. Applications for the vaccination programme closed on 1st June and in total the programme delivered 39,320 first doses and 39,061 second doses – we are still continuing with second doses. A total of 78,381 vaccines have been administered and, importantly, not one single dose has been wasted.

I now move to outline the key projects in the GHA that have been ongoing throughout the pandemic, albeit sometimes postponed due to having to focus resources solely on COVID-19 and management of the pandemic. First and foremost is the ambitious Reset, Restart and Recover programme for the GHA. This will mean a review of all key areas of the GHA to see how they can be improved so as to provide a better service to the public. We have learnt a lot from the pandemic, and most notably the pandemic has made us all work differently and more efficiently. One of the key cornerstones of Reset, Restart and Recover is to keep the working practices that work best as we recast the provision of healthcare in a way that better meets the needs and demands of our community. This will be done in consultation with stakeholders and the unions.

As Chair of the GHA Board I am changing the way that the board operates and will reinvigorate its way of working. I will ask the board to consider the strategic direction of the GHA on the services that we need to provide, and develop a workforce strategy that will make us more self-sufficient as well as oversee the strategic repatriation of services, where possible. The new board will have a greater involvement in the GHA as it holds its management to account in the delivery of strategic priorities. All in all, we will be focusing on efficiency, looking at better value for money and how we can eliminate waste from the system, and looking to improve the patient experience to ensure that they get the best outcomes. The patient will be first and foremost in our plans and the money will be diverted to patient care and not lost in bureaucracy. In parallel, we will also be looking at improving the health of our community, as prevention is better than cure. This work has already commenced and reviews on the management of surgical waiting lists, pharmacy and mental health are already underway.

Background work has gained pace in some of the infrastructure projects in the GHA, such as the upgrade of the Theatre Sterile Supply Unit, which supplies all sterile equipment for the Health Authority, and a new ENT department, which will be relocated to provide more clinical space and a dedicated sound-proofed hearing and testing area.

Following a series of very positive meetings with the Prostate Cancer Support Group, I am pleased to be able to report that an agreement has been reached for the formalising of a memorandum of understanding between the charity and the GHA which will enhance the services offered by the GHA. Prostate cancer is the second most common cancer and the leading cancer among men. While the incidence of prostate cancer has increased, fortunately so has the survival rate. The advancement in early detection and treatment is therefore of paramount importance. The forthcoming MoU will add physical resources and specialised training donated by Prostate Cancer Support Group to the GHA's Urology department. This is the perfect example of

collaboration between the Government and the voluntary sector in terms of support and enhancement of services to benefit our community.

In November 2020 the GHA Domestic Abuse Working Group was constituted to formalise a process in the GHA to ensure that victims of abuse were identified, assessed and offered
915 appropriate support, including referral pathways, in line with Gibraltar's wider national strategy.

Finally on Health, Mr Speaker, I turn to mental health. I made it a key priority in the review of the GHA since I became the Minister less than a year ago to build on the unprecedented improvements already delivered by my predecessor Ministers for Health in our Government. Notwithstanding and in parallel to having to deal with the pandemic, at the end of last year I
920 commissioned a review of the service and the preparation of a National Strategic Plan by an external adviser. Additionally in the last couple of months a parallel programme of preparatory work and plans supported by other external experts in the development and delivery of the Mental Health Services to ensure that the service is ready to respond to the changes required to deliver the strategy. This has also included the provision of further training for our in-patient staff
925 in the application of the Mental Health Act – this has already taken place – and work is underway to finalise the development of the code of practice.

I am very keen to report on the progress that has been made since embarking on the commissioning of a National Mental Health Strategy for Gibraltar, which is now in its final stages, and we aim to complete and publish it in the coming weeks. However, in the meantime the Mental Health Services have not been sitting still, and as the part of the strategy we will see the following:
930 the launch of a listening and learning initiative that gives us the opportunity to better use the stories of patients and their relatives to help improve the services provided; the development of a new crisis pathway to improve access to services, provide immediate access where necessary, together with follow-up support; and an inter-agency initiative between the GHA, the Department
935 of Education and the Care Agency to provide more co-ordinated support to children and younger adults with mental health needs. There will be a lot more detail of our plans in the Mental Health Strategy once it is finalised and published. Throughout, we are committed to listening to the experience of people who use our services and help shape our plans as we implement them. Again, the patient is at the heart of our services.

I am pleased that in November 2020, we published the Mental Health Situational Analysis Report, which was commissioned from Public Health England. The report highlighted excellent progress to date with improvements to the physical environment, the Mental Health Act reforms and frontline response of our Mental Health Services in Gibraltar, as well as suggesting areas for further improvement, all of which the GHA has been actively progressing.
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The Mental Health Board plays a crucial role and has been actively supporting the development of our services by providing an independent critical eye through their visits and discussions with patients in Ocean Views, and I am immensely grateful for their work. They clearly and quite rightly identified a need for an improved range of activities and rehabilitation activities for patients during their stay in hospital. In response, we are launching a programme whereby there will be
945 ward-based staff with additional training and responsibilities to run ward-based activities. This will be further enhanced through a refocused and more structured approach to the delivery of occupational therapy treatments and a programme of ward-based daily living activities for patients in our rehabilitation ward.
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Finally, I intend to launch ongoing audits and a formal review process in respect of significant events and untoward incidents in Mental Health, in order that we can ensure that we have learnt
955 and continue to learn lessons and incorporate these into our service transformation programme.

Our Mental Health Services demonstrated great resilience and have coped with the challenges of the COVID-19 pandemic, and our staff should be congratulated for their efforts.

Mr Speaker, as I now turn to my responsibilities in relation to the Care Agency I would like to
960 say that health and social care is the cornerstone of our community and will always be a priority. However, before I begin I would like to take a moment to pay tribute to the late Glynis Pearson, a much loved and valued member of our Disability Service, who sadly passed away in August 2019.

Her devotion and dedication to the service she managed was exemplary to all. She is greatly missed by staff, and especially the service users, who adored her and whom she adored.

Mr Carlos Banderas was appointed Chief Executive of the Care Agency in August 2020, Mr Angelo Cerisola was appointed Services Safety and Standards Director, and Ms Jennifer Poole was appointed Head of Adult Services in November 2020. Ms Sharon Ratcliffe was appointed COVID-19 Co-ordinator for the Care Agency at the start of the pandemic. My congratulations to all of them.

Turning to the Care Agency Disability Services, the advance of COVID-19 has certainly changed the way that Disability Services has supported adults with learning disabilities. Service users who would have attended St Bernadette's Centre were, like most others, staying home. The lockdown restrictions and lack of social contact were especially hard on people with learning disabilities, so they were supported to manage the challenges associated with the social lockdown by the dedicated and caring team of professionals. The Care Agency's very skilled and experienced Specialist Occupational Therapist and Strategy Co-ordinator adapted service provision by the use of technology for long-distance healthcare. This meant wider outreach. The outreach was carried out with invaluable input from the Behaviour Support Officer, who was essential in supporting families. Instrumental tele-health provision was also implemented by the Learning Disability Social Worker, who was in constant contact with service users and their families. In general, I am delighted to report that service users, families and staff have reported that the support offered has been useful and beneficial during these unprecedented times, and feedback has been overwhelmingly positive. Service users' Wishes and Feelings meetings continue to take place on a regular basis with all units at St Bernadette's Resource Centre. However, the COVID-19 measures have limited and restricted options available, for now.

Turning to the Care Agency's Adult Services, it continues to provide assessment, support and advice to all vulnerable people over the age of 18. During the 2019-20 financial year, Adult Services received 1,229 referrals for social work assessments and support, 31% of which were generated in the Hospital; 124 of these were in relation to safeguarding alerts and 20 in relation to domestic abuse. These referrals are received not only from other professionals but also from the general public, either self-referrals or from relatives or neighbours who wish to raise concern about a possible vulnerable person. This represented an increase of 79, which is 6% on the previous year.

Referrals received during the 2020-21 financial year were 1,642. This represented an increase of 395 referrals from the previous year, which is 34%; 448 referrals were generated in hospital, an increase of 16%, and 67 referrals were made in relation to safeguarding matters, a decrease of 46% on the previous year, and 25 referrals were made with regard to domestic abuse. The influx was received through the COVID helpline. During this period Adult Services also led in contacting all over-70s, conducting telephone surveys for each and every individual and carried out over 500 home visits for people who were not contactable over the telephone. Adult Services ensured that all vulnerable adults were supported during this difficult period with shopping, collection of prescriptions, and meals on wheels, as well as providing practical support, advice and information on a daily basis. Domiciliary care continues to be provided to assist the vulnerable, elderly or infirm at home. From April 2019 to March 2020 a total of 558 individuals received domiciliary care. This rose by 15% for the following year to a total of 643 individuals.

Unfortunately, Waterport Terraces day centre had to be closed in March 2020 in order to ensure the safety of all the elderly clients. Throughout the COVID period, day centre staff were unable to attend physically but they provided outreach support, calling to enquire as to clients' general well-being on a regular basis and carrying out home visits to provide activity packs to keep them engaged and stimulated at home. I cannot emphasise enough the magnificent work that has been undertaken by the Care Agency to support the needs of our vulnerable community.

Looking at safeguarding adults at risk, as we continue to enhance practice, legislation is being drafted to establish the Safeguarding Adult Board as a statutory body in order to ensure the safeguarding of adults at risk is made a priority for stakeholder organisations. Training on

safeguarding adults is being delivered today as I speak – well, maybe not now, Mr Speaker, as it is a bit late in the day, but it commenced this morning.

Turning to Children’s Services, the Family and Community Centre has been instrumental in ensuring that children and young people, parents and carers, can access support. The Care Agency has worked hard at creating meaningful ties with the community and combatting any residual stigma associated with Social Services. Families are now more amenable to receiving support from the social work team and this service has been instrumental in bridging the gap between child protection and children in need and crucial in providing children and families with increased opportunities to succeed and achieve the best possible outcomes.

The Care Agency has worked hard to reduce the number of children who have had to be placed in residential care – a significant improvement, increasingly supporting families to care for children and young people, with the support of their own Fostering and Adoption social worker, with support and guidelines around issues of contact, finances and support in their family placements.

In Children’s Residential Services the Care Agency has care plans in place for every child. These are prepared in conjunction with therapists and social workers, are understood by the care teams and help to provide clarity to everyone in the service about the standards expected in the care that they provide to our most vulnerable children.

The Care Agency is working together with the Royal Gibraltar Police in achieving a joint protocol to work with young people in care who may also be known to the criminal justice system. Additionally, the Care Agency chairs a multi-agency working group on youth offending to develop strategies on how to best offer support.

A Parent and Child Assessment Unit has been created. The aim of this service has been to provide residential parent and child assessments for those who are suffering or are at risk of suffering significant harm and on Child Protection Plans. Residential support encourages parents to reflect on their parenting and the impact that this may have on their children, and at the same time ensuring that the child’s needs are being met in a safe and healthy environment. The programme helps parents build on their parenting skills and adopt positive strategies in their day-to-day parenting responsibilities. The centre has workers engaged in providing the significant number of supervised contacts that are currently being requested by the courts.

Also, the Freedom Programme for victims and perpetrators of domestic abuse is running from the Family Centre as a group session, which is a significant step forward for the service in supporting men and women who have suffered domestic abuse.

Looking at our leaving care service, the Children’s Service continues to have a personal adviser service for young children leaving care. Support is offered up to the age of 25 to those who are either in residential care, in supported accommodation or living independently in the community, and the role of the personal adviser has been crucial in supporting young people’s transition into independent living and having someone they can rely on, when necessary.

Children with disabilities are among the most vulnerable in any society. This year’s main focus has been on increasing and developing respite services, so that support can be provided in the shortest time possible. Encouragingly, 2020-21 has seen the provision of care afforded to children with disabilities and their families increased. Part of a range of services which support children in need and their families has included the provision of day, evening and weekend activities for children.

Finally on children, the Child Protection Committee has continued to ensure safeguarding is embedded in practices and procedures across services for children in Gibraltar. During the financial year 2019-20, 216 individuals have been trained in Safeguarding Tier 1, 30 in Tier 2 and Safeguarding Training Tier 3 was also successfully delivered by the GHA and supported by Care Agency practitioners. Additionally, all new RGP recruits received safeguarding training as part of their induction programme.

Turning to the Care Agency’s Therapeutic Services, these services have supported staff and service users with individual and/or group counselling during the pandemic. This included those returning to work after having contracted the virus, and, if requested, as part of post-traumatic

stress healing. Given the stresses arising from the nature of their work, services were extended to the GHA and ERS as well as Care Agency members of staff. The Therapeutic team continues to offer Care Agency clients, Care Agency colleagues and other colleagues with multi-agency teams such as the Royal Gibraltar Police, the GHA, the Department of Education, Youth Services, Her Majesty's Prison Service and the GSLA a range of specific therapeutic and professional expertise and support. The Care Agency's Therapeutic team also provides support and supervision to Bruce's Farm, both in respect of residents undergoing drug and alcohol treatment and the staff members who care for them.

There has also been inter-agency consultation. Between April 2020 and March 2021 the Therapeutic Services team have, through their MAPPA duties, been involved in monthly meetings with the RGP and multi-agency teams. A total of 108 clinical hours have been attributed to MAPPA.

On that note, Mr Speaker, I turn to my Justice portfolio, commencing with the Royal Gibraltar Police. Following the 2019 HM Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection of the Royal Gibraltar Police and the report submitted in 2020, the RGP continues to work hard at a strategic level to achieve the recommendations set out. Chaired monthly by the Commissioner of Police, Richard Ullger, and attended by the Command Team, together with members of the Gibraltar Police Authority and HMICFRS, they strategically discuss progress and implementation. As a result of this, there has been a lot of work to establish a Domestic Abuse Unit and a Victims of Crime Unit to better co-ordinate the public protection delivery of the service. The Service has provided much training to the entire force and its new approach has provided the public with greater confidence to report matters of domestic abuse.

The Code of Ethics has also been well established, with good processes in place to support the principles and improve standards of behaviour, with policies adopted and implemented to target those who may engage in any corrupt practice. More training is envisaged and improved systems will be implemented at a cost to improve governance and accountability.

National security continues to be a priority for the RGP and this is evidenced by the commitments aligned to the Annual Policing Plan. The recent Terrorism Act 2019 provides the RGP with broad and intrusive powers to stop, search and hold individuals at entry points into Gibraltar, providing the RGP with the ability to investigate potential plots of acts of terrorism and support other states in such investigations. The enforcement of this Act has already commenced with Project Servator, a policing tactic carried out by specially trained officers who deter and detect criminal and terrorist activity, as well as to reassure the public. Through these methods the RGP have already been successful in detaining drug suppliers, wanted persons and illegal immigrants. Simultaneously, the RGP has also invested in its firearms command structure and now has the capacity and capability to command a firearms incident at a strategic, tactical and operational level.

There are notable cases of interest as the RGP officers are constantly at the forefront of fighting crime that occurs both nationally and internationally, and there have been many success stories over the past year. The RGP's efforts in combatting drug trafficking, in line with the Commissioner's commitment when taking office to do so, has been notable this year. Drug suppliers have been arrested and convicted, with forfeitures made of moneys suspected to have been collected in the commission of the offence. Large seizures of drugs have been made, with the largest happening in January of this year, with a total of 1.3 tonnes of cannabis resin recovered, having a street value of approximately £6½ million. This was equally matched on the same night in a joint operation with Spanish law enforcement agencies, and the seizure of 1.8 tonnes of cannabis resin. In February 2021, £2 million worth of cocaine was seized. Equally, offenders escaping our local jurisdiction have been arrested through the European Arrest Warrant Framework and some excellent co-operation has resulted, particularly with the national police forces of the Kingdom of Spain, to bring these people to justice. Under the current framework, policing co-operation continues.

The Economic Crime Unit, which was recently resourced with more officers, has increasingly been investigating complex crimes, arresting offenders for false accounting, fraud, money laundering and frauds by false accounting.

1120 In March this year the RGP created a Traffic Enforcement Unit that dealt with exceptionally bad driving linked to anti-social behaviour. By having a co-ordinated response the RGP has proactively enforced the laws on the roads with zero tolerance towards offences that put other road users in danger.

1125 In September 2020 the RGP was recognised by GibSams for its hard work to improve mental health well-being in the service. This has had a positive impact on staff and officers. Importantly also, a diversity, equality and inclusion strategy was adopted by the RGP in February 2021. This is being adopted from recruitment into retention, ensuring that the service is a diverse one. Only recently the RGP made history by promoting its first woman inspector.

1130 Mr Speaker, I turn now to the Gibraltar Financial Intelligence Unit (GFIU), which also plays a critical role in the fight against economic crime and also uses financial intelligence to tackle other criminal conduct. As it marks 25 years since its establishment, the GFIU has undergone a restructure, and as a result of the recommendations made by the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (Moneyval), Mr Edgar Lopez, a former senior police officer, was appointed as its director by the Attorney General in March 2020 and oversees a permanent core of financial intelligence officers and other staff, together with specialist officers on secondment from the Royal Gibraltar Police, HM Customs and the Gambling Division. To co-ordinate the intelligence available to the GFIU, it established a Joint Financial Intelligence Task Group to discuss financial intelligence and disclosures received by the GFIU where complex cases might be investigated. The group meets weekly and has proved to be a very efficient mechanism, bringing all stakeholders together to make better-informed decisions.

1140 Last year the GFIU launched an e-learning platform that it designed and provides service users with the latest information through e-learning workshops. The numerous achievements over the last year demonstrates the efforts made to professionalise the unit.

1145 In January 2019 the GFIU launched an online reporting system for the secure submission of suspicious activity reports. The system, called THEMIS, consists of two separate parts – an online portal for use by MLROs and a system visible only to the GFIU. It has also integrated all mutual legal assistance requests into the system, which allows officers to cross check with existing data. This allows the GFIU to harvest the data and link any potential local money laundering investigations.

1150 Officers continue to undertake regular online training to be able to improve their conduct in their roles. The e-learning workshops have increased over the last year with over 300 users having access to them. Feedback on both the initiatives and workshop content offered by the GFIU has been very encouraging. More workshops are being designed, which will include terrorist financing, online child sexual abuse and exploitation, and human trafficking. The GFIU has engaged with industry professionals, international institutions and academics to ensure that the content and design of these workshops are optimised to provide the most up-to-date information. The GFIU has been very actively involved in international forums.

1160 Now, Mr Speaker, I turn to our law courts. The law courts have not escaped the impact of the COVID-19 pandemic but the Gibraltar Courts Service has worked extraordinarily hard to keep the courts open and operating throughout both lockdown periods. The use of the video-link facility with HM Prison increased, remote hearings for civil matters in the Supreme Court were introduced and the Court of Appeal sessions have been conducted remotely.

1165 There are currently five appointed members of the Court of Appeal, with the recruitment of a further member imminent in order to maintain the complement at six. Last year, on advice from the Judicial Service Commission, eight new Justices of the Peace were recruited, appointed and sworn-in. Again, this is to maintain the complement of Justices following a number of retirements. In 2019, acting on advice from the Judicial Service Commission, Mr Justice Yeats and Mr Justice

Restano were appointed Puisne Judges of the Supreme Court. The law courts are in a strong position. The current complement of judges, coupled with the fact that when hit with the pandemic there was no backlog in either the Magistrates' or Supreme Courts, has enabled it to deal effectively with the current substantial workload brought about as a result of the scaling down of operations during both lockdown periods.

As Minister for Justice, I have worked closely with the Chief Executive of the Gibraltar Courts Service to ensure that the courts' back office administration is properly resourced and to make certain that the level of support to the judiciary, court users and the legal profession is maintained so as to continue delivering a timely and efficient justice system that is open to all.

I turn to the Government's Law Officers, a team who have continued to play a crucial part in shaping legislation, providing legal representation and delivering legal advice to Government and Departments. During the course of 2020 to date, the GLO have published the following legislation: 40 Bills, 26 Acts and 830 legal notices.

In January 2020 the Government published the legislation that provided the framework of Gibraltar's exit from the European Union. Since the enactment of the European Union (Withdrawal) Act 2019, a significant number of regulations have been published using the powers conferred by that Act, which have been aimed at correcting deficiencies that have arisen as a result of Brexit. Others have been made pursuant to the obligations entered into in the Withdrawal Agreement. Another aspect of Brexit relates to trade, where we, on 1st January 2021, published 27 sets of regulations to give effect to the rollover.

The Competition Bill was also published in December 2020. Following its enactment, a further eight sets of regulations and orders have been published, which, taken as a whole, provide for a competition regime for Gibraltar that is based on the post-Brexit regime applicable to the UK.

In addition to dealing with the legislative impact of Brexit, there has been, as we know, a significant amount of COVID-related legislation enacted, principally under the Civil Contingencies Act. Since we first legislated for COVID by declaring it to be an infectious disease, on 31st January 2020, there have been, as I said earlier, over 300 COVID regulations.

Other than Brexit and COVID, the following legislative projects have also come to fruition during this period. The Marriage (Amendment) Act deleted section 6B of the Marriage Act, which provided for registrars to opt out of conducting a same-sex marriage in the exercise of their freedom of conscience. Importantly, the Surrogacy Act 2021 came into force on 9th February and provides for the regulation of surrogacy arrangements and the legal status of those participating in assisted reproduction arrangements. One of the many regulations resulting from the passing of that Act amended the Births and Deaths Registration Rules to allow for the recording of information in a birth entry relating to a woman who is a parent in accordance with section 9 of the Surrogacy Act, making it possible for two women to be named on a birth certificate.

The Department has also been engaged in the area of international conventions, including Brexit, of course, and the Moneyval assessment on Gibraltar.

And finally on that note, Mr Speaker, it leads me to mention the work done on the Anti-Corruption Authority. Yes, Mr Speaker, this was, of course, a manifesto commitment, but that commitment has not been possible in the timeframe stated in the manifesto, for obvious reasons. What has been happening in Gibraltar for the last year and a half, and indeed the whole of the world, has meant that some things have taken precedence over others, but I can assure the Hon. Mr Clinton, given that he raised this issue only a moment ago, that I have been working on this matter in addition to my commitments to COVID and everything else. I have been working on this matter directly with the Chief Minister and also with Minister Isola, and a draft Bill is at a very advanced stage. Indeed, I received the latest draft about a week ago and the Bill will be before this House this calendar year, COVID permitting.

Mr Speaker, I turn now to the Office of Criminal Prosecution and Litigation (OCPL). This too was heavily involved in the initial and ongoing Moneyval evaluation, forming part of the Gibraltar delegation at the various Strasbourg-Gibraltar meetings. Arising from this, OCPL has also been

involved in the process leading to the amendments that have recently been made to the Proceeds of Crimes Act.

During the height of the COVID pandemic the OCPL staff were seconded to deal with matters related to BEAT payments. Notwithstanding this and most of the department needing to isolate due to positive members of staff, the OCPL nevertheless covered all court appearances and urgent matters throughout the lockdown period.

The OCPL has noted a marked increase in the number of sexual offences matters that are being investigated and prosecuted. This would seem to suggest that there is a marked and increased confidence in the judicial process as a whole in dealing with this type of case, whether they are historic or recent allegations.

Mr Speaker, I now turn to Her Majesty's Prison. The average daily population for the last two financial years stood at 48, which is a slight drop from the average. On 18th September 2019 Mr Gareth Coom was promoted to Prison Superintendent. Having worked with Gareth for a number of years, and more closely in the last year and a half, I want to thank him for his dedication to the service that he leads and for all his help, especially during these recent unprecedented times.

Unfortunately, 2020 began not only with the threat of the oncoming pandemic but, sadly, with the passing of two members of staff, Officers Zac Valance and Diana Senior.

The Prison services continued to be well used by those in custody as the year progressed, with all of these seeing a higher percentage of users. They attended educational classes, made use of the gymnasium and attended vocational classes. In terms of spiritual support, ministers of the various religious denominations visited the Prison weekly and offered guidance in addition to a kind ear, and in fact religious attendances were up to 35% of the population.

The senior management team and staff devised a series of fluid protocols to safeguard Her Majesty's Prison during the pandemic, initiatives and regimes that would serve them well throughout the year. In retrospect, the ability to effortlessly adapt to changes in advice marked the difference between success and failure in these confined circumstances and in the end saw the service traverse this very difficult period with only a single COVID case.

At present, the Prison Service continues to follow their road map to normality, re-establishing services and renewing initiatives and improvements to current ones, including an increase in the provision of general and substance abuse counselling and rehabilitation. Improving these services will better place offenders on the road to rehabilitation and successful re-integration into society and thus reduce the rate of re-offending. This is something that I am working very closely with the Superintendent of the Prison on because experience tells us that the most effective drug strategy combines both elements of counselling and rehabilitation programmes, which are provided together with the enforcement and deterrence. To this end, and in order to enhance the enforcement and deterrence element, the Prison Service is extremely proud to report at present a 55% participation in their voluntary drug testing scheme.

Other areas that have received attention over the last two years include improvements to infrastructure and equipment. The Prison gymnasium was completely refurbished. An investment has also been made in the main yard with the repair to the ground and the purchase of equipment.

Upcoming specialist training in the United Kingdom will include control and restraint and multi-disciplinary team training for instructors.

The Prison management and the treatment of prisoners continue to be seen by the Statutory Prison Board, members of which undertake their responsibilities with passion and determination.

Mr Speaker, the Probation Services have continued to provide frontline services during the pandemic to both the courts by way of pre-sentence reports and to the Parole Board for consideration for parole and community supervision orders. Probation officers have received further training in MAPPA sex offender risk assessment, management and supervision. Additionally, one of the probation officers undertook training in the Freedom Programme for victims who have been physically or emotionally abused by their partners. Whilst the programme focuses on working with the victims of domestic abuse, the programme will enable probation

officers to work with perpetrators of domestic abuse as part of probation supervision. The programme challenges the rationalising and justification that perpetrators employ for their abuse. It is designed to make perpetrators accept responsibility and teach them appropriate behaviours with their partners. Probation officers will be undertaking further training to facilitate the incorporation of domestic abuse into public protection risk management.

Mr Speaker, I turn to the last of the uniformed bodies that I have responsibility for, and that is the Fire Service. Starting with the Gibraltar Fire and Rescue Service (GFRS), this has also, for them, been a year of continued progress and adaptation to new challenges. The GFRS has continued during COVID with its primary objective of providing the best possible level of emergency response to the community whilst negotiating the challenges brought about by COVID-19. Notably, one of the members of staff at GFRS was seconded to the COVID-19 Mental Health and Well-being Team and since his return to GFRS continues to carry out invaluable work under their welfare support system, and is currently working on a project to introduce an internal support network and increase mental health first aid and awareness amongst the workforce.

The GFRS has seen multi-agency major incident exercises on real-time practical events with significant involvement at all levels of the command and control structure. Following the lead from the Gibraltar Contingency Council, this is an ongoing process of development and definitely one that will vastly improve interoperability and the overall efficiency of Gibraltar's emergency response capability.

The gym facilities were refurbished last year by the firefighters themselves. As a result of this voluntary work, expenditure has been significantly reduced and they now have a facility that contributes towards maintenance of an acceptable level of physical equipment amongst the crews, something that is of obvious value to their operations.

The GFRS senior management is in the process of preparing proposals for the introduction of a dedicated training department and I now turn also to the Airport Fire and Rescue Service (AFRS), which despite the constraints of the pandemic has maintained a particularly busy period of activity. With an unusually quiet airfield, the focus was to consolidate all elements of practical training and reviewing operational procedures. This was undertaken observing the relevant protective measures for the safety of all staff members, ensuring preparedness for response could be maintained whilst remaining conscious of a potential need to support other agencies if circumstances so required. Continual training ensures that firefighters maintain the necessary skills and competences which are critical to safely and effectively fulfil their roles. This at a time ensures that as an organisation the AFRS functions properly and can react whenever it is called for. Consequently, it is mandatory for the entire AFRS complement to be recertified every four years and will now happen in October 2021.

The UK Civil Aviation Authority undertook an organisational preparedness audit in June 2020. This was undertaken virtually and resulted in a clean bill of health with only relatively minor observations having been highlighted. This now provides an assurance that the AFRS is fully prepared to respond to any operational demands that may be placed upon it, not only at the airfield but elsewhere in Gibraltar in support of the GFRS or any other emergency service.

The GFRS and AFRS continue to work closely, fostering a great professional working relationship. This demonstrates a mutual commitment to promote interoperability in respect of both training and operational responses to support each other during any incident. This collaborative approach serves to identify performance improvement, cost effectiveness and other synergies which satisfy common gains in all aspects of firefighting and training, with the benefits ultimately resulting in a safer Gibraltar.

One final note, on the basis of the stark underrepresentation of women in the Fire Services. I recently met with the chiefs from GFRS and AFRS and I have set up a working group to promote equal opportunities both in recruitment and, hopefully, in retention of a diversity of firefighters in Gibraltar.

Finally, Mr Speaker, I turn to my portfolio as Minister for Equality. During our decade in office it has been my privilege to have held a wide range of portfolios. Of all those portfolios there has

been one that I have held from the very first day, and that is Equality. I was extremely honoured to be chosen as Gibraltar's first Minister for Equality in 2011 and it is a responsibility that I continue to be very proud of. This Ministry which I lead is dedicated to upholding equality principles and to eliminating all forms of discrimination. It has been and continues to be greatly rewarding to form and lead a new Ministry which has been ground-breaking in its vision, ideas, policies and, most significantly, legislation.

I will start with LGBTQ+ rights. I am grateful for the Chief Minister's comments on gay rights in his intervention yesterday and the importance he has given this issue and the recognition of the work of the Ministry for Equality, because in the space of just under 10 years a great deal has been achieved by our administration in order to ensure that gay rights are properly protected by legislation. In fact, it is incredible now to think that the first time the word 'gay' was mentioned in Parliament was not that long ago and it was in my very first Budget speech in 2012. This Government stands for fairness and equality and I am very proud that since 2011 we began to address the issue of gay rights, an issue which had never been directly mentioned, let alone addressed, in this House before, and we have done so promptly and with conviction. This has marked a fundamental change in values and has ensured that all members of our community enjoy the same rights.

There are many ways to protect the rights of our citizens. Clearly, passing legislation is one of the most important steps that we can take. Nevertheless, it is also vitally important to continue to raise awareness of LGBTQ+ matters to ensure that any kind of discrimination is not allowed to take root in our community. It was very important for this Government to again mark Pride Month this June because representation and visibility matter and sometimes much more than we can ever imagine. This year we have marked Pride in a number of bright and illuminating ways. Pride flags have been flown from key buildings and points in Gibraltar. Pedestrian crossing signals at a number of crossings have been changed in order to reflect the diversity in our community. Unfortunately, some of the comments on social media in response to our initiatives this year have shown a blatant disregard for our fellow citizens. There is no place in Gibraltar for homophobia and hate, and I would urge everyone to remember that we are all equal and that we all deserve and are entitled to full respect at all times.

While visibility is key, an equally critical component of this journey is to listen to the voices and concerns of the LGBTQ+ community. For this very reason we launched the first survey in Gibraltar. The survey will be live until 31st September and I would urge everyone from the LGBTQ+ community to participate. Hearing directly from stakeholders is vital in a democratic society that upholds the key values of equality, diversity and inclusion.

Our Government's commitment to equality is embedded in everything that we do. Gender equality is another important strand of my equality portfolio. I believe most resolutely that gender equality is a vital component of a modern and mature society and it is a key factor in our quest for social justice. In 2020 we marked International Women's Day with a Women in STEM panel discussion event, days before we went into our first lockdown. The event aimed to raise the profile of women working in STEM locally as a means of providing young people, particularly girls and young women, with positive role models. Looking back now, the event almost seems prophetic given the pivotal and central role that was to be played by scientists and healthcare professionals during the pandemic. In 2021, we marked International Women's Day by recognising and celebrating the extraordinary efforts and crucial role of women in health and care during the COVID crisis with an extensive social media campaign. This was in keeping with the United Nations theme 'Women in Leadership: Achieving an Equal Future in a COVID-19 World' and it was particularly fitting that we celebrated International Women's Day 2021 in this way, given that in Gibraltar women comprise over 70% of the health and care workforce. As Minister for Health and as Minister with responsibility for Civil Contingencies I have repeatedly witnessed first-hand the truly incredible efforts of women at the forefront in fighting the coronavirus pandemic. I have nothing but admiration, respect and a huge sense of gratitude for all their endeavours in eradicating the virus from our community.

1375 Another intrinsic part of our gender equality strategy is challenging gender stereotypes. These
are often deeply embedded in societies to the point that they are not recognised as such but are
regrettably considered to be natural and form part of expected behaviours. There can often be a
backlash against any initiatives that are perceived to challenge this status quo. Backlashes do not
deter me from working to eradicate stereotypes that I know prove damaging and in most extreme
1380 cases can even be fatal. That is why we must challenge the insistent and persistent use of hyper-
feminine and hyper-masculine stereotypes. They do not reflect the full spectrum of human
experience and they serve to strictly police the behaviours of men and women and of people who
do not identify as such. To this effect we launched a modern fairy tales short story competition in
November 2019, a resounding success. Not only was the Fireside Chat event, to discuss gender
1385 stereotypes in traditional fairy tales, delivered to a packed audience but the actual competition
itself was phenomenally supported by 140 participants and 151 entries. Clearly, there is an
appetite in Gibraltar for changing limited gender stereotypes and I know that the competition has
served to generate a conversation around the issue.

Another strand of the gender equality strategy is the economic empowerment of women. One
1390 of the key initiatives to do this is our Women's Mentorship Programme, of which we have already
run two cycles, and we would have launched the third cycle in 2020 but obviously the pandemic
did not allow for this. Nevertheless, I look forward to announcing the launch of the third cycle
imminently and would like to urge anyone interested in participating in the Women's Mentorship
Programme, either as a mentor or a mentee, to contact the Ministry of Equality and to register.

1395 Another key issue which is at the forefront of my equality agenda is domestic abuse. Domestic
abuse is one of the highest priorities for our Government and you will have seen, Mr Speaker,
from my address, that it is now a common theme running through the majority of the
Departments for which I am responsible. As Minister for Justice and Equality I am extremely aware
that making legislation for changes is a powerful way forward in eradicating domestic abuse and
1400 it is also important to pave the way for new laws with training so that it is put into effect properly.
While domestic abuse affects everyone, statistics show that it affects women predominantly.
Therefore, I published a Command Paper for a Bill specifically dedicated to offences relating to
domestic abuse. This landmark, standalone and consolidated piece of legislation seeks to enshrine
in law the protection of victims of domestic abuse. The two most fundamental changes that this
1405 piece of legislation will introduce will be a definition of domestic abuse in statute and the
introduction of domestic abuse protection notices and orders. These notices and orders will
provide new tools for the RGP and the courts. They prohibit abuse and may prohibit contact or
stop the person going within a certain distance of a victim's home. Additionally, the Government
is widening the definition of domestic abuse to include non-physical, economic abuse and
1410 controlling and coercive behaviour, as part of developing the National Strategy. All these
additional legislative measures will serve to enhance the protection of victims of domestic abuse
and they will also serve to send a very powerful message to the perpetrators and the wider
community that this Government is committed to eradicating this grave social issue.

The Government was acutely aware of the likelihood of an increased risk of domestic abuse
1415 during the COVID period, and as such the National Strategy was brought into sharper focus. During
the lockdown period a specific COVID-19 Domestic Abuse Working Group, made up of
professionals from all stakeholder Departments and which also included a representative from
Women in Need, was appointed.

Enhancing the knowledge and skills of our first responders is also a top priority for the
1420 Government and I have been working closely with the Commissioner of Police to ensure that the
RGP's skills and knowledge in this highly sensitive area are enhanced. I am delighted to report that
in spite of the challenges of the recent months, in 2020 all 250 officers of the Royal Gibraltar Police
were trained by the UK charity SafeLives to deal with domestic abuse. The aims of the training
were to enhance policing response to the victims of domestic abuse, the identification of
1425 perpetrators of domestic abuse and prevention measures and to ensure that the Police were
properly prepared ahead of the forthcoming legislation. In addition to the RGP officers,

professionals from other relevant Departments such as the Probation Service, the Care Agency and the GHA, were also able to benefit from the training and were able to gain the necessary skills and knowledge to assist in future training courses.

1430 The Ministry for Equality also commissioned training on the Freedom Programme, which is a very successful therapeutic programme for victims of domestic abuse, in order that they may be provided with a supportive, safe and friendly environment. Training on the Freedom Programme was delivered to the heads of all key stakeholder Departments that form part of the National Domestic Abuse Strategy and which deliver therapeutic and support services to victims of
1435 domestic abuse. This was done with a view to establishing a consistent and holistic policy in the delivery of such therapies throughout Gibraltar. The Freedom Programme has been very successfully used by the Care Agency since 2014 and it was important to expand it throughout the public sector so that it could have a wider reach.

I am also very happy to report that apart from the training there are frequent multi-agency
1440 meetings between the Care Agency, the GHA and the RGP to address issues relating to domestic abuse. Our preventative strategy continues to work well through our collaborative relationships with the Department of Education, too. 'Respect and Healthy Relationships' continues to be delivered across schools in Gibraltar in age-appropriate and sensitive ways.

The Ministry for Equality's work on disabilities has always been the lion's share of the work
1445 that we do and we have advanced greatly in the last 10 years. This last year has been difficult for all of us and it has been particularly sad for me to see that a lot of the good work and awareness raised by the Ministry of Equality has had to be put on hold due to lockdown measures. This is particularly true of the training and awareness programmes that they deliver, and a lot of time and effort had been invested in preparing for them, but even throughout the lockdown the
1450 Ministry of Equality were an important element of this Government's policymaking decision on matters of disability.

Since my last Budget speech the Ministry of Equality has also attended training and attended two Annual Conferences on the Rights of People with Disabilities organised by the Academy of European Law. The aim of this is that through learning we can continue to enhance the services
1455 that the Government provides.

The Disability Language and Etiquette Customer Care training that already forms part of the training prospectus for Civil Servants has also been included as part of the ongoing training for the Royal Gibraltar Police. Indeed, a number of training sessions for the RGP were already delivered before they had to be postponed due to COVID, and we are hoping they can be reinstated soon.

1460 We launched disability information cards, the purpose of which is to establish a discreet way for a person with a disability to communicate with others what their particular accessibility needs may be. This scheme is purely voluntary. We now have close to a hundred card holders and I am happy to say that these cards were especially useful during lockdown on occasions where people with particular disabilities were allowed to enjoy certain necessities due to their condition. For
1465 example, children with particular requirements due to their disability could use this card successfully in order to gain access to the park at Europa Point during lockdown. You may remember, Mr Speaker, that on occasions during spring 2020 time spent on the beach was limited to half an hour. This time limit was extended for people who, because of their disability, needed some extra time, and the disability information card proved to be a very simple and effective way
1470 to prove this to the authorities.

The importance of an accessible toilet cannot and should not be underestimated. For some people, lack of such access means restrictive participation in social and cultural activities. This is why we launched the RADAR Key pilot scheme in October 2019 and installed our first RADAR lock. For those people who are unaware, a RADAR key opens any door that has a RADAR lock. These
1475 are usually installed in public accessible toilets and will allow a RADAR key holder access to the toilets at all times. These are the types of initiatives that create a more accessible social environment and therefore make a real difference to people with disabilities. Applications for a RADAR key should be made to the Ministry for Equality.

I would also like to point out another example of how this Government is taking the concept of equality and inclusion and adapting it into our policies: the award-winning B-tween Bench designed by Gamma Architects to include a space, off centre, in order to allow wheelchair users to sit amongst friends or families. Both Her Majesty's Government of Gibraltar and private entities have made use of this inclusive design as part of the development of outside public areas.

Finally on disability, while we have achieved and progressed a lot in terms of legislation and policies, training and awareness, we have more and big exciting plans ahead. Consultation with stakeholders is, of course, essential so that we be kept abreast of all live issues, and the Ministry for Equality in the coming weeks will launch an in-depth consultation to see how we can further improve our services.

Now that I have been given the responsibility for Health and Social Services it makes it so much easier to be able to discharge and integrate the general equality principles in relation to disability in a more seamless way. I have regular meetings with all my heads of Departments together, so that in consultation the Medical Director, the Department of Equality and the Chief Executive of the Care Agency can work together in a more meaningful and more collective way.

To conclude, Mr Speaker, I will mention my responsibilities in the context of the Commonwealth Parliamentary Association (CPA). Having been a founder member of the British Islands Mediterranean Region's Steering Committee of the Commonwealth Women Parliamentarians, I was elected chair in the middle of the pandemic. That has brought with it additional responsibilities. I am grateful for the travel ban this year and having adapted to virtual meetings has been very effective; otherwise, I would have had to invest a lot of time travelling. Mr Speaker, as you and Mr Clerk know full well, our participation in the CPA can sometimes send us to far-flung corners of the earth.

This being Mr Martinez's last Budget session, please may I thank him, but may I thank him in particular for his support of our CPA work, which involves travel – or should I more accurately say sometimes adventures, because when one travels very far away things are not always simple. Most notably I might take this opportunity to remind him of that strange hotel in Istanbul, or the event when the Hon. Mr Reyes was mugged in Cameroon, and all sorts of strange things that have happened to us. But I would like to sincerely thank Mr Martinez before his retirement, as of course, Mr Speaker, I would like to thank you and all the staff here in Parliament.

That leaves me to thank everyone else who has worked with me and supported me, in the last 18 months especially as they have been particularly hard. Everyone who has worked with me directly has literally worked round the clock. The hours put in by the teams have been tremendous, and looking back now I do not know where we got the energy from to keep going. But quite apart from the importance of what we were doing, it was clearly the camaraderie that kept us going, from us as Ministers with the leadership of the Chief Minister, the Deputy Chief Minister and my friend and colleague the Minister for Public Health, to all our teams, especially those in the Civil Contingencies Office.

I am so happy that the efforts of those who work in the field of health and care have been recognised. On that note, before I wrap up I must apologise for some of the policy work that has been the victim of COVID. There was policy work that we embarked on before the pandemic struck and which we have not yet been able to complete. The reason for this is simply because all our resources and all our attention were diverted to the pandemic and there were simply not any more hours left in the day, some days. There is nothing I would like more than to complete these as soon as time permits.

Finally, as we see the rise in cases attributed to the delta variant, as a community it is important that we keep safe. We must follow all the Public Health rules and the Public Health advice to keep ourselves safe, and also it is important that we do not overburden the Hospital and residential facilities. Our vulnerable people come first and it is for them that we need to make these sacrifices.

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

1530 **Hon. Chief Minister:** Mr Speaker, I am conscious that we have now heard a number of speeches on the go and that neither you nor the Clerk have been able to leave the Chamber. I wonder whether this might be a convenient moment to adjourn for 10 minutes for a comfort break before we continue with the next speech.

1535 The next one on the agenda would have been Minister Balban. Because he is solitary with his family, in isolation because of a close contact, his speech is now being circulated to all Members – in particular to Mr Phillips, who shadows him in a number of different portfolios – and will be available on the Government website and on the Parliament website as part of the *Hansard*.

I propose that we should now recess and continue with the order after Minister Balban.

Mr Speaker: The House will now recess until 25 past seven.

*The House recessed at 7.15 p.m.
and resumed its sitting at 7.25 p.m.*

**Appropriation Bill 2021 –
Second Reading –
Debate continued**

1540 *The following is the written speech of the Minister for Transport (Hon. P J Balban):*

1545 ‘Mr Speaker, never before have we needed to focus so much of our attention and resources on something so unexpected as what we have had to endure for close to two years now. At the time, I was leading the GHA when news of the new virus broke out in China. We looked to the east. The news kept pouring in of so much infection and death as a result of this virus but we somehow seemed to look at this as something that was happening far away and would perhaps not affect us. Patient zero was our wake-up call to the stark reality that we were not immune to this medical threat, and by then the GHA and Government in general had undertaken to be well prepared to take on this formidable opponent. Every reasonable step had been taken, every scenario rehearsed, every preparation done, just to be ready to endure a medical crisis unseen before in Gibraltar. We braced ourselves but we were confident that we were ahead of the game.

1550 Gibraltar in many respects was thrust into the limelight and was featured in the world media for many reasons. Our small size saw us break many records, sometimes for being top of the league table for positive reasons, at other times for not so positive reasons, but all in all we have been an example and a success story throughout most areas and we have shone out and managed to steer this ship away from the rocks. We are all hugely proud of the efforts made, the endless hours spent by our professionals, but especially the tireless work carried out by healthcare workers and the Civil Service at large, who have had to fill gaps when necessary and carry out duties not within their normal daily duties, proving that they are all truly able to reach that mark and prove that their skills are transferable wherever they may be needed. We are not out of the woods yet and prudence and good sense are necessary to see us through the coming months, as more cases, mainly attributable to the highly contagious delta variant of the virus, continue to spread – the virus trying to outwit us, its host, and fight itself to survive through mutation. It has been a massive challenge and I was proud to lead the GHA at the time of the first wave, working with this incredible organisation.

1560 Following the recent partial reshuffle, I returned to the portfolio that I was entrusted with originally in 2011 when we won the election. At the time I did not know that I would become so passionate about the work that was to follow and how important this would become in our fight to create a better environment for us all. In fact, the fight for a healthier community, and indeed planet, runs parallel to many lessons learnt during this pandemic. Evidence showed that people

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who were obese, for example, suffered greater risk of morbidity and indeed mortality. The lockdowns brought many people out of their homes in search of respite – this came about in the form of exercise – and in doing so also acquiring that hugely valuable vitamin D from the sun which proved so important as a contributing protective factor for our immune systems.

1575 I am truly grateful to be able to continue this work in the short time left until the next election. The amount of work necessary to carry out to put Gibraltar on track is so vast that it will take many years to truly see a difference, a difference that depends on change and our ability to change as a people and see that we need to evolve if we are to stand the best chance of passing on a greener, healthier Gibraltar to our children. This will be all about trying to offer truly alternative and
1580 sustainable choices of moving and finding ways to encourage less car usage via perhaps more palatable means, safer roads for all, liveable streets – something that we should, I am sure, all wish for, regardless of our political background, and something that I hope will receive the support of all Members of this House. I am truly excited to get started, although we must now understand that things will be more difficult. Today our economic position has changed, unfortunately, due to
1585 the pandemic, and we will need to be more creative and more resourceful while aiming as high and as far as we can.

Mr Speaker, I will be keeping my contribution to the Budget debate this year short and to the point while trying not to do any injustice to any of the ministerial portfolios that I am now once again responsible for.

1590 During the past two years the Technical Services Department has continued to provide technical support to Government Ministries and Departments on a wide range of construction and traffic related matters, as well as meeting their defined responsibilities of maintaining public infrastructure. During the pandemic the Technical Services Department also provided advice to the GHA on numerous projects and were instrumental in setting up the initial drive-through
1595 testing facility at Rooke in a very short timescale to meet the deadlines required. As a result, the last two years have been very different to previous years and fewer projects have been carried out. This is particularly true for the 2020-21 financial year, where the Department has been prudent in its spending and limited its departmental responsibilities to emergencies or essential maintenance of public assets, including the public highway and the sewerage and drainage
1600 network.

Nevertheless, during the course of the last two financial years the Technical Services Department has been involved in a large number of projects covering a wide range of responsibilities, which have included cliff and slope stabilisation schemes within the Upper Rock and Little Bay, the repair of a number of retaining walls, carrying out highways resurfacing works,
1605 highways maintenance, major relining works of a section of the main sewer and general sewer maintenance and improvement works. In addition, the Department has also provided support on the implementation of several projects related to the Sustainable Traffic, Transport and Parking Plan (STTPP) launched in March 2017.

This coming year will see the continuation of our roads resurfacing programme, albeit on a reduced scale. Our very successful roads resurfacing scheme was commenced by the Department
1610 in an effort to tackle the never-ending need to repair and maintain our roads due to the large number of vehicles, but especially heavy goods vehicles, that frequent our roads. Mr Speaker, you will recall that in May 2019 the Technical Services Department embarked on the largest roads resurfacing scheme ever undertaken and saw many roads being fully resurfaced. This year will see
1615 the continuation of this never-ending task, making the best use of the funding being granted and voted for this year.

The replacement and enhancement of pelican crossing lights and equipment has continued during the past couple of years, working jointly with the Gibraltar Electricity Authority. During this time three more light-controlled crossings, inclusive of countdown timers, have been installed at
1620 Europort Avenue by GASA Swimming Pool, at Waterport Road by the access road leading to Varyl Begg Estate, and finally on Rosia Road adjacent to Jumper's Building. The Government will

continue to review all existing light-controlled crossings and provide further countdown timers in areas where these are not present.

1625 The Department also continues to successfully manage road closures and diversions on the public highway, both for its own in-house works and for all other utility companies and contractors. All road closures are assessed and carried out in a manner that allows essential works to be undertaken whilst allowing vehicles and pedestrians to circulate in a safe manner with the minimum of disruption. The increased construction activity generated by new projects over the past few years makes this task increasingly difficult. In order to reduce the impact as much as possible, road closures continue to be avoided during peak times wherever possible, and after-hours and weekend work is a condition that is normally imposed on contractors in order to minimise inconvenience to the public.

1630 With regard to coastal engineering works, the Department continues to monitor and carry out maintenance and repair works as and when required. The Department also continues to provide advice to developers and the Development and Planning Commission on all aspects of coastal engineering as and when required. During this financial year Technical Services will be reviewing the existing coastal defences at Eastern Beach and Sandy Bay with a view to carrying out essential maintenance works.

1640 With respect to cliff stabilisation and rock fall protection projects during the 2019-21 financial years, the Department has been involved in numerous schemes located within the Upper Rock. This has seen stabilisation works being carried out at the Apes' Den, Windmill Hill and St Michael's Cave. These areas are all located in areas frequented by locals and visitors to Gibraltar alike and it is important that within the limitations of living in a place like Gibraltar, where rock falls are inevitable, these areas are kept as safe as possible.

1645 During the past year the Technical Services Department was also involved with works to a number of retaining walls. These have included works at Blackstrap Cove, Europa Point, Jew's Gate and Witham's Road. During the current year the Department will continue to monitor our retaining walls and effect repairs as necessary.

1650 Moving on to sewers, during the past year the Infrastructure section of the Department has continued to maintain the public sewerage network as part of HM Government's commitment in this area. The major desilting and relining works of the main sewer commenced several years ago and continued with the successful relining of the section of sewer running under Lover's Lane towards the College of Education. These works are considered essential given the age and condition of the sewer in this location and the disruption that can be caused in the event of a failure of the sewerage network. The Department is currently undertaking camera surveys of the main sewer in order to prioritise the continuation of this essential maintenance work. Works were also completed at Rosia Bay and at Devil's Gap, where a new drainage system was installed to overcome a historical issue of blockages as a result of the poor condition of the existing network in the area.

1660 The condition and upkeep of Gibraltar's main sewer and storm water drainage networks continues to be a matter of great concern for the Government to what is arguably the most important part of our infrastructure. The Department will therefore this year be continuing its major desilting and cleansing works of the sewer network and will be carrying out upgrade works where necessary. Other works will include gully cleansing, manhole repairs and the general upkeep of the public storm and sewerage networks. Given the sharp rise in developments in Gibraltar, the Department continues to provide advice to both developers and the Development and Planning Commission on the impact that these various developments can have on our existing sewerage network.

1670 Finally, funding is once again being sought for the purchase of equipment to allow the Sewer Infrastructure section to continue to expand and provide an enhanced service in respect of its inspections of the sewer network. This also applies to the Garage and Workshop, where funding for new equipment is also being sought. They will continue to provide a service to maintain the fleet of Government vehicles, including the refuse collection vehicles. As in previous years, the

situation with the Garage and Workshop remains under review and expressions of interest were sought to explore the possibility of the leasing and future maintenance of Government's fleet of vehicles. As yet, no final decision has been made on this option.

I would once again also like to take this opportunity to publicly thank the Infrastructure section and on-call officers of the Technical Services Department for their hard work and commitment during those times in the past year where Gibraltar has suffered from storms and very heavy rain. It is thanks to the very hard work and dedication of this team whilst most of us are at home that the impact of these storms is not greater on both our sewerage and road networks.

The Technical Services Department is one of those Government Departments that is rarely in the limelight but works tirelessly behind the scenes to deliver on its defined responsibilities to maintain public infrastructure and to support and provide technical advice to other Government Ministries and Departments. As can be seen, it will continue to do so this coming year in all manner of projects in order to deliver on the Government's extensive and comprehensive programmes.

I will now report on the progress made during these financial years on initiatives that were already in motion, together with new projects commenced by my colleague Minister Vijay Daryanani whilst Minister responsible for transport.

Parking will always be a problem in Gibraltar unless we can work together to reduce our need for it. There is a very tight balance to achieve with respect to the revenue and employment potential there is within the local car sales market and our need to look at our small town as a place totally overtaken by the car. Even though more parking is created each and every time a new estate is built and in theory those who buy into these new estates will invariably move their cars to the new parking areas within the estate, we still do not see more on-street parking space available. On the contrary, there are more and more cars and vans taking up space further away from people's homes. The reality, it seems, is that we have a problem letting go of our cars. This is something that we will need to tackle eventually; we have no other option.

Nevertheless, during the past 18 months three new pay and display parking zones became operational on Harbour Views Road and Europort Roundabout, providing a total of 37 pay parking bays, operational between 9 a.m. and 10 p.m. daily. These areas include free parking after the stipulated hours except on Harbour Views Road, which will operate on a 24-hour basis daily with peak and off-peak tariffs. This also includes public holidays and weekends. This provides parking turnaround and access to the areas in close proximity. This is the first pay and display that charges users round the clock, 365 days a year.

A further new pay and display parking zone was established at the ex-Queen's Cinema site and became operational on 12th March 2020, providing 21 parking bays active between the hours of 9 a.m. and 10 p.m. daily, with free parking after 10 p.m. In addition to this, one new disabled parking bay and a motorcycle bay were demarcated within the site. This now provides parking turnaround and access to businesses, places of work and popular tourist hotspots in the nearby area.

Another new pay and display parking zone was established at Coaling Island, becoming operational on 8th June 2020, providing 105 parking bays, operational between 9 a.m. and 6 p.m. from Monday to Friday. The area continues to provide parking at no cost after the stipulated hours and during public holidays and weekends. This provides parking turnaround in an area commonly used to park vehicles on a long-term basis, with a minority left unattended and derelict for long periods. This area also provides additional parking opportunities for nearby leisure areas such as the small boats marina, Coaling Island marina, and Commonwealth Park, as well as increasing the overall parking stock to the city centre for visitors and commuters.

Even though hugely unpopular at the beginning, pay and display is one of the only ways to guarantee parking turnaround. It is impossible to have free parking without having cars block these spaces indefinitely. It is by seeking a parking fee that people will use that space for as long as they really need to, leaving that same space available to another user in short time. Parking fees should reflect the needs in a specific area. Quicker turnaround requires higher hourly rates, such as at Line Wall Road, giving more opportunities for people to go shopping for specifics, having

lunch or running errands. Lower hourly rates allow for longer parking for people who need to go to work or spend longer in the area for perhaps recreational purposes. Without well-planned parking fees, parking is impossible and more time needs to be spent driving around looking for space, leading to increased emissions.

1730 Amendments to the parking configuration within Grand Parade was announced on 8th July 2020. As a result, zone 1 parking for permit holders saw an increase to the existing stock from 127 to 211, giving a 60% increase to the current residential parking stock in Grand Parade. These changes formed part of the ongoing consultation process with stakeholders and are constantly monitored and reviewed with the aim of providing more efficient use of the existing parking stock
1735 within the car park. Care must be taken when seeking the views of stakeholders, as usually every action will have an equal and opposite reaction. Finding the right balance is the hardest challenge.

All parking facilities throughout Gibraltar will continue to be constantly reviewed to ensure that the limited space available is put to the best use.

1740 A new Transport Advisory Committee was set up, providing advice on traffic and transport related matters to the Government. This Committee seeks to provide the views of stakeholders, the public and representatives bodies in traffic and transport locally.

Following advice and in consultation with the Gibraltar Bus Company, a new school bus service was introduced and became operational as from 6th January 2020. The school bus departs from Elliot's Battery bus stop at 8.20 a.m. during school term. It is hoped that this may encourage fewer
1745 car trips, with this dedicated bus service exclusively for school children. Bus Route 7 – Mount Alvernia – also sees an extended service time until 8 p.m. Monday to Friday.

Following the success of the first phase of the old street signs project – which was brought to life with the idea of preserving our spoken heritage, that of our old street names, which was slowly being lost – phase 2, which had already seen the groundwork done, was launched in February
1750 2020. Five new plaques were unveiled, containing a short description of the origin of the colloquial name so that we never forget our past. The new plaques included those at Library Ramp, New Passage, Boschetti's Steps, Town Range and Crutchett's Ramp.

The installation of a new sliding security bollard system at Casemates Gates was completed on 20th November 2020. This innovative surface-mounted bollard system consists of two fixed
1755 bollards on a plate with a single central sliding bollard to provide access into Casemates. The low-profile configuration of this system allows the installation of these bollards in areas where deep excavations are not feasible due to existing infrastructure in the ground. The configuration also allows constant pedestrian access even whilst closed. This new hostile vehicle mitigation device at Casemates Gates is the first of its kind in Gibraltar and its performance will be monitored before
1760 more locations are rolled out to safely and effectively secure the town centre from unauthorised vehicles. The road space between the fixed bollards also acts as a speed calming measure, meaning when the sliding bollard is open vehicles would need to reduce their speed to transit through.

It came as a personal disappointment to see that the Main Street and Irish Town Cycle Scheme was suspended. The intention of such a scheme was to allow cyclists to use this area after the
1765 busy hours, so as not to need to cycle on roads during the late evening or night when roads generally become less safe for a number of reasons. The reasons for the discontinuation of this scheme will be looked at carefully in the context of the larger plan for encouraging cycling as an alternative means of transport to the private car. The greatest concern highlighted at the time of
1770 suspension was the lack of policing in the area where cyclists and e-scooters were found using this area during the restricted hours, therefore creating a risk to pedestrians. It should not mean that because of a few disrespectful users all other law-abiding user groups, especially families and children, should need to stay without. It was stated that this scheme saw low uptake, which is in fact what was expected in a place where commuting cycling is not commonplace. Most cyclists
1775 anyway would use other roads, as they are quicker and more direct. The intention of this area in town was to create a quiet area to encourage families to try to cycle, young children to be able to enjoy their bicycles in safety and people to be able to ride to work in the morning or home late

evenings. Nevertheless, the concept of a cycle lane through town was due to be reviewed, as most other cities adopt shared spaces as opposed to separate painted lanes.

1780 The use of cargo bikes as a form of last-mile sustainable delivery in town will be explored further, as it makes huge sense that, if possible, and with the right encouragement, a cargo bicycle is greener, less bulky and dangerous than a van spewing out fumes in the centre of town.

1785 New bicycle racks were rolled out at 10 locations throughout Gibraltar, providing an increase of 70 cycle spaces, complementing the existing bicycle parking facilities at key locations within the city centre and other leisure areas. Cycling infrastructure by way of safe, secure bicycle parking is critical to help take-up of cycling in cities and is a great investment.

1790 During lockdown Gibraltar saw a vast improvement in our air quality, as my colleague the Minister for the Environment will vouch for. The pandemic saw cities throughout the world transform their streets and improve the public realm. An increase in cycle shared schemes was witnessed and many people took up the shared bicycle or used their own personal bicycle to get to work instead of sharing a car or public transport. It made total sense. The bicycle, for certain distances, became the perfect socially distant mode of safe travel and transport. Many cities used pop-up cycle lane infrastructure to try to harness this marked social change and help protect cyclists, one that was driven by the different populations themselves. Bicycles rapidly sold out and
1795 for the first time, just when bicycle-part manufacturers thought that the pandemic would see the end of their businesses, a miracle happened: bicycle spare parts that had been gathering dust in the warehouses of giant cycling-part companies started to move. One order led to another as bicycle manufacturers started to respond to the worldwide astronomical demand for bicycles, and they started building bicycles in quantities never seen before. Within months even the spare parts
1800 had been exhausted, and even now there are still shortages of bicycles and shops are still struggling to get their hands on bicycles, especially the most popular brands. Purchasers are now still almost unable to specify colours or accessories at the point of purchase as shops grapple for what is being supplied to them.

1805 The pandemic saw much negativity and much tragedy but there was also a lot of opportunity to harness. Many leading environmental experts described this time as an opportunity of a lifetime. The world does not often get these chances, these pauses to life, and it was one to grasp with five fists. All of a sudden, as Gibraltar locked itself down, Mount Sidi Musa in Morocco appeared crystal clear on the horizon, coming out of the perpetual dust that lay before it. I peered at it from my offices at St Bernard's Hospital. The horizon was so clear that the Atlas Mountains
1810 behind Sidi Musa could also be seen too. There was that clear sense of clean air and I think we all felt it. Our air monitoring equipment verified this observation. Yet we have lived and today re-live this day by day – lorries, trucks, HGVs, diesel and petrol cars driving under 1,000 m to take children to school, to go to work, to drive round and round in circles to find parking, sitting in traffic queues along Queensway, Rosia Road and Main Street. We sit locked inside our cars, windows closed,
1815 breathing through particulate filters and the air conditioning in an encapsulated environment. We have lost and are losing that contact with nature, that need to get the blood pumping, to feel better, fitter, healthier. We now no longer hunt and gather at the supermarket; today it is so much easier to get shopping orders delivered.

1820 At the time of the pandemic, grasping at the only legally permitted opportunity of leaving our homes to seek that critical respite from the shackles of our four walls, Gibraltar came out in droves to walk, power walk, cycle and jog. Never have our streets been so vibrant with people exercising as during the lockdown – and in the perfect silence of empty streets. Never have we eroded the soles of our shoes sooner than the fabric that holds them together. The chirping of the birds became audible as the level of noise pollution dropped. Government at the time also saw that
1825 opportunity and tried doing what other cities were doing. The closure of Europort Avenue, Chatham Counterguard and part closure of Line Wall Road was announced, coming into force on 1st June 2020. The intention was to return public space to the people because, regardless of whether we drive, cycle or catch the bus, the moment we park our cars and walk home or walk from Mum or Dad's car to the school gate or from our parked car to work, we are all pedestrians.

1830 There was a lot of good in the intention behind the closures of these roads. Chatham and
Europort were quite inconsequential to traffic flow, but the Line Wall Road closure came under
fierce attack. This is the normal reaction to change, especially when it affects our beloved cars.
The closure of Line Wall Road provided an opportunity to gather data and see at face value what
1835 effect it would bring about to local traffic. However, I think that one valuable lesson was learned
at that time by the team that spearheaded that initiative: change has to happen slowly. Gibraltar
is not a city with many arteries and there were perhaps many better, smaller environmental
battles to be had rather than have that one all-out war against the car. But brave it certainly was.
The plans were impressive and few would disagree that everyone would have loved to have seen
1840 those plans materialise, but not at the expense of our cars and our freedom to drive them where
we please. We were not ready for it at the time, just like we were not ready for the closure of
Main Street to traffic when that happened in its day. Our dependence on our cars is something
we will need to come to terms with eventually, but once again, alas, we may have to leave that
one for our children to sort out. Brave leaders get lambasted but those who are not brave will
never break boundaries and create a better place for us all to live.

1845 On 6th November, Line Wall Road resumed to normal traffic in both directions, lockdown was
slowly released, the cars returned, Mount Sidi Musa slowly retreated back into the haze, the birds
stop chirping, it seemed, our air became thicker and any potential positive environmental gain
was lost. It was midnight and the carriage became a pumpkin. And here we are, the new normal,
or the same old normal. There are more cars today than during the lockdown. There will be even
1850 more cars tomorrow, electric cars predominantly someday perhaps but more batteries and
lithium and plastic and rubber to dispose of and contend with – but we will still have our cars.

We have an impossible task ahead of us, despite the reality of a horror story, as described by
my friend and colleague John Cortes, that will see within the lives of our grandchildren the rise of
water levels, that will see our lowlands covered by seawater – Laguna, the Reclamation, Glacis,
1855 the Airport. Is this not enough to realise that we must react? We cannot keep burying our head in
the sand. Or can we? Well, if we do not care as a population, then we can simply let our
grandchildren find a solution. Those of us who care must work hard to convince those who do not
care. As already stated by John Cortes, traffic is the biggest contributor to poor air quality and it
is for this reason that Government needs to lead us to a safer, healthier and sustainable future. I
1860 cannot stress this much more. Should we work together and embrace change, or should those
who cannot see past their steering wheels dictate that we head in the direction of climate crisis?
Electrification will no doubt help somewhat, but it is not the way forward. We need to seriously
consider changing the way we live our lives. But it is your choice, our choice; it is up to all of us.

Nevertheless, things will need to move on a little slower now, not least because we are not the
1865 beneficiaries of a large budget but because change needs to be looked at within a certain pace.
The community needs to be offered options, ones that will not stop them exercising their right to
choose, but we all need to recognise and be reminded that what we sow we will reap. If we want
to be healthier, fitter, live longer, be happier and we want this for our children too, we need to
start to look within ourselves and support Government-led initiatives. We need to stop and wait
1870 for a while when projects and initiatives are unveiled and not jump to criticise without giving them
time. No Government wants to punish its people. No Government does things to lose votes and
lose elections. It is easy to do nothing. Few people will overly react if things are kept the way they
are. Some NGOs may seek more, some environmentally conscious citizens may also wish for more,
but popularity is generally not lost. That is the easy way out.

1875 Change is good for us all, and over the next months until the next election I will try to make
inroads into a better, greener Gibraltar. I will be looking at all the projects that are available to us
and try to choose the best ones that will make our environment better within our financial
constraints. I will seek the support of the population, of my Government and parliamentary
colleagues to start making some changes that will hopefully see us become a better place, an
1880 attractive home, an attractive destination for visitors.

Mr Speaker, I will now turn my attention to the Driver and Vehicle Licensing Department. This Department is the place that churns out that endless supply of car drivers, motorbike riders, the place where all new cars start their life on our roads, the place where new cars become second-hand cars, then third-hand cars, and the place that checks these cars are in good working order. The latter is environmentally the most important function of this Department, as it is here that emissions are checked and vehicle roadworthiness approved.

The DVLD has seen a massive increase in workload recently. Apart from the challenges of the pandemic, this Department has had to pull out all stops, due to Brexit, and has been working very closely with the Government Law Offices and DVLA UK ensuring that we will be able to continue to drive throughout Europe as we transition out of the EU. The staff have managed to step up to the mark and have managed to meet all targets set upon them.

I am proud to say that the Driver and Vehicle Licensing Department continues to embrace and use information and communication technology as a tool to achieve a better and more efficient service to the customer. In fact, this Department was one of the first, if not the first to add online Government services some years back. The public is now able to access a total of 13 online DVLD services and applications via the new e-Government portal. These include applications for compulsory basic training, International Driving Permits, driving licences and learners' licences. It is also possible to book driving tests, driving theory tests, roadworthiness or MOT tests online, buy a personalised registration number, change an address, change vehicle ownership, arrange for the disposal of a motor vehicle, request a duplicate logbook or roadworthiness certificate and register a new or imported used motor vehicle. Furthermore, new e-services will be introduced shortly, making the DVLD one of the Government Departments with the most services available online. The DVLD is working on a service to allow individuals to purchase personalised number plates online. This service will allow people to access and pay for their chosen number plate at any time and from the comfort of their own home. The service will cater for the increased demand in personalised number plates, which generates additional revenue to Government.

The DVLD is a very busy customer-facing Department and it has had very high demand from the community, which is to be expected in a population with a penchant for cars and one of the largest vehicle ownership rates per capita in the world. The DVLD staff claim that they can safely say it has been the busiest period in recent history for the Department, especially with the need to allow for the application of international driving licences in preparation for Brexit. The increased demand for driving licences and International Driving Permits, together with the backlog of MOTs due to the suspension of services during lockdown, has been an immense challenge, one that is very difficult to appreciate from the outside. Government had to redeploy extra staff to the Department, with an average of 100 applications being received daily both online and via the counters, and over 60 MOTs have been carried out daily by our hardworking qualified testers.

Due to the nature of the Department, the Driving Vehicle and Licencing Department found itself operating a temporary counter at the Royal Gibraltar Post Office in Main Street in order to serve members of the public who required personal assistance during the lockdown. Printed application forms were made available at this point and personal assistance provided. Furthermore, in order to guarantee prompt delivery of important documents, items like driving licences, log books, International Driving Permits, MOT extensions and blue badges were sent by registered post at no additional cost. The staff at the Driving, Vehicle and Licensing Department worked hard to manage the increase in workload whilst making sure that the necessary safety measures for all involved were in place at all times.

I am very pleased to report that counters will soon be opened at the Eastern Beach MOT Test Centre. A total of four counters plus an additional collection point for business and express service will be made available at this location. Recently, a further counter for the purposes of the DVLD was opened at the one-stop shop in Main Street, opposite the John Mackintosh Hall.

The introduction of the motorcycle compulsory basic training course for riders by the GSLP Liberal Government is a success story, especially for our 17-year-olds, who are now more confident and feel safer before driving on the road. It continues to be delivered by qualified driving

and vehicle examiners with the course structure covering a mix of verbal instruction and practical training that has proven to be a tremendous success. Feedback from the public at large continues to be extremely positive, especially from concerned parents, who feel that the basic course helps their children have a better understanding of road safety.

The MOT Vehicle Testing Centre boasts of the latest equipment to test vehicle emissions. The equipment fully complies with the very latest EU testing legislation and is in line with the manifesto commitment for a green Gibraltar. The vehicle testers are able to find out if any part of the emissions system has been tampered with or removed. As part of this new test, vehicle testers are now able to retrieve generic and manufacturer-specific diagnosis trouble codes. With a view to improving our carbon footprint, stricter emissions checks are underway. The new rules were first introduced in 2018 and apply to diesel vehicles which are fitted with diesel particulate filters. When examined, all vehicles that produce smoke of any colour will immediately fail the test and will need to be corrected before being driven again.

The ADR is a European agreement concerning the International Carriage of Dangerous Goods by Road. The carriage of dangerous goods by road carries the inherent risk of accidents. Considering the safety requirements of vehicles in Gibraltar that carry dangerous goods, and in accordance with the Transport (Carriage of Dangerous Goods by Road) Regulations 2010, Government has trained officers to conduct ADR testing at the DVLD. Government will continue to provide this training to new testers in order to qualify officers and allow them to issue an authorisation certificate to these types of vehicles. Additional courses will be held by qualified persons from the Driver and Vehicle Standards Agency (DVSA) in the UK in order to update all the relevant qualifications as necessary. These courses will be held locally and all qualifications achieved by our testers and examiners are in line with our counterparts from DVSA UK.

Mr Speaker, our transport inspectors ensure that our public transport service continues to improve. Our transport inspectors now ensure that all users and undertakings fully abide by and conform to all the legal requirements under the Transport Act. Furthermore, and due to security access management of pedestrianised areas such as Main Street, a new scheme for permit holders was introduced a few years back and is working very well. A total of seven transport inspectors are deployed throughout Gibraltar and worked extremely hard throughout COVID making sure our public service users wore masks when inside their vehicles and that all COVID measures were being respected inside our public service vehicles. As we continue to welcome tourists and flights back to Gibraltar, their role will be even more demanding.

Finally, I would like to take this opportunity to thank the entire DVLD team for their hard work, and a special mention to Mr Pepe Moreno, our chief examiner, who retired this year after completing full service at the age of 65.

Mr Speaker, I am looking forward to getting back into a Ministry which is both a challenging and rewarding one. When it comes to traffic and transport, beneath every single initiative there is one core value and aim, and that is our environment. This is not about targeting any group or sector within the community. At the end of the day, most of us own cars and motorbikes and most of us like to drive. Many of us also like to cycle, but many of those who would consider riding a bike are very concerned and even scared of riding on our heavily transited roads. But one thing that almost all of us have in common is that we are all pedestrians each and every day. That is the one fundamental thing that needs to be respected and why pedestrians should be at the top of everybody's list.

Walking infrastructure is generally good in Gibraltar, although research and best practice is always evolving and what was acceptable yesterday will find a better way tomorrow. Yet, when there are accidents they also often involve pedestrians. Each and every time a pedestrian crosses a road there is risk, and at that point of conflict speed is what either keeps us safe or is the very reason why injuries could be more serious, even life threatening. The World Resources Institute, Cities Safer by Design (2015) Report showed that at 30 km per hour there is a 10% likelihood of a pedestrian or cyclist fatality, at 40 km per hour there is a 30% likelihood of pedestrian or cyclist fatality and at 50 km per hour – our maximum speed limit in Gibraltar – an astounding 85%

1985 likelihood of pedestrian or cyclist fatality. Is this not evidence enough to want to seriously at least consider reducing the speed of traffic in Gibraltar? What is the counterargument – I get to work quicker by driving at a faster speed? Take this on board: research carried out in Grenoble, in France, showed that the difference in time taken to drive one kilometre between intersections was 18 seconds when comparing a maximum speed limit of 30 km per hour and 50 km per hour.

1990 Or is the counterargument it will create more traffic because we seldom drive above 20 km per hour when we are stuck in traffic anyway? Traffic is created by sheer volume of cars and not the speed they are travelling at. That it perhaps cannot be policed is another matter but not one that should stop us considering what is safe and beneficial for the environment.

The whole reason behind the STTPP is to find ways of encouraging alternative and more sustainable modes of transport. It is not about wishing to limit freedoms or a wish to displease. This is what a climate emergency is all about. It is about action, not about sitting back and seeing what happens or waiting for a greater law to be imposed from elsewhere. In fact, as I have said before and made abundantly clear, the STTPP is an environmental document with plans on how to achieve a greener city.

2000 We declared a climate emergency, most of the world did, but we need to take an important decision: do we do something about it as a people together, or do we wait for it to be imposed on us and then complain about it? Do we say that this is for bigger nations and organisations to sort out, or do we tackle it ourselves, each and every one of us? We cannot just look at the oceans and say, 'Poor cetaceans, dying due to ingested plastics,' or look at air quality readings and state that

2005 this is the fault of multinationals outside of our immediate vicinity. After all, it was the children who marched up Main Street to No. 6 to demand that the Government declare a climate emergency.

Each and every one of us needs to do their bit if we are to leave a meaningful legacy to our children. We cannot turn a blind eye, and there are so many things that we can all do, which are

2010 not just good for the planet but which are good for us all, for our direct health. We can choose not to buy plastics, we can choose to recycle, we can choose to drop our used chewing gum in the bin and not stub out a cigarette butt on the street. Each and every one of us can also look at how we move and decide if we really need to use a car to drive 500 m to take our children to school or ourselves to work and remain stuck in a traffic jam, taking us 30 minutes to arrive at our

2015 destination. In a place like Gibraltar, which is in effect a town, a car trip can be more laborious and less time efficient than walking, catching a bus or cycling.

When it comes to cycling, Gibraltar has very little in the way of infrastructure, other than one cycle lane across the runway and some bicycle parking. That is about it. Many comment that they would seriously consider cycling if there was infrastructure but are scared to, yet few would be

2020 scared of driving or riding a motorbike or walking, so it seems that the mode of transport that is most in need of change and assistance is the bicycle. This is the very thing that cities throughout the world are encouraging greater use of. There are cities built around the bicycle, yet they did not start off as cycling cities, they became cycling cities. They became so because their citizens were fed up and tired of being stuck in traffic, scared of the number of accidents, including lethal

2025 accidents, and wanted that change: people pressure. People, especially worried mothers, started to drive cars and traffic off the streets of Amsterdam in the late 1960s and are still continuing their drive to remove parking spaces and cars transiting through the city centre. We want a green Gibraltar, we voted for a green Gibraltar, but many of us do not want the inconvenience of a green Gibraltar. That is the reality. It is such a shame. Our small size could make us one of the most attractive small cities in the world; our health would improve, indeed our life expectancy too.

2030

It is often lonely sitting in my chair, but more people are more supportive as time goes on. More people are visibly walking, catching the bus and even cycling, compared to when we won the election in 2019. Mind-set is slowly changing, and if not, awareness is most definitely on the rise. I recently tweeted that when it comes to initiatives that affect our roads 'it almost feels like

2035 dragging a child to the dentist when they know they are going to get a tooth extracted and it's

going to hurt.’ Nevertheless, I feel that it is my duty to keep to the manifesto that was voted at the last election and, budget permitting, try my best to sow the seeds for a green future.

Had I been the Minister for Transport at the time of the horse and carriage, I would have most probably been spearheading the entry of the car, the bus and the lorry that would bring Gibraltar into the modern era, as I would have thought that it was the best thing to do at the time, a time when the environment was not a consideration at all. Even smoking was considered healthy in those days. Clearly, today we know much more and it is the duty of everyone sitting here today and listening to this debate today to come together when it comes to this matter, which is one of the most important challenges and threats that we face today.

In conclusion, I would like to thank all those working within my respective Departments – most of whom I got to know well while I was responsible for Traffic, Transport and Technical Services – for their hard work. I look forward to working closely with them all once again over the coming months. I would like to thank all technical and administrative staff at Technical Services, the Sewers section, Highways Division, the garage staff, the Bus Company and its drivers and mechanical staff, also the DVLD, the acting chief examiner and all of his staff. Finally, I would like to thank David at the Ministry for all his help in the past year, and Jared, who recently joined him to assist us. I also wish to thank all parliamentary staff for their hard work and assistance throughout the year.

Finally, I wish the Clerk of the Parliament the very best on his retirement. He is someone I have always associated with the Civil Service and a familiar face when I used to visit my Dad at work, then the Registrar of the Supreme Court in the late 1970s.’

Hon. E J Phillips: Mr Speaker, insofar as housekeeping is concerned, I thank the Hon. the Chief Minister for the advance copy of Minister Balban’s speech. Of course we wish him well, and hopefully he will return to his Ministry as soon as possible. We welcome him as the former, former, now reinstated Minister for Transport, and surely he will do a better job than his predecessor – we hope. **(A Member:** Hear, hear.)

It is an honour to contribute to the Second Reading of the Appropriation Bill in relation to areas within my shadow responsibility. Before I commence my main contribution to the debate, I think it is right that we take some time to reflect on the human impact of the COVID-19 pandemic, and in that regard I associate myself with the comments of the Leader of the Opposition, the Leader of the House and of course the Minister for Health. We have lost 94 of our people to this horrible virus and we hope that our successful vaccination programme, together with a cautious but realistic approach to the way in which we interact with one another, will avoid large numbers of hospitalisations, further death and grief. Alas, it appears that the numbers are increasing, and, with that, further hospitalisations. Our thoughts, therefore, must be with those in hospital, their families and our health warriors who are on the front line in treating those who have succumbed to the virus. *(Banging on desks)* Each one of those 94 souls we have lost has contributed in one way or another to what makes our community special, and it is my hope that at the appropriate time we are able mark this moment in our history and remember those of our number who have been lost to the disease. Each one of those lives lost is a tragic story of loss, and this House grieves alongside the families. Tragic as the loss of life has been to this cruel disease, we must collectively condition ourselves, as has been stated by many Members of this House and particularly the Leader of the Opposition, to living with COVID. The disease is amongst us and it is here to stay.

As I shadow Health it is right that we also recall all of those frontline workers who have battled against COVID, from our domestic cleaning staff, our healthcare warriors, Elderly Residential Services, the Care Agency and the deployed public servants. The list of those making a contribution in the private and public sector is probably endless, therefore it is right to remark on the collective effort of all of our citizens in the fight against COVID. I know that before this House breaks for the summer we will debate bestowing Gibraltar’s highest honour on the GHA, which will recognise in perpetuity the work done by the many healthcare and ancillary workers in the fight against COVID. It is also right that we publicly thank the British government, the Ministry of Defence and our

winged heroes, the Royal Air Force, who have delivered the vaccines at pace in order for the GHA to get as many vaccines as possible into the arms of our people and our cross-border work force.

2090 It has been remarked by the Leader of the Opposition and the Chief Minister that the onset of COVID in our community allowed us on different sides of the House to put aside our differences and disagreements so as to work together in the national interest. It was an important moment for the people of our community to see both the Chief Minister and the Leader of the Opposition share a platform at a press conference to provide reassurance to the community that when the chips were down we purposely put aside our differences with the sole objective of saving lives and protecting the GHA. From my perspective it is right that both leaders of our community be applauded for their focus and determination in that regard.

2100 Now that we appear to be past – hopefully – the worst effects of the virus and our hospital numbers appear, at the moment, to be within fairly controllable limits, the cut and thrust of political debate has returned, and whilst the Opposition will always work together with the Government when the national interest dictates, the people require strong and robust opposition, and most importantly when it comes to the spending of the people's money.

2105 COVID-19 has been an eye opener to the way in which our community is governed, to the way in which our Parliament functions, to the third world traffic and transport policy, of this government to the crisis within the GHA, the failed strategy on mental health provision and the abysmal handling by this Government of the environment and its false commitment to a greener and child-friendly city, which I will come to in due course.

2110 This is the first time that Members on this side of the House will have the opportunity to attempt to scrutinise – and I use the word ‘attempt’, Mr Speaker – the finances of our community and hold the Government to account in relation to their management of our affairs over the last two years, given the inability to hold a normal Budget session.

2115 This debate is often described as the state of the nation address and inevitably it becomes a politically charged event because of the long-held positions of the main political parties represented in this House. My hon. and learned Friend the Leader of the Opposition and my hon. Friend Mr Clinton have very ably and properly repeated our longstanding position in their reflections of the numbers contained in the Book and I support everything they have stated in their respective contributions. That said, whilst it is no doubt important to reflect on the global events that have affected economies around the world, we must resist the temptation, when debating the Budget, of placing the blame for all our domestic woes at COVID-19's door.

2120 COVID has, of course, been an enormous challenge to our way of life. It has taken lives, it has severely curtailed our civil liberties and it has forced us all to reflect on what is important to all of us. The COVID-19 pandemic has seen our people come together to fight the disease, but it has also exposed deep cracks and fault lines in how our healthcare system is managed and delivered. The responsibility for those cracks and fault lines rests with the Government and the Government alone. Our job on this side of the House is to ensure that these fault lines are exposed in an open and transparent way, so that we can have an honest and genuine conversation as to how we can improve the delivery of care services to our community by putting efficiency and the value of money front centre. The GHA, as a treasured institution, must be protected, preserved and allowed to manage itself devoid of ministerial interference in the minutiae of the day-to-day running of a Health Service.

2130 I note that the hon. Lady in her address talked about inefficiencies within the GHA and repeated a mantra that was repeated by her predecessor in the last Parliament insofar as what they were doing at the time in relation to weeding out inefficiency. The expectation of the GHA by the public is extremely high, as is the cost of delivering the service to our community. It is likely that we will continue to require services of a tertiary nature based in Spain and the United Kingdom in order to plug the services gap that we have. It is clear to me that, COVID or no COVID, the costs of providing the level of healthcare that meets the expectations of our community are eye watering on any analysis and we must ensure that we can obtain the best possible value for money whilst preserving and improving the quality of care received by our citizens.

2140 The Leader of the Opposition spoke yesterday about controls and value for money, and after hearing the contribution by the Chief Minister yesterday it is clear to me by the absence of those words in his 1,000-paragraph speech that war on wastage and weeding out inefficiencies in the GHA has long been abandoned by the party in government.

2145 During the Chief Minister's acceptance speech on the morning of the General Election in 2019 he proclaimed, as has been heard in this House over the last two days, an end of the age of entitlement and the birth of the age of responsibility. One could be forgiven for thinking that the Chief Minister was reading from the book of the GSD, but it is clear to all that he must have tacitly accepted the fact that his giveaway elections and his spending like there was no tomorrow was a gross mistake on his part.

2150 We placed down a marker and warning to the Chief Minister that his addiction to debt and the spending on vanity projects would come back to bite him, and bite him hard. The learned and Hon. Mr Feetham warned him of the perfect storm, which has been compounded by the COVID-19 crisis. Did he not listen? He spent years and years, and over £750 million, fuelling the age of entitlement, not realising that the hunger for handouts and jobs for the boys and party faithful had got way out of hand. From lavish VVIP parties at the multi-million-pound GMF, to the multi-million-pound rebuilding of 'Picardo's Palace' at No. 6 – inclusive of White House style war bunker – to election giveaways, the Chief Minister now needs to rely on the generosity of foundations and charities to pay for the refurbishment of this very House, the centre and the home of our democracy, and of banks to pay for the inefficient spending of £3.88 million on a small triangular park at Midtown.

2160 And what of the rest, Mr Speaker? Well, the good old hardworking Gibraltarian public, the silent majority, will now need to pay for his decade of overspend and the creation of a mountain of debt to rival the dizzy heights of 'Picardo's Peak', the rubble mountain at Easter Beach. With the skills of a second-hand care salesman he spins it by talking about a small contraction in GDP, and Gibraltar's GDP per capita is the highest on the planet according to the IMF. It is no message that the members of our community will now need to dip into their pockets to pay for it all.

2165 Whilst I know that the Chief Minister will never admit to his mistakes, save for his apology over Line Wall Road, his acceptance of the age of responsibility after his 10 years' spending splurge and his adoption of GSD policy is now welcome. We all know what his retort will no doubt be: the Theatre Royal and the Airport. He will point the finger at the GSD's time in office. He will also ask us to select which projects we would have done and those that they should not have done, which ones we would not have built if we were in office at the time. This is not a debate about that, it is about a debate in which the debt of our community has been structured and the £1.7 billion gross debt that has been spoken about by my hon. Friend Mr Clinton, which our children and our children's children will need to pay back – a generation of debt – and now our population will have to pay increases in Social Security and electricity charges.

2175 We have always been the party which has been financially prudent and responsible with taxpayers' money and a party that prioritises the spending of the public money. The Members of the party opposite have always preferred to spend, spend, spend, and we continue to see the results of the reckless spending which has dominated their 10 years in office. This is what sets us apart from the GSLP Liberal alliance. Much can be said of the former GSD administration, some of which I did not agree with, but what it had at its core was financial independence, prudence and stability, which the Chief Minister and his cheerleaders have chipped away at for years, and this is ultimately why we vote against the Budget each year and we will do again this year.

2185 Mr Speaker, in relation to my shadow responsibilities for the Gibraltar Health Authority, the Health Authority is by a country mile the largest area of Government spending, and when you throw in our response to COVID, the cost of the GHA is astronomical. The cost of running the GHA over the last two years nearly reached £300 million. This year the cost has been estimated at £131 million. Whilst these are very big numbers on any analysis, it is important not to lose sight of the fact that even before COVID hit the Government was acutely aware of the financial crisis within the GHA and this has been magnified in the context of the public health emergency. The

Minister today, in her contribution to the debate, talked about inefficiencies and efficiency within the GHA and of course that is an entire rewind and replay of what the former Member Mr Costa did back in 2018, which I will now proceed to demonstrate.

2195 As a reference point, back in 2017 the former Minister effectively declared a war on waste within the GHA. The Government announced a number of measures to 'tighten financial controls'. The former Minister for Health's stated mantra was 'increased patient care at better value for money'. The Government at the time procured the services of PWC UK, no less, to assist in developing robust financial governance and the Government committed to delivering better control and financial balance. We were told that the Government was to make changes to procurement processes with great oversight in respect of staggering – and those are their words, not ours – sponsored patient costs. The Government clearly wanted to tighten controls, have better governance and financial balance. The questions to the current Minister for Health in her 2200 rewind and replay statement, and indeed the Chief Minister, are: what are the results of that report, where have you tightened those controls and how have you developed tougher and more robust financial governance?

Back in 2017 the Government referred to the year-on-year increases to the sponsored patient scheme as staggering and stated that it had increased a staggering 400% since the GSLP Liberals had arrived at No.6. In the year when that statement was made, namely 2017-18, the actual figure 2210 for sponsored patients was £12.7 million, the figure in 2018-19 was £11.4 million and for the last two years the outturn is £33.6 million, or £16.5 million per year. The estimate for 2021-22 appears to be £13.5 million. It is clear that the former Minister was attempting to take back control and ensure that the public was receiving better value for money. However, on a simple analysis of the figures it is clear that the repatriation policy, the drive to improve efficiencies and the war on 2215 wastage have been lost. In relation to some of the headline figures, prescriptions – spoken about by the hon. Lady in her contribution – drugs and pharmaceuticals were at a staggering spending level of £21.5 million, £36 million for 2019 and 2021 alone. Our recruitment costs within the GHA for 2019-2020 amount to just shy of £3 million, which shows a very high turnover of staff within the service. The amount paid out by the GHA in compensation and legal costs for litigation against 2220 the GHA for 2019-21 was a staggering £2.4 million. These are just a few examples of the costs of the GHA to the public, and whilst it is rightly one of treasured institutions it would appear that the Government has long abandoned its policy and war of wastage and inefficiencies within the GHA. They have lost budgetary control of the GHA and it is in crisis.

Yesterday we heard from the Minister for Public Health in relation to getting down the 2225 collective weight of our homeland given the worrying incidence of disease related to poor nutrition and lack of exercise. I agree with him as a matter of principle, but whilst Public Health has been focused on COVID-19 this is not some novel public health message. The way in which you drive down the cost of healthcare is by positively encouraging active lives, discouraging poor nutrition and increasing health and well-being amongst our children. The Government's lack of 2230 commitment is clear by the fact that the last GHA Health and Lifestyle Report was 2014-15, some six years ago. Whilst the Chief Minister was fuelling the appetite for entitlement there has been a distinct and worrying lack of support for improving the health of our national by the Health and Public Health Ministries.

Putting aside the question of the astronomical cost of healthcare to our community, when 2235 reviewing the Book it filled me with a deep sense of disappointment not to find a single mention in the Book of the fabled mental health budget. As you will recall, when Public Health England prepared its highly critical report on the provision of mental health services in Gibraltar it was absolutely scathing of the Government for failing to provide a specific head for mental health. Mr Speaker, you will recall that this was a report that sat idle on the desk of the Minister for two 2240 years before they saw fit to publish it. I suspect the same will be true of the PWC UK audit report of the GHA. The failure to provide for a mental health budget in this Book is to perpetuate the stigma of mental health and reinforce the widely held view that the Government is failing our people in the provision of mental health in our community. Put more simply, the conduct of the

Government and the failing to heed the criticisms of the Public Health England report it is to ignore the cries from families who have lost young men to suicide and is to disrespect the memory of those who have died because they lost hope and did not have the support from Mental Health Services that they should have had in a modern, progressive society like ours. The failure to provide for a definitive mental health budget fails to heed the warnings of the mental health charities who have, day in, day out, repeated their concerns about mental health provision. Critically, the Budget fails to address the mental health provision deficit in our community, and given the focus that was alluded to by the hon. Lady in her contribution on the COVID-related mental health issues that have arisen in our community, its absence in the Budget Book itself is completely unforgivable.

The evidence for the lack of support is within the pages of this Book and particularly on page 214, to which I will now refer, namely the GHA establishment on the last line, that the Government clearly does not intend replacing the consultant clinical psychologist. So, now we see the years of abuse and mismanagement – referred to by both the Leader of the Opposition and Mr Clinton – of our public finances. We cannot even replace a key and critical role within our Mental Health Services. This is a scandalous discovery which the Government is attempting to remedy by the provision, at page 216 of the Book, for two supernumerary posts, which fails to support continuity of care for the most vulnerable in our community. The sheer lack of understanding or ignorance, at worst, of the scale of the mental health problem amongst the Government is staggering. Even after receiving one of the most damning reports in our history, which they sat on for two years before they published it, they do not take into account its most critical findings, such as provision for a mental health budget.

Moving from one scandal to another – the damning report to namely the disclosure in this House of the Prof. Burke letter – it is clear, whatever you make of that letter, that there is something systemically wrong in the management of the GHA, which again was alluded to by the hon. Lady in her now new committee to deal with strategy, which refers to inefficiencies but also the management of the GHA. So, they tacitly accept in the hon. Lady's contribution that there are serious issues concerning the management of the GHA. For a very senior office holder to make serious allegations against a cabal of individuals within the GHA, alluding to preventable deaths with the GHA, irrespective of the accuracy – I know the Chief Minister ad nauseam dealt with this issue in questions at the last session – should provide everyone in this House and everyone outside this House with a serious degree of concern about how the GHA is operating and the abject failure of the Government to resolve issues within the GHA.

In summary, whilst we have come together at the worst of times in living history we have also exposed very serious failings by the Government and leadership at the GHA in putting mental health strategy front and centre. Whilst COVID has clearly put a strain on the Health Service, we have had serious concerns about health services and how they are being restored. Whilst the hon. Lady did discuss how there was a pause to routine and non-clinical and consultation services, there are still serious concerns among members of our community about the huge delays in relation to cervical screening, dental appointments for children, the primary care appointment system, delays and cancellations of operations, an appointment system which has come under serious strain and still no clarity over MRI services for our community. In summary, the GHA has faced arguably the biggest challenge in its history with COVID, but there is a crisis in healthcare that goes beyond COVID and this needs to be remedied. I feel in this House that we sometimes, and particularly in this debate, scratch the surface of the GHA, but as an item which is the largest single cost to the taxpayers, the professionals within the service deserve better, patients deserve better and the public deserve efficiency and value for money and not waste.

Mr Speaker, moving to the environment, green Gibraltar and the child-friendly manifesto prepared by the GSLP Liberal alliance for the last election, we were treated to a long introduction as to what Mr Environment does, and whilst he spent most of his time on his theatrical prowess he paid very little attention to climate change. Anyone listening to the debate yesterday – I think it was yesterday; I forget, it was so long – must have thought that we have cleanest air in the

world, the cleanest seas on earth and that we are all living in the Amazon Rainforest. (**Hon. K Azopardi:** And the best actor.) And the best actor, Mr Speaker, as the Leader of the Opposition has just said. The spin and theatre around his contribution, although impressive as an act, was too long and failed to convince any rational or objective observer or commentator about his commitment to the environment.

Yesterday we were treated to a lot of hot air and very little substance or ambition, as the Chief Minister alluded to and stated in his contribution yesterday, where he encouraged the population to have ambition. There was no ambition coming out of the mouth of Mr Environment yesterday. It was a vain and embarrassing reflection suitable only for his memoirs – which I am sure he is drafting – and whilst he may be fond of the birds and the bees there was nothing in his speech that gave any reassurance whatsoever to the people of our community as to real improvements to our environment and in particular the quality of the air we breathe. He spoke about the unprecedented level of legislation at the same time as talking about his frustration and disappointment about his failure to deliver a sewerage plant – which was in his manifesto a decade ago.

This year we were treated to the revelation that his small triangle outside Midtown had originally cost the taxpayer £3.88 million – or to put it another way, the cost of two consultant clinical psychologists for 14 years or a team of mental health professionals for a decade, and the Book still does not account for it. The Chief Minister now says that Trusted Novus Bank will be paying for the costs and the taxpayer will not be burdened with the cost of moving forward. What an incredible, belated disclosure. So, a bank has to bail out the Government for its inefficient building of a mostly concrete triangle. What bank donates nearly £4 million for a concrete triangle? What does it say about a Government that goes wildly over budget and allows a bank to step in and bail them out? It is a classic example of GSLP Liberal mismanagement of the people's money. The question remains: why shouldn't the developer have paid for the park? Surely a developer who wishes to build luxury flats and top-end commercial property should be required to put something back into our community by way of planning gain. It seems to me that all the Government wants to do is fill the pockets of rich developers who have already had their fill off the backs of working men and women, the taxpayers of our community. (*Interjection by Hon. Chief Minister*) I do not know what the hon. Gentleman just uttered, but I am sure it was not pleasant. If he wants to repeat it in the open, it is fine.

Hon. Chief Minister: If I translate it, you have no –

Hon. E J Phillips: I do not need a translation.

Hon. Chief Minister: Do you want to hear about the history of this Parliament?

Hon. E J Phillips: Mr Speaker, Gibraltar has very poor air quality, affecting the health of all in our community. That is evident by the levels of asthma in our community and related lung disease and it is staggering, and nothing is being done about it. Hang on, yes, they did introduce a scheme to encourage new car purchasing. Well, there is an example of hypocrisy. The message to the public was buy a new car and your old one will be taken off the street. They got it wrong, because essentially what happened is that people bought new cars and sold their old cars on to someone else, so in fact increasing the number of cars on our streets. Who thought that one through? No doubt Mr Environment had a role to play in that one.

Mr Environment opposite, or '*Jardinero*', as he is affectionately known, tries to play to the gallery that he is somehow the only person on the planet to save us from climate change and reduce emissions, but nothing could be further from the truth. He has done nothing in real terms in making improvements to our environment. The dockyard continues to pollute our air and conducts 24-hour working, and 50cc motorcycles continue to plague our streets with noise and fumes with no prospect that the Government will take bold steps towards banning their use.

Those who litter, dump and pollute our coastline do so indiscriminately with no real penalty or heavy sanction. Concrete towers rise up with dust and noise pollution without the slightest consideration for our quality of life or planning, and there is still, after 10 years, no resolution to pumping raw sewage into our seas. The Hon. Minister for the Environment – Mr Environment – should be ashamed of himself in relation to that. In fact, he accepted in a recent interview on radio – which was, by the way, supposed to be a debate, in which he refused to debate me on the subject ... He described it as a nightmare. When we complained on these benches of the effect of a thousand cigarette butts on Harbour Views Road, ironically deposited in the main by healthcare workers on their break, he passed regulations extending the smoke-free zone to that area. Has he been down there recently? It is effectively an ashtray still and his regulations have been ignored.

The environment must be absolutely central and integral to all Government policy and the Budget, and for the Government to put this fundamental issue at the periphery, given the key role it plays in our quality of life, is a gross dereliction of its duty to future generations of our people. The Government has failed to provide a safer, greener, cleaner and child-friendly city, as they promised, and I will certainly not stand idly and watch the lungs of generations of our people continue to be damaged by very poor air quality, concrete dust, black smoke – another recent example on the ship the other day – and endless fumes from traffic, which he accepted in his speech.

When I speak to young people, one of their main concerns is the environment, and the Government simply pays lip service to the global move to changing the way we live our lives. The Minister for the Environment is quoted as saying – another gem of theatrics:

Our people elected the greenest Government in our history and possibly the greenest Government in Europe.

Whilst Mr Environment continues to allow for raw sewage to be pumped into our seas and encourages 24-hour working at the dockyard, black smoke from ships are indiscriminately releasing noxious fumes into our air, oil spills at sea – the list is endless – the statement that the people have elected the most green government in Europe is the most laughable statement the Minister has ever given.

In 2016 the Minister was quoted as saying he would be ruthless about the environment, but his commitment to the environment is simply a whimper in the background. He is a pussycat defender of the environment. His Government has created a small boats marina with 700 berths without the slightest mention of how he will offset the environmental impact of 700 fuel laden boats pumping pollution into our seas. When he mentioned GibDock yesterday, he did so in passing with no real view as to the environmental impact that this industry has on the health of our community, and our community expects action. The Minister talked about renewables when the only thing that the wave project could power was a kettle. Not one mention of wave energy in his speech – I wonder why – another abandoned supported project. The Minister talked about the quality of water at our beaches being excellent, but has he actually been down to Eastern Beach? Has he seen the metal fragments sticking out of the sand, the concrete dust on our children's feet and building materials strewn around the place? No, he possibly has not because he probably has not been down there. How can he honestly and genuinely come to this House and paint a rosy story of the way we live our lives which is so far removed from reality?

As we are speaking on the Budget our focus when it comes to the environment must be on the important aspect of sustainability and the circular economy. I know that the Father of the House, Sir Joe, discussed at some length the circular economy and he has my support for the proposition of a circulate economy. We need to more. As a modern, progressive country we need to look at the research available and lead on the circular economy. We are in a unique position, as a small community, to do so. Instead, we sit on our hands and let the rich get richer without a thought to how we can do things better in order for all of our citizens to prosper and have a cleaner and sustainable way of life. Quality of life is important to our community, as is the air that we breathe – to use a great Gibraltarian songwriter's line. Our waters and the way we use our land

for development are so very important but the Government seems only interested in selling off land to developers without the slightest thought to our quality of life and how we want to see our community physically shaped over the next 50 years. There is very little imagination, little enthusiasm and certainly no ambition in what the Chief Minister focused on in his contribution yesterday. When it comes to the environment, all there is is profit for developers and a mountain of debt.

Moving to traffic and transport, another debacle of a Department led by the former Minister, who is with us today, I am glad to see – again I thank the Chief Minister for a copy of that speech – what can I say but to repeat the message of the learned and Hon. Leader of the Opposition in which he made it abundantly clear to the former Minister for Transport that Line Wall Road belongs to the people of Gibraltar and not him? Those words were clearly and unequivocally about the former Minister’s abject failure of Government policy in this area. The Chief Minister was clear is his apology: the Government got Line Wall Road wrong. And it appears clear that the present Minister – I should say the former, former, newly reinstated Minister – is set to repeat the disastrous mistakes of his predecessors. I am referring to his new idea to reduce speed limits within Gibraltar.

The Government has failed to provide a long-term and sustainable transport system which balances the needs of the community and encourages greater use of alternatives to car and motorbike use. Nothing in the newly appointed former, former Minister for Transport’s speech says anything about the detail in which he will focus on a lot of the lessons that we have learnt from Mr Environment. The focus in his speech on cycling is admirable, but it will not work in the context of a lack of capacity on our roads to accommodate cycle lanes or segregate traffic in a safe and meaningful way. Insofar as the speech is concerned, that has been accepted by the Minister. He clearly takes the view that in relation to roads it is extremely difficult. There is only one road he refers to where this would be possible, and that is the road before the land frontier on the runway. So, he accepts that.

Our primary focus must be on walking, improving footpaths and finding solutions which allow for pedestrians to cross roads with the least impact on traffic flow possible. We are told by the Government that we have a world-class vaccination and testing programme, and I for one cannot see why, in a small country like ours, we cannot provide our community with a world-class green public transport system that would take people out of their cars and move people around in a far more efficient and environmentally friendly way. People need to have confidence that our public transport will not let them down and it will deliver. We need an increased number of buses, better routes and more technology which encourages our residents to jump on public transport as opposed to continuing to be engaged in jams that pollute the air we breathe. Nothing in Minister Balban’s speech has included any detail as to how he is going to achieve this.

The Government needs to actively encourage the purchase and use of electric motorcycles and disincentivise the use of fuel bikes. It fails to do either. The Minister’s recent ill-thought-out and ill-researched argument of lowering the speed limits in Gibraltar – which is set out at page 24 of his speech, for those who are following it, Mr Gibraltar ... Mr Speaker – *(Interjection and laughter)*

Hon. Member: He could have been Mr Gibraltar once!

Hon. E J Phillips: He could have been – Mr Speaker – Mr Gibraltar. Mr Balban could have been as well, I suspect.

The argument he put forward on lowering speed limits was eminently dismantled by our Commissioner of Police, who simply said to everyone, ‘It won’t work,’ and I agree. Traffic offenders need education first and foremost, and this, with a little bit of imagination – or, again, ambition – on the part of the Government, coupled with a well thought out approach with the Justice Ministry, may well deliver long-term reductions of traffic offending.

The Hon. the Minister for Transport talked about compulsory basic training, set out at page 21 of his statement, but it does not cut it. What we need is a joined-up initiative with the Police and

the Justice Ministry in retraining to avoid clogging up our traffic courts in particular, and there are innovative ways in which the Minister can get engaged in that, but nothing can be found in the Minister's statement on that issue.

The Government needs to do its homework when developing a sustainable traffic and transport policy. The last two, Line Wall Road and the speed reduction policy, have failed miserably and it is clear to all that they have failed to get a grip on the crisis in public transport and traffic management. The Chief Minister talked in his contribution about a world-class sports facility where Olympians can come to Gibraltar to practise their sport, and he talks about a world-class vaccination programme, but we have a third world transport and traffic policy which is a public embarrassment to residents and tourist alike. The Chief Minister talked about unprecedented growth in the economy, but we cannot even move our elderly from the Frontier to the South District on buses.

When I raised the issue of the legal status of e-scooters with the former Minister for Transport he could not even confirm whether they were legal or illegal, clearly a fundamental misunderstanding of the lawfulness of this activity. No wonder he got the chop from the Ministry for Transport, because it was that sheer level of misunderstanding of what the law on e-scooters must have been, coupled with his Line Wall Road debacle that led him to getting axed by the Government. On a serious note, though, in relation e-scooters, (*Interjection*) when you consider the report in many of the UK papers today ... On a very serious note, a three-year-old child outside a park in London was knocked over by an e-scooter and she will now suffer lifelong disabilities as a result of it. For the former Minister to say in this House that he does not know what the law is surrounding e-scooters is shameful, quite frankly, Mr Speaker, and he should know better. Now we wait for the new – former, former, reinstated – Minister to come up with his view in respect of e-scooters, and hopefully, post the consultation process, he will be introducing legislation for all of us to debate particularly the safety of e-scooters in our community.

Mr Speaker, the main plank of the GSLP manifesto was to create a green and child-friendly city, but in relation to traffic, and when you look at pages 181 and 182 of the Book, there is absolutely no provision. Sometimes you have the £1,000 provision but in this case you have zero financial provision for encouraging walking in our community; in relation to the widening of Europa Road South, zero provision; in relation to pedestrian safety on Keightley way tunnel improvement and lighting, zero provision; in relation to bus shelters, where they are trying to encourage you to get on a bus, zero provision in the Book. That completely contradicts everything the Minister for Transport has said in his written speech.

If we are serious, as a community, about changing the way in which we move our people about the city and winning the argument that car use should be abandoned in favour of public transport, we must instil confidence that our transport system plan is robust and serious. We must also carefully plan what we want our city to look like in 50 years. At the moment, buildings are going up without the slightest thought as to how we want our community to look, and with ageing roads, utilities and infrastructure it is only a matter of time before we have to start digging up our roads again – another example of mismanagement when it comes to our public finances, our public utilities and the public service to the members of our community.

Before the former Minister for Transport was removed from his role as transport head, he made a scathing assessment of the Sustainable Traffic, Transport and Parking Plan, and he also said that he did not agree with all of it. The cost of this report is in the Book at page 180, subhead 4(ZQ). This has cost the taxpayer £1 million since 2019 and will cost the taxpayer, according to the Book, another £500,000. What on earth are we paying for, if the former Minister said essentially that he did not agree with all that was in the transport policy? What confidence is there in the Government policy in relation to transport and traffic? There is zero confidence in him, the present Minister for Transport and the Government's policy on traffic.

Mr Speaker, one of the things I found quite amusing from the current Minister for Transport was his tweet reference. He referenced his own tweet when was he was talking about initiatives that affect our roads. He said, 'It almost feels like dragging a child to the dentist when they know

they are going to get a tooth extracted and it's going to hurt.' What he is trying to suggest is that pushing people in the direction of using buses and using more environmentally friendly initiatives is like pulling a tooth, but when you have an incompetent dentist of course it is going to hurt, and that is the point that is made from that: an incompetent dentist with lifelong issues resulting from that extraction.

Finally, Mr Speaker, in relation to the issue on transport, much was made of the Minister's contribution from his lovely offices, that he used to occupy, of course, and I did note at page 16 of his rather elegant contribution to this House that he spent most of his time – and this is his quote in his speech, for those who will not be able to access it because it will be online ... He talked about reminiscing:

Mount Sidi Musa slowly retreated back into the haze, the birds stop chirping, it seemed, our air became thicker and any potential positive environmental gain was lost. It was midnight and the carriage became a pumpkin.

Effectively, what the Minister was saying was actually that during COVID there was apparently cleaner air, cleaner roads and in fact he could see Morocco from his lovely and no doubt luxurious offices. But that is not the reality of what we are talking about. What he is referring to is Line Wall Road, of course, and there was an abject failure of the Government in relation to Line Wall Road because they did not plan it properly. There was no massive consultation with the public in relation to that road and that is why thousands of people joined issue with Members of this side in order to object to its closure. There was absolutely no planning by the former Minister, and we hope he does better in focusing on tourism, although I know that my learned and hon. Friend will address those points in his contribution concerning Wizz Air and others.

In relation to drug misuse, from a health perspective the view of the Commissioner of Police yesterday was that cocaine is rife within our community. That should send a sharp warning to the Government given the health and mental health implications of the misuse of this drug.

On medicinal cannabis we look forward to considering the Bill when it is published and I know that my hon. Friend next to me, Mr Clinton, will take a particularly keen interest in scrutinising that Bill when it is published.

On nitrous oxide the Chief Minister and I have exchanged communications on this issue and the Government has, for the benefit of those watching this debate, restricted the importation of products containing nitrous oxide. And for those watching this debate – possibly not, at this late hour – the small silver canisters that members of the public are finding on our streets near balloons ... It is what is called hippy crack or laughing gas, and a number of members of our community are inhaling this gas. What I have said to the Government publicly, in a statement, is that we need to legislate in relation to the misuse of this particularly noxious element. It is important that the Government does so and I would encourage them to review their position in relation to hippy crack, given the serious health implications.

Mr Speaker, in conclusion I will just make five short points: the green and child-friendly city agenda of this Government has now been abandoned; the war on waste and inefficiency in the GHA has been lost and there continues to be a crisis in the GHA; the Chief Minister has declared war on business and those less who are less fortunate through increases to Social Security and electricity; the traffic and transport policy is a third world policy and the Government has done more U-turns than any Government in history on traffic in our community; and it will not be unnoticed by Members of this House that Action on Poverty has said today that the Budget buries the poor. What a condemnation of the Chief Minister's Budget, that a charity, an organisation dedicated to those less fortunate in our community, has described this Budget in this way. I will quote exactly what they have said, for the benefit of accuracy:

The pressure group accuses the Chief minister of inhabiting a Never-Never Land of ample ministerial comfort, whilst inflicting a significant price hike for many households on essentials such as electricity. This, it says, demonstrates very little knowledge about the lives of ordinary people.

2545 I know that the Chief Minister wishes to protect his legacy, and whilst we would all congratulate him and the Members opposite on their handling of the COVID crisis and the pandemic, he must be careful because his legacy will be waste, abuse and mismanagement of one of the most important resources of our community, the people's money. This has not been caused by COVID. It is a result of a decade of mismanagement, abuse and waste, Mr Speaker.

2550 Thank you. *(Banging on desks)*

Hon. Chief Minister: Thank you, Mr Speaker.

After that contribution by what I can only describe as a paper hammer, I propose that we now adjourn until tomorrow at 11 o'clock to continue with the contributions by hon. Members.

2555

Mr Speaker: I now propose the question, which is that this House do now adjourn to Thursday, 22nd July at 11 a.m.

I now put the question, which is that this House do now adjourn to Thursday, 22nd July at 11 a.m. Those in favour? **(Members: Aye.)** Those against? Passed.

2560 This House will now adjourn to Thursday, 22nd July at 11 a.m.

The House adjourned at 8.25 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.30 a.m. – 3.45 p.m.

Gibraltar, Tuesday, 20th July 2021

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The Gibraltar Parliament

The Parliament met at 10.30 a.m.

[MR SPEAKER: Hon. M L Farrell BEM GMD RD JP *in the Chair*]

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

PRAYER

Mr Speaker

CONFIRMATION OF MINUTES

Clerk: Meeting of Parliament, Tuesday, 20th July 2021.

Order of Proceedings: (i) Oath of Allegiance; (ii) Confirmation of Minutes – the Minutes of the last meeting of Parliament, which was held on 16th, 17th, 19th and 20th May.

5

Mr Speaker: May I sign the Minutes as correct?

Members: Aye.

10

Mr Speaker signed the Minutes.

COMMUNICATIONS FROM THE CHAIR

Clarification re Points of Order

Clerk: (iii) Communications from the Chair.

15

Mr Speaker: The proceedings of the Gibraltar Parliament are regulated by Standing Rules and Orders. These were last updated on 29th March 2007 following the enactment of the 2006 Constitution. Parliamentary practice also plays an important part in the governance of the House.

Except for two minor references, there is no provision in the current Rules covering points of order. In light of the differing views held by Members on the subject, I think I should clarify the position.

20

When a Member believes that the Rules or practice of the House have been breached or overlooked during proceedings, the Member has the right to bring this to the attention of the Speaker by raising a Point of Order. The Member should indicate to the Speaker which rule or practice has been breached or overlooked and should offer an explanation or present supporting arguments as necessary. It is the practice to allow the Member to whom the Point of Order is being directed to respond. The Speaker decides whether it is a valid Point of Order or not.

25 Points of issue may arise which fall outside the scope of current guidelines which are nonetheless valid and require to be addressed. The Speaker will give a ruling to cover any new circumstances.

It is the practice that after a ruling is given, Members are not permitted to stand and speak on a matter. This is a ruling by Speaker Canepa. Any Member who is not content or feels aggrieved
30 may write to the Speaker or communicate with him directly behind the Speaker's Chair.

The Speaker of the House of Commons allows the use of Points of Order to effect factual correction of a Member's statement. This will be permitted in this House. However, when doing so, the Member shall not introduce any new matter.

What will not be permitted is the use of Points of Order when a Member who is speaking
35 refuses to give way.

Finally, it is the duty of the Speaker to intervene to preserve order in this House.

ANNOUNCEMENTS

Tribute to Mr Brian Perez, Former Member of the House

Clerk: (iv) Petitions; (v) Announcements. The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, good morning and thank you for your ruling.

40 The House will have received with great sadness the news that its former Member, Brian Perez, who was a Member of this House from the 1970s, has passed away. I believe that he was first elected in 1976 or 1977 with the Hon. the Father of the House in the GDM and he then went on to serve as a Minister for two terms and a bit, because I think when he crossed the floor he crossed the floor to become a Minister and was then able to provide service not just as a Member of this
45 House but also as a Minister to this community for that particularly difficult time, which included the closed Frontier period and the initial opening of the Frontier before full opening.

I am sure that I speak for the whole House when I express our deepest condolences to his family, in particular to his widow, Pamela, to whom I have written.

Mr Speaker, I think it is incumbent on us all today, as we start this debate, to recall that in those
50 days, as I know today also, even though we might sit on opposite sides of the House we consider each other friends and colleagues, and the passing of that Member who has been in this place before will always fill us all with sadness.

I will ask the House, after appropriate tributes, that we hold a minute's silence in memory of Mr Perez.

55 **Hon. K Azopardi:** Mr Speaker, on behalf of the Members on this side of the House I certainly associate myself and all our members with the remarks made by the Chief Minister. It is always, as he says, a mark of sadness when you see one of the gladiators of the arena depart the stage.

I have said it before, not just in relation to the late Mr Perez but in relation to others who have
60 served in ministerial posts during the Frontier closure years – those were particularly difficult years for Gibraltar. He, in particular, had important public services ministries that he had carriage of during what must have been a very difficult period when money was tight and the border was closed. So, our thanks to him for his service, and our condolences to his family on his passing.

65 **Hon. Sir J J Bossano:** I was responsible, Mr Speaker, for persuading him to stand for election. He became a member of the GDM. The GDM was created by people who were concerned about the future of Gibraltar at the time after Franco's death – the people in the trade union movement,

the people in the business community – who felt they were entering a period of uncertainty, and he was one of them.

70 We were in contact with the United Kingdom government and the United Kingdom government said that they would not address our concerns unless we proved that we had support, and the GBF actually campaigned on that issue at the time. Principally, 'We must know our future now' was the theme that brought us together from different backgrounds. We presented a front that was not ideologically socialist in that first election because we had people from the business
75 community. The reality is that the three trade unionists who stood with me were not elected and I finished up with three business people who were not entirely in tune with the more radical ideas, and he was one of those. Although we retained our friendship, a home that was ideologically closer to him in the AACR, whom we had displaced as the left-wing party in Gibraltar already at that time.

80 We kept our friendship going for many years despite the fact that he chose to move from the side that he was on. We then converted ourselves into the GSLP and came out then with more radical policies than were possible before. Brian always kept in touch with me after he left politics. We were always good friends.

85 He was involved in something that was important at the time, which was the transfer of Cable and Wireless. Cable and Wireless was, in fact, state owned at one time by the Treasury and he was involved as a Minister in the movement of Cable and Wireless to what eventually became part of what we have today, which is Telecom.

I am sorry, like I would be in respect of any Member being of any ideology, but in his case it was a personal friendship. We lost touch eventually because he went away from Gibraltar and
90 spent a lot of time doing business in Spain rather than here. I therefore think that it is important that his family should know that when we come together as Members of a Parliament, irrespective of our political opinions, we are human beings and we have got feelings for each other thank you Mr Speaker.

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

Hon. Ms M D Hassan Nahon: Thank you, Mr Speaker.

I would like to pay tribute to the late Brian Perez, who of course was a close ally of my father and one of his Ministers at the AACR. I remember personally, as a young child, noticing that he
100 was probably the youngest Minister on his slate, the youngest candidate and actually part of the next generation of future politicians motivated to serve our community. I think it is important to reflect and remember the work and efforts of the generation of past politicians who helped to shape the community and the society that we have today, so I think it is fitting to honour this gentleman and thank him for his service, his commitment and his drive at very difficult times.

105 I take this opportunity to pass my heartfelt condolences to his wife, Pamela, their girls and the rest of his family. His sudden passing must have been quite a shock and I am sure he leaves a void. I wish them strength at this difficult time.

Thank you, Mr Speaker.

110 **Hon. Chief Minister:** Mr Speaker, I am grateful for those tributes from hon. Members and I invite the House now to maintain a minute's silence in honour of Brian Perez.

Members observed a minute's silence.

**Procedural –
Arrangements for Minister Balban’s Budget speech
whilst in self-isolation**

Hon. Chief Minister: Thank you, Mr Speaker.

115 Before we move on, can I also advise the House and all hon. Members that there are nine Members on this side of the House because Minister Balban is in isolation as a result of a close contact to COVID and therefore we will be making alternative arrangements, in consultation with you and hon. Members, for Mr Balban to be able to deliver his speech either directly remotely, or through another Member in some way.

PAPERS TO BE LAID

Clerk: (vi) Papers to be laid – the Hon. the Chief Minister.

120

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to lay on the table the Annual Report of the Gibraltar Regulatory Authority for the year ended 31st March 2021, the Audited Accounts of the Gibraltar Regulatory Authority for the year ended 31st March 2021 and the Report to the Gibraltar Parliament on the conduct of the Referendum held on 24th June 2021 on whether the Crimes (Amendment) Act 2019, that defines the circumstances which would allow abortion in Gibraltar, should come into force – and I am grateful to the Clerk for that Report.

125

Mr Speaker: Ordered to lie.

130

Clerk: The Hon. the Minister for Employment, Housing, Youth and Sport.

Minister for Employment, Housing, Youth and Sport (Hon. S E Linares): Mr Speaker, I have the honour to lay on the table the Employment Survey Report 2019 and the Employment Survey Report 2020.

135

Mr Speaker: Ordered to lie.

Clerk: The Hon. the Minister for Business, Tourism and the Port.

140

Minister for Business, Tourism and the Port (Hon. V Daryanani): I have the honour to lay on the table the Tourist Survey Report 2019, the Tourist Survey Report 2020, the Hotel Occupancy Survey Report 2019, the Hotel Occupancy Survey Report 2020, the Air Traffic Survey Report 2019 and the Air Traffic Survey Report 2020.

145

Mr Speaker: Ordered to lie.

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

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

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

150

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

Order of the Day

BILLS

FIRST AND SECOND READING

Appropriation Bill 2021 – First Reading approved

Clerk: (ix) Bills – First and Second Reading.

155 **Clerk:** A Bill for an act to appropriate sums of money to the service of the year ending on the 31st day of March 2022. The Hon. the Chief Minister.

160 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that a Bill for an Act to appropriate sums of money to the service of the year ending on 31st March 2022 be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to appropriate sums of money to the service of the year ended on the 31st day of March 2022 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

165 **Clerk:** The Appropriation Act 2021.

Appropriation Bill 2021 – Second Reading – Debate commenced

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the distinct honour to move that the Bill be now read a second time.

170 This is my 18th full Budget address as a Member of this Parliament, although last year we had only a shorter, emergency Budget – but we had two of those. Including last year's shorter emergency Budget, this is my 10th full Budget address as Chief Minister. It is a singular honour to be only the third of our six Chief Ministers to date to be given the privilege by our people to lead in this State of the Nation debate after a third successive General Election success. I am truly humbled by the trust deposited in me and in my Cabinet colleagues by the people of Gibraltar.

175 As part of my address on this Second Reading of the Appropriation Bill, I have the honour to present the estimates of the Government's revenue and expenditure for the year ended March 2022. I also have the honour to present the outturn for Government's revenue and expenditure for the year ended 31st March 2021, which was the ninth full financial year of a Socialist Liberal Government since we took office in December 2011, but within the context of the eighth and ninth full financial years having been merged into one 24-month year for reasons relating to the COVID pandemic.

180 For that very same reason, this address is the first full Budget address in the lifetime of this Parliament and after a General Election, now over a year and a half ago. Remarkably, it comes also five years – yes, five years, half a decade – after the decision of the British people in a referendum to leave the European Union after the UK's departure from the EU both de facto and

185 *de jure*, and after the New Year's Eve Agreement on our potential future relationship between us and the European Union.

Mr Speaker, before I move on to matters of financial substance I should say a word or two about your role in presiding over this debate. I had hoped to say it at what should have been your first full Budget session in charge, last year, but it was not to be that I would have the chance to say so. For you see, Mr Speaker, you are exclusively, I believe, the only Gibraltarian to have seen the budgetary process through all of its stages in three distinct guises: the first as a civil servant in various Departments and latterly at No. 6 Convent Place, which I might best describe as the cauldron of the preparation of the Estimates Book and the Budget debate, not least under the Father of the House; the second as the Clerk in this Parliament and its predecessor House of Assembly; and the third, now, as our Presiding Officer or Speaker. Quite an achievement, if I may say so, and one on which you are to be congratulated, I am sure, on behalf of all Members.

In the context of the historic juncture in which we find ourselves, I have no doubt that today it falls on me to deliver the hardest Budget in our history as a people since the closure of the Frontier. I confess I have thought that each year since the Brexit referendum has got progressively harder. I could never have imagined, however, the last time I delivered a full Budget address, with a potential hard Brexit looming, just how much harder things were going to get. Now the House will have to deal not just with the self-harm of Brexit but also with the consequences of the SARS COVID-19 pandemic declared by the World Health Organization, which will no doubt once again dominate much of our debate these coming days.

A State of the Nation debate would not be much of a debate if it did not include a discussion of both the latest on Brexit and the worst of COVID, because both COVID and COVID uncertainty have had and are having an effect on our economy – of course they are – and additionally, of course, both Brexit and Brexit uncertainty have had and are having an effect on the economy. But these are not matters that are in any way in our hands to simply fix, whatever some might try to pretend about how they would have tamed Spanish dragons and the European Union's hounds on their white chargers. Such fiction will cut no mustard with the sensible people of Gibraltar. But whilst this time is a hard time, it is also the most distinct honour to be trusted by our people to hold the reigns at this difficult time, because it is my obligation in this time and generation, together with my Cabinet colleagues, to manage the purse strings of our nation prudently whilst maintaining investment where necessary and continuing to provide support to some particularly beleaguered sectors.

When all is said and done, in the end it will, of course, be my responsibility that we should get this right. That is a responsibility that I am genuinely honoured to shoulder for our country at this time, but obviously it is not my Government's fault or my fault that COVID hit. It is not my fault or the fault of any Member of the Government that the Government, with the full support of the Opposition, had to fund the payment of the salaries of most of the working people in our economy. One would have thought that was obvious, but I make that point because there is some foolishly ill-informed comment out there which fails even to see the obvious, and I will meet such attempts to mislead and confuse our people head on today.

Anyone who thinks the economic and public finance issues we face today as a people are the fault of the Government is deluded, in particular when their argument is about our public finances at the point of arrival at this crisis, when we had declared successively the largest surpluses in our history, establishing that we could pay for all our expenses and have more money left over than ever before. So, anyone who thinks they can argue that may as well set out to try to blame me for infecting the bat in China that led to the creation of the virus. It is madness. It will not wash. The People of Gibraltar will not buy it.

The deployment of public money to pay those forced out of work by the closure of businesses was an essential way to keep people fed. It is that simple. We did it to keep food on people's tables and businesses operating, and we did it without discrimination on nationality or place of residence.

But whilst the pandemic and the spending required to get through it was obviously not my fault or the fault of any other person in Gibraltar, getting us back on our feet, getting back on track and getting back to growth will be our challenge, our obligation and our responsibility, and that will not be easy because COVID is still kicking around – not just here but also in many markets from where our clients come, in particular because Brexit has, of course, also not yet gone away for Gibraltar; and not because we are not included in the trade agreement done between the UK and the EU already, because let's face it, that agreement contained very little that we would want for Gibraltar in terms of frontier fluidity. The opposite, in fact: it contains no aspects which protect or promote fluidity and mobility of people, which is one of the key aspects of what we need to protect. So, we have to continue to take our Brexit work to a safe and timely harbour this year, and in the interim, of course, we have to continue to suffer the uncertainty that Brexit has created for our economy, although it has not been as bad as some had anticipated.

The COVID pandemic, however, has been an economy-destroying event around the world. It has been a public finance annihilating pandemic in every country on the planet, a government revenue wrecking event around the whole of the globe, and no one here should be dishonest in seeking to suggest that our public finances have somehow fared worse than anywhere else. Far from it, in fact, as I will show later in my analysis of the figures in the COVID Fund.

Similarly, what we cannot do is lull ourselves into a false sense of security now, with COVID cases continuing to rise, especially because so many in our community, thanks to the work done by the whole of the GHA, ERS and the Government team throughout the public sector, seem to think that everything is hunky dory and the Government is somehow being unnecessarily evil when taking necessary steps to right this economy by raising Social Insurance and all the other things we will have to do.

Of course, it is not helpful that some in opposition preach prudence one moment and support our additional and extraordinary COVID BEAT spending, but now breathe life into the notion that Government's necessary actions are somehow unfair. But I know that the vast majority of the sensible, reasonable and realistic people of this nation of ours are very clear in understanding that the Government is doing what it needs to do for our people. That is why I am clear also that what awaits in the months to come is not a winter of discontent. It is a winter of a loud minority of malcontents – loud, wrong, a minority. The Opposition would do well to note that, in the way that they address the serious issues that we need to consider in this debate. They would do well to note that. I do hope that they will not stray into cheap populism in their speeches and that they will understand the importance of each of the measures that my colleagues and I will take the House through today and in coming days.

Let's look at how lucky we are in Gibraltar. The *Economist* last week analysed the fault lines in the world economy by identifying the first differentiating aspect between nations as 'the jobs and the jab-nots'. We must understand in global terms how lucky we are. According to the *Economist*, as at last week only 8% of the population of the world has had one dose of the COVID vaccine. Only 4% have had the full two doses required. We are there in that 4%, and we are there, let's be clear, thanks to the United Kingdom. As I have said before and as I will not tire of saying, Gibraltar has never been luckier to be British, even though we might not have liked the British family's Brexit decision.

I will later analyse also the effect of the United Kingdom's support for our borrowing via its sovereign guarantee, but the first point I want to make in this economic analysis is that we cannot continue to be the spoilt child of Europe. We have to understand that the pandemic will change many things – not any of what I might call our community's sacred cows, but certainly some aspects of life that we are overdue in addressing. That is part of what we will address today and my message is that we have to grow up and be ready to build a stronger Gibraltar as we do.

This is not a give-away Budget; there is nothing to give away. It would not be good for any of us or safe for our community, or for future generations, for us to indulge in budget giveaways. We are in a deficit situation where the Government is reporting a loss of £158 million in deficit and predicting a further year of loss of £50 million if we spend only in keeping with the Estimates Book.

This is, therefore, a very, very prudent Budget, a rebuilding Budget, a Budget for our COVID times, a Budget designed to ensure that our future generations will have, when their time comes, what we have had and more. Despite how difficult these times are, this is a Budget also to promote ambition and entrepreneurship, aspiration and achievement, and I want to talk today directly to our young people also, because although this may appear a staid debate in a Parliament a million miles away from the priorities of the everyday lives of our teenagers, this is a Budget for them above anything else.

Why is this a Budget for you, if you are a young person? Because this Government is working to ensure that your scholarships are protected. We are the party that created the mandatory scholarship scheme and extended it, and we will protect it going forward for future generations.

And what are we doing for you, if you are a young person? We are not just protecting scholarships; we are also continuing, hard though it is, to work to deliver affordable homes. We are working to keep venues open and to invest in culture and education by the building of new schools. Maybe at this time we cannot do even more – we cannot organise fun concert events, as we might wish to. Why can't we do more for you? Because of the moment in which we live. That is the reality we cannot get away from.

But how does what we do for you as a young person compare to what other nations do for their young people? Well, I dare say that as a result of the policies of the GSLP dating from the late 1980s, Gibraltar is one of the best places in Europe, if not the world, to be a young person. Sure, there will be more to do, but just looking at what we do already, this is truly a remarkable place to live a young life.

If we had one thing missing it was open green areas and maybe more areas to enjoy in the summer. In the last 10 years we have opened a new swimming pavilion at GASA; we have also not sold the old Nuffield Pool, as Members opposite were going to do, but instead we have made it available for our people.

We have invested more than double in scholarships than was the case when we were elected.

We have delivered brilliant new schools, got rid of old asbestos-clad buildings and are in the process of delivering even more new schools: this year a new St Martin's School, and in coming years even more.

We have organised mega-concerts, which the GSD Opposition have attended whilst heavily criticising.

We have developed parks and green areas. Commonwealth Park was funded not just by the taxpayer but also by a generous contribution from the Kusuma Foundation.

Similarly, I am very pleased to be able to announce that the new park at Midtown is being funded entirely by a very generous donation from Trusted Novus Bank. There will be no cost to the taxpayer. This donation of the entire costs of the development of the park is a gift to all of the people of Gibraltar by the board and shareholder of Trusted Novus Bank. As we emerge from a year like 2020 and the first part of 2021, which has been so hard for every sector and for every person without exception in Gibraltar, this is truly a magnificent donation by Trusted Novus. The bank, in this way, is wanting to give back to the community that is its home. The donation to the development of the park is the way that Trusted Novus wants to contribute to our people's ability to enjoy the benefits of life outdoors in our great Mediterranean climate. What a magnificent and unparalleled manner for Trusted Novus Bank to cement its already deep roots in our community as a very local bank. What an out of the ordinary manner to support the community with an out of the ordinary donation for an out of the ordinary park area in the very centre of our city.

Moreover, I do note that issues with the commissioning of the lifts from the area of Reclamation Road to Line Wall have now been resolved and the lifts are now operational. This is another very positive step in promoting accessibility to our city centre. In fact, whilst we still no doubt have a long road to travel, we have made huge social progress in the past 10 years and we have not stopped as a result of even Brexit or COVID, although we have, unfortunately, been delayed by the latter.

Mr Speaker, this debate has never been narrowly limited to matters of public finance and the economy, for a simple reason: the performance of an economy and the attendant revenue and expenditure of any linked public administration is inextricably linked, encouraged or limited by the social background against which it is delivered. In that sense, the last 10 years of our political history in the context of our social progress as a people, led by a Socialist Liberal Government, are years of which to be proud – although we still have work to do, and perhaps we always will.

In the past decade we have led a liberation movement without equal in our history. We have delivered more and more equality through the consistent leadership of the Ministry of Equality, which has been led for 10 years by Samantha Sacramento. That record for holding a particular portfolio is equalled by few others beyond the Ministry of Finance or the deputy premiership in our community – although there is, of course, Mr Environment, who has also held his particular portfolio for 10 years. But what a 10 years. First, civil partnerships, not just for those of the same sex, but for those of the opposite sexes also; the celebration and promotion of equality via Pride events; IVF provided by the GHA to opposite and same-sex couples, and individuals too; then equal marriage, because love is love’ – love is an emotion, not a sacrament, and the law should never get in the way of it; also, our new rules on surrogacy.

I am hugely proud of how our laws and our society have formally moved on in the area of equality. If anyone doubts the importance of this progress, I invite you to read the magnificent writing of Jonathan Pizarro – @JSPzro on Twitter – to understand the demons that lurked in the undergrowth of our community and why they needed to be banished. What a writer, what a Gibraltarian, and what home truths he tells us about our community.

And what a brave man we have now also as Mayor, our first openly gay Mayor, who is demonstrating with his ‘We are One’ campaign the value of our diversity to us as a nation. If there were any doubts about lurking homophobia and the reasons why we had to make these laws, some of the social media around the celebration of Pride month this year has been disgusting. I applaud the work of ERG in highlighting these issues, and I can tell the House and all hon. Members that the Government will not accept the continued homophobia we are seeing. The Government will therefore monitor whether it may be necessary to further bolster our legislation to make it a specific criminal offence to denigrate a person as a result of their sexual orientation. There can be no doubt that such behaviour is, at the very least, bullying of the worst sort. It may be that there is no choice but to also make it a specific criminal offence, and I am asking that our Ministry of Justice and Equality should urgently consider this, especially in light of horrific offences such as the homophobic murder of a young homosexual man in Spain. The murder of Samuel is undoubtedly a further wake-up call. Homophobia, like racism, sexism and antisemitism, is not just the preserve of other continents. It’s here in Europe, it is in Russia and in Hungary, but it will not be tolerated in Gibraltar.

This is not just me speaking as a Minister, as Leader of the House and as the senior elected political representative of the people of Gibraltar. This is me also talking as a citizen. Let us not for one moment believe that it is funny or clever to discriminate against a person for their sexual orientation. Whilst I have breath in my body I will continue to ensure that we move only in one direction in this respect: forward. We have no reverse gear on rights and progress, and neither does this community.

I have a warning for those who would oppose us on these issues. The progressive road to equality is a one-way road, so anyone who stands against progress, anyone who stands against rights, anyone who is in favour of reversing the laws to prevent these discriminations needs to understand that they will have ferocious opposition from the majority to any such attempts.

The depth of that majority was best evidenced by the result of the referendum on the Crimes (Amendment) Act which we celebrated last month. That showed that there is a huge progressive majority in Gibraltar, even with almost half the number of persons eligible to vote not turning out. I congratulate the Hon. Minister for Health for the GHA’s work in preparation for the implementation of the result of the referendum and for having now commenced our law on abortion and started the provision of services in that respect.

The progress we are seeing in Gibraltar is not simply in the area of rights. We have also progressed greatly in our investment in the services our community both enjoys and offers. In some respects on this issue Members opposite seem to both say that we have done too much and that we have not done enough. They accuse us one day of having spent lavishly – that is to say
 395 having done too much – and the next day, with a startling lack of consistency, they tell us that we have not done enough. Well, we have done much, and if there was any doubt then it was dissipated at the sight of our now clearly world-class sporting facilities being used by some Paralympians as they trained for target shooting at our range for the Tokyo Paralympic Games.

We will soon see final completion of the Lathbury facility also, which has been delayed as a
 400 result of the pandemic repeatedly frustrating the ability of the international contractor to attend to the remaining works. But we have also done so much more that I will analyse later: refurbishments and affordable homes; new children’s medical facilities and new schools for our children, with more to come.

As from last week, already the migration has begun to a new broadcasting studio for the
 405 national broadcaster, the Gibraltar Broadcasting Corporation. Now GBC will have a new home that has been leased from a private developer and will not involve the payment of capital from the taxpayer. The deal will be a rental deal instead, with the liability of the taxpayer being for the equipment necessary and with an option to purchase. The national broadcaster came into its own during the pandemic. They broadcast daily at 4 p.m. and kept all our citizens aware of the latest
 410 information on the pandemic.

And then I had thought that Brexit would bring out the best in us. In fact, COVID did, in the public sector as a whole, in the GHA, in the Treasury, in our relationship with the United Kingdom. The people I work with and lead, the people in my Brexit teams, left me gobsmacked with the extraordinary work they have done and are doing. The people I work with and lead have left me
 415 totally humbled by their approach to delivering when the chips were down and Gibraltar had to deal with COVID. What an extraordinary team I have had the luck to lead at a political level, and what an extraordinary team I have had the luck to lead in the public sector. What extraordinary Gibraltarians have stepped up to the plate year after year, COVID after Brexit, and what extraordinary progress we have made and are making.

Although reports of my girth are, unfortunately, never exaggerated, reports of Gibraltar’s demise at the altar of Brexit were grossly overstated by those who wished us the worst. Hon. Members will see that Brexit uncertainty had a very clear effect on our GDP – I will come on to that analysis later – but my only regret is to sometimes see that the sharpest prophets of doom are not outside of Gibraltar wishing us the worst as a people; the worst are usually inside Gibraltar,
 425 wishing us the worst as a party and not caring what the effect of that is on us as a nation.

Well, Mr Speaker, Brexit came and went. We have left the EU *de jure* and *de facto*. It is not over for us yet, as we are continuing to negotiate arrangements specific to Gibraltar, but we have today the fluidity that we need, and with the negotiations to come we hope we may secure even better fluidity going forward. A treaty between the United Kingdom and the European Union over
 430 Gibraltar can recast our relationship into something more positive than even in our period of membership. This would be a bespoke solution that we are confident is now possible after the New Year’s Eve Agreement. Whilst that is negotiated, and as we expect an EU mandate sometime this week, if not today, I have written to Minister Wendy Morton consenting and agreeing to the Memoranda of Understanding that were entered into under the Withdrawal Agreement being
 435 extended at least until the end of October or this year whilst we finish the negotiations.

I do expect, however, that the EU’s mandate for the negotiations is likely to leave a lot to be desired. I would simply say to all hon. Members and to the whole community that this will be only the EU’s opening position. It will not bind us in any way. We must remember that since we left the European Union *de facto* and *de jure* the European Commission no longer speaks for the United
 440 Kingdom or for Gibraltar, and insofar as the mandate may not reflect the New Year’s Eve Agreement, it will frankly be quite irrelevant.

We have already set out clearly the high-water mark of what we are prepared to do. We have already set out clearly the basis on which we are prepared to do a historic agreement that will deliver to us on fluidity and will provide opportunities for investment from Gibraltar businesses into the Campo around us. That would be good for Gibraltar, it would be good for the Spanish areas around us also, and it would therefore be good for the European Union too, as our frontier workers include citizens of all the member states of the EU. But we will not ever countenance any concession on sovereignty and we will not permit any presence or any function on Gibraltar of any Spanish national authorities. Any EU mandate which suggests that will not represent what we will be prepared to agree in a final treaty. Those parameters we have already set out in the New Year's Eve Agreement.

What I will say is that we remain steadfastly committed to the New Year's Eve Agreement. The Foreign Secretary, Dominic Raab, took time to come to Gibraltar and set out the United Kingdom's commitment to the New Year's Eve Agreement also in a joint negotiating mandate that we agreed. We have been faithful to the agreement as we have set out our mandate going forward. That shows our good faith and we hope it will be reciprocated.

Additionally, we recognise that the EU will be seeking to protect the single market with its own orthodoxy. We trust that in respect of the commercial aspects of the negotiation the EU will come to better understand the circumstances, both geographic and of scale, of this economy. We trust that they will see that the solutions that are required to protect the single market in great nations of millions of people and thousands of square miles are not needed here. That will be for the process of negotiation, but let me be clear. We will never enter into any arrangements which impoverish our businesses. We will never enter into any arrangements which dig a grave for our businesses. We are looking to do the opposite. We are looking to deliver arrangements that will deliver a rocket boost for our businesses in every sector. That is the work we are ensuring we also do with TLAC and its subcommittees. I look forward to chairing a full TLAC as soon as the EU mandate is published, and when it is, and when our businesses see the mandate is unfavourable, they should have the confidence of understanding that those unfavourable asks will not be agreed by us.

It is that simple, and for that reason we are continuing our work on being prepared for all eventualities, including the possibility that we may end up with no negotiated outcome. In other words, if we have to have a hard Gibexit because the EU's asks in its mandate are not acceptable and they do not shift before we finalise our negotiations, we will be ready to end negotiations without a treaty. That is not an outcome we desire, but it is an outcome we will be ready for. The United Kingdom has already indicated it will stand steadfastly by Gibraltar in such circumstances and I have no doubt of that. We are already working hard on different options for such an eventuality. The Deputy Chief Minister jointly chairs a No Negotiated Outcome Committee with the Europe Minister, the Hon. Mrs Wendy Morton MP.

We will be ready, if not enthusiastic, about a non-negotiated outcome, but despite that, I also believe that we should be optimistic and enthusiastic about the final outcome of the treaty negotiations. I do believe that we will be able to enter into long-term and binding international obligations between the UK and the EU in relation to Gibraltar which will work well for our people without any concessions on sovereignty and without any compromise on sovereignty, because we will never agree to concessions or compromises on sovereignty.

In anticipation of that treaty being finalised, we are also preparing for a negotiated outcome, and in doing so we are working with Ernest and Young to analyse the best opportunities, not just in the region but globally. We are looking to understand how best to capitalise on the fluidity arrangements we anticipate in the UK-EU treaty and we are looking to understand how best to ensure that Gibraltar is best placed to continue to be an economic engine for our people and for the region around us. I genuinely believe that we can grow even the already incredible 25% contribution to the GDP of the region around us.

Of course, Mr Speaker, I confidently anticipate that the Leader of the Opposition will not surprise us by saying that it is terrible that we do not have a treaty yet. He will tell us we have

missed many opportunities to settle the Gibraltar arrangements. Of course, he will not identify what we could have done that we have not done, he will not identify what opportunities we have missed, and he will likely refer – unless he is quickly changing his prepared speech as I speak – that we should have settled matters *à la* Northern Ireland, as he has said before. Well, there are no opportunities that we have missed. There is a chance to do a treaty that settles problems – ‘irritants’, to give them their reference point as per Sr Dastis – that have plagued our relationship with Spain and the EU for years, and those are the opportunities that we have to take.

But the Leader of the Opposition is right. We could have settled matters sooner. All we had to do was concede, compromise, give way on the fundamentals, all the things we on this side of the House are not prepared to do. That is the reality, but it is also a reality that at the moment, with interim arrangements, our fluidity arrangements are functioning – bar a week of problems as the interim arrangements were extended and some COVID controls got in the way – and that is the problem with the Leader of the Opposition’s theories. Not only are they based on the fallacy that we have missed opportunities – and I challenge him to tell us which, in the context of his intervention; they are theories which have no meaningful practical consequences today as things continue almost as was normal pre-Brexit. Additionally, the political position could not be more favourable. We are closer to Britain than ever. The political relationship between Gibraltar and the UK has never been better. We have left the European Union with the United Kingdom, ergo we can be nothing more or less than British. We will have an arrangement with the EU via a treaty between the EU and the UK, ergo we can be nothing more or less than British. So, the idea that these new arrangements are a challenge to our sovereignty just cannot get off the ground.

Additionally, at the soft level, the osmosis level, the reality is that Gibraltar is now more British than ever. We are even seeing a diminution of our bilingualism, which is very concerning. The reality is that there is less chance of osmosis now than there has been for a hundred years. We have turned the page and there is no turning back. In fact, we need to consider with the British government, going forward, how we enhance our representation as part of the British political family and whether Gibraltar sits comfortably in its current status as an Overseas Territory, or whether a more bespoke arrangement – closer, perhaps more akin to the Channel Islands – is more advisable and agreeable to both sides. That will be the work of the Constitutional Select Committee, which I do hope we will be able to see take off very soon. That Select Committee, and all others, has fallen victim to the pandemic. I sincerely expect we will be able to see them start functioning this financial year. I do look forward to that work.

Looking more directly at this financial year and the performance of our economy and public finances, I want to turn now to the Budget Book itself. This year, for the first time, the Financial Secretary and I felt it necessary to add a foreword to the Estimates Book, which I believe is self-explanatory. However, for those who may be tuned in to listen to this debate, let me explain.

As all hon. Members are aware, as a result of the pandemic the Parliament agreed that the Government should not be required to prepare an Approved Government of Gibraltar Estimates of Revenue and Expenditure – or the Estimates Book – last year, which would have been the financial year 2020-21. As a result, therefore, exceptionally, a Budget debate was not held last year, for the first time in the history of this Parliament and its predecessor, the House of Assembly. Instead, the year end for the accounting period of the financial year 2019-20 was first extended by six months, by agreement of all hon. Members of this Parliament by the passing of the Appropriation Act 2019 (Amendment) Act 2020. That provided for the accounting period 2019-20 to end on 30th September 2020. At that stage, we would have been dealing with an 18-month financial year. The accounting period was further extended, also by agreement of all hon. Members, by a further six months to 31st March 2021 under the provisions of the Appropriation Act 2019 (Amendment No. 2) Act 2020 which this House passed on 25th September last year. As all Members are aware, of course, these amendments had the effect of creating an anomalous 24-month financial year, spanning the period from 1st April 2019 to 31st March 2021.

Mr Speaker, we are about to start what I have no doubt will very likely be a more normal Budget debate than we had during the course of those emergency Budgets. Such debates are

always full of attempts at political point scoring, the politics of claim and blame. Given what we have been through, that normality, however unpleasant in some respects, is almost to be welcomed. That this place should be, to the extent that you might permit it, once again a gladiatorial political arena is a small price to pay for the return of some semblance of normality in our community as we hope to leave the ravages of the COVID pandemic behind us.

But I will never forget that as a result of the seriousness of the issues facing Gibraltar, those two Appropriation (Amendment) Acts were passed with the unanimous support of all Members of the Parliament. I thank them for that, Mr Speaker. And I will never forget the hours of work that the Financial Secretary, his team and I had to put in as the rest of the world collapsed around us, in order to ensure that we provided financial stability to this community. Those were the headiest of days, the hardest of days and undoubtedly the harshest of days, but by dint of hard work and imagination, and thanks to the strength and flexibility that we had built into the structure of the public finances of Gibraltar, we were able to get through.

I will say more about the structure of the public finances of Gibraltar and why we have been right to structure them as we have later in this address, when I will be able to prove that we have decidedly, decisively and definitively won the argument against hon. Members opposite as to borrowing and the use of Government companies.

For now, and for the purposes of this part of my address, the important thing is that I should set out that the two amendments to the Appropriation Act 2019 that were passed in Parliament provided the legal support necessary for the flexibility that the Government needed to continue spending and to spend additional amounts during the lockdown periods without having to come to this House to hold a Budget debate. Remember that those were the days also of daily 4 p.m. briefings. It would have been difficult, if not impossible, to prepare for such a debate. But approving these Amendment Acts was an essential part of enabling the Government to continue to spend constitutionally and in keeping with the law, namely the Public Finance (Control and Audit) Act.

All of this was done without any detailed estimation of budgets of revenue or expenditure and without the laying or circulation to Members of the Estimates Book, or indeed without the to and fro that is customarily held in Parliament as part of the Appropriation sessions we are holding this week. At that moment the battle was with the new virus emerging around the world, not with each other. It would have been unforgiveable for us to have been self-indulgently arguing in this House when the community more than ever needed us to be working on the frontline issues of real concern.

The whole of the usual detailed budgetary process was also curtailed in this way to limit the contact that individuals might have with one another in the work of compiling the Estimates Book. That, obviously, requires meetings and contact, which would have been possible but highly impractical by virtual encounters, but with the Amendment Acts we were able to find the process for providing the additional budget necessary to afford to safely navigate Gibraltar through the pandemic.

Mr Speaker, I want to lay down two markers here. The first is to say that I have thanked the Opposition Members in this House, all of them, over and over again for their support at that time, and in doing so I reiterate to the whole of Gibraltar that the spending we were able to undertake in that period was thanks to their votes in this House in favour of the Amendment Acts. We could have passed those Bills without their support in reliance on our in-built majority; instead, we passed them by unanimity. Secondly, we designed the BEAT measures in a way that took into consideration the comments from the Hon. Mr Clinton during the private discussions we had and the public debates we had. Insofar as I will, I think, undoubtedly be called upon to disagree with him some time during the course of this week, I want to renew my gratitude to him for that support and for his views at the time, which helped develop our own ideas.

Those markers are necessary for a reason. The first marker is necessary because if we today revert to a negative vote from the official Opposition to the Appropriation Act, then the spending as from 1st August will no longer be as a result of the views and votes of all of us, but as a result

of the votes and views of the Government and – if she acts in keeping with her previous views and votes – those of the hon. Lady the independent Member for Together Gibraltar. It would be a real pity, in my view, if they were to revert to their 2019 practice. I urge them to argue against the Bill – of course, this is the debate – but to vote for it, as we always used to see, because Gibraltar needs an appropriation. Whether we agree or disagree on the heads is for the debate, but on the general principles and merits of the Bill we are surely agreed, and the general principle here is that the Civil Service and other expenditure of the Government not arising as a first charge on the Consolidated Fund should be paid.

Indeed, the second marker that I lay down is necessary because I will also point out to Mr Clinton and his small coterie of supporters – such as they may be, if any – on various occasions this week and for the next two years, that we were lucky that we never took his advice on the matter of Government company borrowings, or else we might not have been able to give effect to the BEAT and other measures as easily as we did, because if we had all Government company borrowing as direct borrowing of the Government we may have exceeded the 40% to GDP limit provided for and we would not have been able to pay BEAT and pay our way without having to change the debt ceiling by resolution of this House.

Thankfully, with all of the adult population of Gibraltar now fully vaccinated as a result of the support of Her Majesty's Government of the United Kingdom, it will now be possible also to restore the natural rhythm, I hope, of our parliamentary process. I do hope this normality will now endure, despite the potential need for boosters and flu jabs etc.

I know we will be meeting more regularly and we will be debating these issues not just at Budget time, but addressing this now and the more technical aspects of this, COVID-19 has undoubtedly left its mark also on the layout of this Estimates Book in a number of different ways. That is what the Financial Secretary and I have sought to explain in the foreword to the Estimates Book. We have provided that foreword, exceptionally, in order to assist all Members of Parliament and all others who may have regard to this Estimates Book, given the differences, exceptions and anomalies that the Amendment Acts have required to the layout of it. In particular, we seek to assist with the interpretation of the Estimates Book where such changes have exceptionally been required from the manner in which it has traditionally been presented.

In addition to issues brought about by COVID-19, the Government has also been embarked on a digitisation programme – yes, in the same years as we have been dealing with Brexit too. 'Gluttons for punishment' you might say, or 'Biting off more than you can chew' some may say less positively, but we know this has to be done, and we do not shy away from the challenge of delivering what Gibraltar needs, even if we cannot deliver it as quickly as we might have wanted. The opportunity has, therefore, also been taken this year to rationalise the shape and format of the Estimates Book in a way that provides full compatibility with the Government's new digital systems and adds further transparency, simplifies presentation and streamlines comparability going forward. We have done that by ensuring that the parameters and fields of the digital programme are now reflected in the Book.

As a result of these collective changes, the Estimates Book now spans over 292 pages, around 44 more than the last Estimates Book, produced for 2019-20, and over 100 pages more than the estimates for the same period one decade ago in financial year 2011-12. The Estimates Book is visibly thicker and larger than that of earlier years. And why is that? For the simple reason that there is more information in here than ever before. So, I have no time for the nonsensical suggestion that we somehow provide less information than our predecessors in Government did on public spending. We provide a hundred pages more. We have provided more each year since we were elected – a hundred pages more this year – and each month on our website we provide detailed statistical information that was never provided before and is updated with great regularity. So, it would be to mislead the House to suggest that we are not providing information or to suggest that we are providing less information than any previous administration.

Additionally, of course, we have now finished the accounts of the vast majority of the Government companies. I will give more details of this later as I explain how we have acted to

650 catch up with the gross dereliction of legal duties by the Government of the GSD, which did not
publish accounts for Government companies after 1996, despite the fact that they made it a legal
requirement to do so, without exempting the Government. So, whether it is in relation to the
direct books of the Government or the indirect books of the Government companies, we have
published much more, and much more regularly than the GSD ever did in office, if I may say to the
655 Leader of the Opposition, either in its first period until 2003 or its second period from 2003
onwards.

I would therefore gently counsel all hon. Members that they will obviously be misleading the
House if they suggest the opposite, something which they will no doubt not wish to do, as they
would obviously be putting themselves outside the provisions of the Standing Rules of this House
660 if they did. Mr Speaker, as ever, the enforcement of those Rules is not a matter for me, but a
matter for you. I am simply highlighting the facts.

When reviewing this Estimates Book, it should therefore be noted that the Appropriation
(Amendment) Acts passed last year focused exclusively on the expenditure heads. With the
exception of a few limited heads which required more detailed analysis, the estimated
665 expenditure for the period 2019-20 was simply multiplied by two in each head to take account of
two years of expenditure instead of one. The House will recall that it was, in particular, the heads
on health and care that we looked at in much greater detail in order to ensure that we provided
what was necessary expenditure for that area in the middle of the pandemic. We also provided a
more detailed increase for the education head.

670 Since no Estimates Book was presented to Parliament, no adjustment was made to heads
which estimate recurrent revenue. Indeed, the thing that had been abundantly clear to all
members of the community, let alone, or at least, all Members of this House, I hope, was the fact
that the pandemic was annihilating activity in the areas which provide our key heads of revenue.
Nonetheless, and in order to aid comparison, in presenting this Estimates Book all columns
675 showing the comparative estimate for 2019-21 show figures that have been doubled. If we had
not done this, the forecast outturn would look disproportionate against the original single-year
Estimate for 2019-20. The same is true for revenue heads within the appropriate appendices. The
revenue into the heads has been provided from the COVID Response Fund, as I will explain in
greater detail later to ensure that the House has refreshed its understanding of the COVID Fund
680 and how it was agreed it should be set up to operate as a feeder of revenue.

It should be noted that this approach has not been taken for I&DF revenue, as this is not
recurrent. We were therefore clear from the outset that the I&DF should not receive a doubled-
up revenue figure. Additionally, it should be noted that the adjustments made to the I&DF
expenditure in the two Bills amending the Appropriation Act 2019 for the extra year were
685 therefore not to simply double each subhead. Instead, we did a fairly accurate exercise with the
technical officers in charge of each project area to calibrate on the basis of quite precise estimates
carried out for each of the projects that were underway at the time of each of the Amendment
Acts.

For all of these reasons the Department, Authority and Agency presentation has had to be
690 varied in the Book. Accordingly, each page of the Estimates Book is divided into the traditional
four columns. The first and last columns have not changed. The column headed 'Estimate
2021/2022' represents the allocated budget for the year ahead. There is no change to this column.
The column headed 'Actual 2018/2019' covers the actual expenditure for the year ended
31st March 2019. Again, there is also no change to this column.

695 Columns 2 and 3, however, have changed to cover the two-year period commencing on
1st April 2019 and ending on 31st March 2021, as provided for in the amended Appropriation Act
2019, and I have done that with the Financial Secretary as follows. The column headed 'Forecast
Outturn 2019/2021' contains the outturn for the 24-month period ended 31st March 2021, and
the column headed 'Estimate 2019/2021' contains the estimates as approved initially for 2019-20
700 and as provided for in the amended Appropriation Act 2019 to cover a 24-month period. In most

cases, other than in respect of the GHF, ERS and Education, this simply multiplies the budget by two.

The Estimates Book also now contains a section dedicated to the COVID-19 Response Fund. As all hon. Members are aware, this fund was established on 23rd April 2020 in order to provide for all expenditure incurred, benefits payable and fiscal measures adopted by Government in response to the COVID-19 pandemic and for the settlement of any costs and expenditure related thereto that the Government may incur. The Financial Secretary and I agreed with the Hon. Mr Azopardi and with the Hon. Mr Clinton how we would establish, operate and report on this Response Fund.

The fund sits outside the Consolidated Fund and applies the amounts Government has borrowed during this exceptional period in three ways. This section now discloses in detail the revenue used directly to supplement foregone revenue for the duration of the COVID-19 pandemic. Clearly, during lockdown the Government suffered a devastating loss of revenue of the type seen only in a world war. This was not a recession-style deceleration, this was not the closure of the dockyard; this was the closure of everything, or just about everything. This was a war-type annihilation, the like of which no Gibraltar Government has ever had to deal with. I say that advisedly, as at the time even of the Frontier closure we had 'Support and Sustain' and an economy built on 60% of revenue originating from UK Government MoD spending.

That is an important point to note when we come, as we no doubt will, to the point when some will try to foolishly, opportunistically and without foundation argue that the dire state of our public finances somehow has something to do with pre-pandemic spending. Some have been foolish enough to call our spending lavish. I will address such nonsense later in my speech. For now, as I set out the real and genuine causes of the state of our public finances and the reasons for the actual and forecast deficit, I will set out the fact of the matter – and that is clear: this is a one-in-a-hundred-year event that we are facing down, a wartime catastrophe affecting the otherwise reliable revenue of the Government, and there is no one in this House or outside it who saw it coming or who could have managed the public finances in the decade before in a manner that would not have resulted in a deficit and a need to rebuild. No one will believe any suggestion to the contrary when tested against the truth and the reality of our community's needs.

Be that as it may, the shortfall in the revenue heads has been made up from the COVID-19 Response Fund. This has helped supplement losses to the Government's main recurrent revenue heads, thereby providing income to Government to enable it to meet its ongoing salary and other ongoing costs.

During the pandemic these adjustments were made monthly based on a formulae and methodology proposed by the ingenious Financial Secretary, Mr Mena, and agreed with Mr Azopardi and Mr Clinton, and derived by comparing the actual revenue to the average revenue for the previous two financial years. So, to be clear, what we put into the revenue heads each month was the average of the sum each head had received in the two previous financial years. The moneys were sourced from borrowing provided for under the sovereign guarantee provided by the United Kingdom, which has greatly reduced the cost of borrowing. These pages feed right back to the revenue pages in the Estimates Book, but, in order to highlight that they are exceptional in nature, have been shown outside the traditional Estimate/Forecast Outturn Operating Statement as exceptional items. This serves to ensure that these payments stand out, aiding transparency and ensuring that the reconstruction of the accounts and the debates in future are not intoxicated by these references.

This section of the Estimates Book also discloses those costs incurred directly by Government as a result of the pandemic. These are the directly attributable COVID-19 costs met by Departments, Authorities and Agencies. The treatment is slightly different in the Estimates Book. For Departments this amount is fed into the revenue pages of the Estimates Book, whereas for Agencies and Authorities this amount feeds straight into the revenue section of the Agency or Authority revenue heads.

The COVID-19 associated expenses are clearly identified on the relevant pages. Where COVID-19 associated expenses have been spent on a number of different subheads, then the traditional Authority or Agency page is shown encompassing the forecast outturns for all of its recurrent costs. Additionally, a separate page has been added which simply displays the element of those costs per subhead that are directly attributable COVID-19 expenses.

The position for the estimate for the year ahead is somewhat different, and for good reason. When reading the Book, hon. Members need to remember that this Estimates Book was compiled between January and April 2021, when we were in the thick of the second lockdown, under tight lockdown restrictions for part of the period. There was greater uncertainty then about how long restrictions would last or whether the vaccine process would prove effective. Although there are no clear certainties even now, there is, it is fair to say, less uncertainty. The estimate of COVID-19 expenditure which we anticipate will continue to be necessary going forward has been contained on a single line. This is just, however, an estimate to be considered with that backdrop. Will we see new strains of COVID-19? Will we see new booster vaccines required and provided? All of this is still to be determined.

Each figure for each Department, Authority or Agency has been based on those costs incurred as at 31st March 2021 but which have yet to be settled, together with the Department's, Authority's or Agency's best estimate of additional costs to be incurred during the next year in the light of experience of the last year and based on the uncertainties that were prevalent at the time – and, if I may say so, Mr Speaker, sufficient amount has been provided for this Parliament to be able to continue to run its air conditioning.

The reason for keeping this item separate on a single line is to ensure that those estimated COVID-19 associated costs are not considered as part of the day-to-day approved budget and can only be used to pay for specifically identifiable COVID-19 costs. As I already highlighted, this serves also to ensure that these payments stand out, aiding transparency and ensuring that the future year-on-year analysis and the reconstruction of the accounts is not infected by these exceptional figures. Once amounts are spent, these sums will appear within the 'Forecast Outturn' column next year and they will also be easily and separately identifiable.

This section also analyses COVID-19 capital expenditure. This is essentially those costs to be charged directly to the Improvement and Development Fund to meet those capital costs required as a result of the COVID-19 pandemic.

The accounts for the COVID-19 Response Fund have been published separately and are included on pages 290-92 of this Estimates Book. This is a consolidation of the publication of this fund in our Gazette on a quarterly basis. These have been published in a way such that every citizen is able to assess the local cost of this global pandemic.

Since details of this fund are presented to the nearest pound when they have been published on a quarterly basis, the published figures have been presented in the same way in this Estimates Book. For ease of reference, the order of presentation has, however, been adjusted to better align with the heads and layout of this Estimates Book in a manner that we hope will assist all hon. Members. Again, full transparency, full accountability, more information than has ever been presented before in respect of any fund created by any previous Government. Once again, the unbreakable trail of evidence that gives the lie to any suggestion that there is not now more transparency than ever before in our history – evidence to refute any Member suggesting the opposite and putting them foul of the line of truth and safely in the net of those who would be misleading the House by suggesting the opposite. The amounts are additionally cross-referenced throughout the Estimates Book to assist with the interpretation of the Book as a whole.

Last week we also shared the updated figures for the COVID-19 Response Fund for the period 1st April 2021 to 30th June 2021 – that is to say the last quarter – with the Leader of the Opposition on a confidential basis, as we had committed to do from the outset of this pandemic and have been doing. This is first quarter performance for this financial year. We are aiming to publish these later this week in the Gazette, on Thursday, so that the community can see how the economy is

faring its way out of this pandemic. I undertake to give the hon. Lady a copy at the end of my speech, so that she can also have it ahead of her presentation.

805 As I have explained previously, the COVID-19 Response Fund is the place where we have booked all of those exceptional costs related to the pandemic, so that they are easy to identify separately from ongoing day-to-day expenditure. When preparing the Estimates Book we provided some £67.45 million for the year. You will appreciate that as the economy emerged out of this pandemic these costs were front loaded. We projected for these costs to be incurred in the
810 early months of the year, in the hope that as we unlock we do so on a permanent basis and do not need to return to some of the unprecedented measures experienced last year.

So, what does the COVID-19 Response Fund for this period show? Well, it is slightly better than expected. It shows that as we open up the economy the support for flagging Government income is reducing with most of the main heads of revenue that required support during the COVID-19
815 period not needing this. Nonetheless, from an annual estimate of £55.8 million, already £19.56 million has been expended. The reason for this is largely linked to the throughput of tourist visits to Gibraltar, and I am confident that as this returns the revenue will be slowly restored. Although our hotels have experienced a resurgence in recent months, we still have not seen the return of day trippers by coach and by cruise liner, who account for the sales of many products
820 with the consequent impact on Government duty.

In terms of expenditure, we projected some £11 million for the year, whereas only £5.4 million has been expended so far. The lion's share of this is expenditure, some £3.3 million, that has been spent on BEAT measures – which, Mr Speaker, as you know, are coming to an end as from the end of July. On capital expenditure we projected some £625,000 and to date only £9,000 has been
825 spent.

Overall the figures are consistent with what I believe our people are generally experiencing: a slow return to normality. Of course there are blips and anomalies, but I am hopeful that as the year progresses there is a return to normal levels of income and less of a need to incur expenditure on COVID-related items. I am sure that the whole House and the whole community joins me in
830 that wish.

Mr Speaker, as you know, the Government has been embarked also on the digitisation programme that I referred to earlier. My colleague the Hon. Albert Isola, the Minister for Digital, Financial Services and Public Utilities, will no doubt elaborate on his work as part of this Budget speech in this respect. I will nonetheless address the effect that the digitisation programme has
835 on the layout of the Estimates Book.

Whilst the presentation of each estimates page will be broadly familiar, the section 'Other Charges' no longer groups charges into office expenses and operational expenses. The review carried out as part of the digitisation process has identified a number of inconsistencies that have been compounded over time. For that reason, the opportunity has therefore been taken to
840 rationalise these, resulting in a number of changes as follows.

The nomenclature has been clarified to provide a seamless and uniform nomenclature adopted across the Estimates Book to aid comparability between Departments, Authorities and Agencies. This should also result in items being posted in a consistent way. The system will also facilitate being able to collate each of these costs across all of Government going forward. An appendix is
845 included on pages 287-89 which shows how the existing nomenclature has been grouped under new and consistent naming conventions. It is proposed to include this appendix for a number of years to ensure ease of reference, so that hon. Members can usefully cross-reference backwards to earlier years and the previous nomenclature with ease. In other words, that schedule will not be just in this year's Book, it will be in future Books, so that in future years you can continue to do
850 the exercise with ease if you have to look at the years before. 'Other Charges' are listed with consistent subheads in a sequential and consistent order throughout the Book now. And finally, the last point on rationalisation is that in order to aid comparability, overtime heads across the Estimates Book have been expanded to disclose overtime subheads on a consistent basis also.

This head is now analysed as between each of conditioned, emergency, manning level maintenance and discretionary overtime in each head.

Finally, turning now to the establishment non-financial pages, hon. Members should also note that the figures provided for as the establishment – that is to say the complement or the number of persons whose salaries are funded through the Book for the financial year 2019-21 – are provided only as at the initial period 2019-20 and not as for the full period, as it turned out to be, of 2019-21. This arises from the fact that there will have been agreed changes in the period between 2020 and 2021 which cannot now be accurately reconstructed and provided for, other than by comparison between the two actual opening periods – that is to say, comparing between 1st April 2019 and 1st April 2021.

For the reasons already alluded to in relation to the need to move and adopt the Amendment Acts, there is no position recorded for 1st April 2020. Additionally, given the predicted deficit for the end of the financial year 2021-22, there is no funding provided for vacant posts to be filled in this financial year.

Mr Speaker, I am very keen to set out very clearly just how much, however, the public sector has grown in our time, to avoid the also untrue suggestion that we are somehow operating under the complement. Nothing could be further from the truth. The reality of the position is that all of the public sector has grown considerably, and I will provide details of that in the part of my address that looks at the number of employees in the economy – although I note that the Parliament still does not appear to have noted the provision of funding for air conditioning.

Mr Speaker, as you also know, the Estimates Book is ordered in such a way as to facilitate the way that this Parliament's sessions function. The Book is divided into Departments that are grouped together under a heading for each Minister to enable the debate to follow that logical sequence. As you are aware, last month I carried out a minor Government reshuffle. The Cabinet collectively felt this reshuffle was necessary in order to prepare the structure for the challenges to come in relation to the negotiations for a future relationship between Gibraltar and the European Union, and also to deal with the final ravages of COVID-19.

To my recollection a ministerial restructure has not happened before between publication of the Estimates Book and this annual debate taking place. In doing so, the Estimates Book as originally published no longer follows in sequence the responsibilities that now befall each Minister. Although this is common after every reshuffle, given that we were in time before the Book goes firm in its approved version, we were able to review it, to bring it back into what will be its logical ministerial flow. For that reason I have asked the Financial Secretary to reorder the Estimates Book and this was made available to all Members of this Parliament a short while ago. In fact, I believe it was at the end of last week.

I can assure Members of the Parliament that the Estimates Book remains true and consistent with the one they were presented with in April 2021. None of the figures will change; just where they appear in the Book under the chronological run of relevant Ministers will change. All they need do to confirm that is check the figures on pages 1 to 3. In other words, not a single number has been changed from those included within the forecast outturn or estimates column. All that has happened is that the final version of the Estimates Book, after we have moved the changes at the Committee Stage, will be reordered when it is published in final form as the Approved Estimates of Revenue and Expenditure 2021-22, such that each Minister heads a section under which their current responsibilities are listed. Obviously ministerial titles have changed, as have those for their controlling officers. The new titles are now reflected within the Estimates Book I circulated last week. The sequence of revenue income has also been reordered to follow that same sequence.

Some typographical errors were identified in the earlier draft and have also been corrected. These are normally corrected when the approved version of the Estimates Book is published after this debate. We, however, ensured that they were corrected in the presentation of this revised Estimates Book for all hon. Members to have available. In addition, an error that was noted in the actual result for 31st March 2019 disclosed on page 3 has also been corrected. The Financial

Secretary provided an early copy of these amendments to Mr Clinton, to Mr Azopardi and to the hon. Lady.

Finally, Mr Speaker, the Appropriation Bill follows the sequence of the Estimates Book. Given this has changed, I wrote to you earlier and submitted a revised Appropriation Bill also to ensure that it tallies with the Estimates Book. The only change notified has been to the order of Part 1 of that Bill, which now also follows the order of ministerial responsibilities after the reshuffle, as set out in the amended Estimates Book. Once again, there have been no other changes to this Appropriation Bill and I have only done this to facilitate the sequencing of the debate in Parliament and to ensure alignment with the responsibilities charged to each Minister after the reshuffle.

So far, the formalities, Mr Speaker.

The last time I delivered a full Budget address was in June 2019. In economic terms, the entire world has changed, but my focus has to remain on this small part of the world that we call home. This is our paradise, and we must preserve it as much as possible. When I delivered my speech in 2019 I said that the 2016-17 GDP figures had just surpassed the £2 billion mark, the GDP figure for 2017-18 was estimated at £2.17 billion, reflecting an increase of £169.25 million or 8.5%, and that the Government Statistics Office preliminary forecast for the turbulent and challenging year that was 2018-19 was £2.35 billion. That showed an increase of £177.8 million or an increase of 8.2% compared with 17-18.

In those figures we were seeing reflected the third full year of GDP performance after the vote of the United Kingdom to leave the European Union. When I reflect on that speech now, when we all look back at those days, little did we know or imagine what lay ahead. If we had known what lay ahead, I would not, in hindsight, have classified 2018-19 as turbulent and challenging. Those words, 'challenging' and 'turbulent', are how I would best now describe 2020-21 – incredibly challenging, incredibly turbulent – but we have got the ship to port safely and all the souls aboard have been provided for, even in these remarkably challenging and turbulent times.

So, in less figurative and in starker financial terms, 'How have we fared?' you may ask. The Government Statistics Office has now provided its Budget brief, which forecasts ahead and revises historic performance in light of historic information. I do not think the outcome will catch anyone in this country who is genuine in their analysis of the economy by surprise.

Mr Speaker, let me starting by first taking you back. The firmed-up figures for 2017-18 now show a GDP figure of £2.3 billion for 2017-18, which is actually £97 million more than we projected, reflecting a growth in that year from the year before of a stunning 12.3%, a brilliant performance given the Brexit uncertainty we were living through then. This is an even better figure than I reported to the House last year and a reason to be very pleased and very proud of the work of everyone in our economy.

Let me just also clarify that gross domestic product, or GDP, is not revenue to the Government. It is not the public finances, it is the total output of the economy of all actors in it. The figures for 2018-19 were actually £2.46 billion, which again is close to £100 million more than the figures I reported to this Parliament. That means that for the 2018-19 period the growth turned out to be 8.3%, not 8.2%. The growth figure was larger than expected but also growing from a larger base for 2017-18. Again, this is an even better figure than I reported to the House last year and a reason to be very pleased and proud of everyone in our economy.

What this shows is that across Government we are consistently conservative in the information we provide to this House. We do not seek to overestimate revenue, we underestimate it. That is the prudent and conservative thing to do, and that is what we do. So, we do not flatter our accounts, we unflatter them. In fact, I would rather flatter our accountants for the excellent job they do, than pretend to flatter our accounts. We see this with the Estimates Book and we see it now also with the projections of GDP. Of course, with something like GDP it is possible to get the estimate wrong, but we can see year on year, just as I have been able to demonstrate to the House, and as is laid down in the *Hansard* for posterity, that the forecasts of GDP that we bring to

this House are outstripped by the actual performance of the economy when the estimate goes firm. That is as it should be.

Turning now to figures for 2019-20, the preliminary estimate of these by the Government Statistics Office is for £2.566 billion, which they round up to £2.57 billion – that is to say a growth of £110 million or a 4.5% growth over 2018-19. The growth for that year is clearly lower when compared to the close to double-digit growth in the previous 10 years in government, and although in cash terms the sum is higher than in previous years it is obviously a smaller percentage of a larger economy. But it is entirely in keeping with our expectation at the time of the last General Election, when those figures were not yet available. In fact, in our manifesto we expected, we set out, that we could reach exactly that sum. The Hon. the Father of the House, Sir Joe Bossano, adopting his control of the ‘Force’ as an economist, predicted that the GDP would grow as follows:

It is expected that the result for 2019-20 will be of the order of £2.57 billion.

That is really a remarkably accurate figure provided by Sir Yoda, almost oracle-like in its precision. For the many manifesto fetishists on the benches opposite, that prediction is on page 44 of the magnificent ‘Green Gibraltar’ GSLP Liberal manifesto for 2019. They can look it up in their much-thumbed copies.

That is now exactly the result confirmed by the Government Statistics Office. This slower rise in GDP, in the context of the larger rises in years before, was largely due to the negative growth in the gaming sector over the year. This deceleration is made up of two key elements: a reduction in corporate tax receipts and a reduction in employment and gaming jobs. If hon. Members reflect back to that year, now apparently so distant in our minds, they will recollect that we had one very large and significant departure of a gaming operator relocating to Malta brought about by the then pre-Brexit uncertainty and another significant gaming operator, in that same year, unusually went into liquidation for reasons entirely unrelated to Gibraltar. Those two gaming industry related events had a deep and immediate effect on our GDP. It is, of course, a matter of regret that, despite the very careful management of this sector, these events occurred. This simply serves to remind us of how important the gaming sector is to our economy. And yet, despite that, we have suffered these circumstances being visited upon us for reasons beyond Gibraltar’s control or responsibility. The sector has, nonetheless, continued to grow despite that setback.

Mr Speaker, I think it is worth noting that in the period that I have been Minister for Finance, in the 10 years from 2011-12 to 2019-20, the total GDP growth has been 133%. I noted that hon. Members had not made a note. In the 10 years, from 2011-12 to 2019-20, that I have been Minister for Finance, the total GDP growth has been 133%. The economy grew from £1.2 billion in 2011-12 to £2.57 billion, as I have just reported, in 2019-20. That is a growth of 133% in 10 years, an average of 13.3%, double and one third again the size of the economy. This growth is unprecedented other than for the years in which the original reclamation was carried out. The GDP per capita has gone from £37,369 to £71,787. That growth represents a 91% increase in the GDP per capita.

Additionally, public sector revenue from that economy grew from an estimated £394 million in 2011-12 to an estimate just shy of £700 million – £697 million, to be exact – in 2019-20. That is a growth in public sector revenue of 77%. We have collected more revenue for our people than ever before in the history of government in Gibraltar.

Expenditure has also, of course, been increased, but that revenue has been collected without tax rises. When we look now at expenditure, we went from an estimated £457 million in 2012-13, which is the first Budget book for which we were responsible after our election in December 2011, to an estimated £681 million in 2019-20 before the pandemic hit. That growth in expenditure is of some 49%, well short of the increase in revenue of 77% that we delivered for the same period. There is a 28% gap in the growth between revenue on the one hand, and expenditure on the other hand, in the right direction. That is the important thing. We grew the economy by 133% and then

we grew income by more than we grew expenditure. In fact, income grew by 28% more than expenditure in the same period. That is a track record that we can be very proud of indeed. But of course when the pandemic hit it gutted our public finances. That is why we must act now to restore financial stability.

1010 Additionally, the Statistics Office is reporting that aggregate public debt as a share of GDP has gone from 43.1% under the GSD to 13.5% before the pandemic. That is a reduction of 30%. That ratio will obviously change for next year, given the impact of the borrowing we have had to do in relation to the pandemic. I will report later to the House on current, increased borrowings.

1015 The same will be true of net public debt as a percentage of GDP. It has gone from 25.3% in 2011 under the GSD to 11.2% under the GSLP Liberals before the pandemic. We have more than halved it. We have reduced net public debt by 14%. However they want to slice and dice it on the Opposition benches opposite, however they want to spin it, these are the figures from the Statistics Office and what these figures show is a record for us to be proud of and then some.

1020 I now turn to the forecast for 2020-21. This is the year of the impact of COVID, the year of a full shutdown of our economy, a financial year that started with the first lockdown and ended with the second lock down, a disaster of a year in human, emotional and, of course, financial and economic terms.

1025 No one will be surprised that the growth for this year is negative. No prediction that we could have seriously made could have envisaged the closedown of the global economy as a result of the planetary event that the pandemic has represented. After all, this is a year where the economy has largely been locked down for months by order of the Government. We moved from stimulating growth as a policy to stymieing movement as a policy. Additionally, the Government, the public purse, that is to say the public finances have been the source of the liquidity injected into the private sector so that jobs were preserved, livelihoods were protected and businesses survived those unprecedented times. Indeed, we should recall that at that time the ability and timetable to return to normal life was not defined with any certainty.

1030 This was a time which was as dramatic as it was unprecedented. It is important that we set that down here for parliamentary posterity, for when our successors look back at *Hansard* in the context of this debate. We closed down businesses. We stopped the movement of people. We grounded flights and cancelled buses. Cruise liners and tourists, the lifeblood of many of our small businesses, were simply not allowed to visit.

1035 Fortunately, today many sectors of the economy have returned to some element of normality, or at least started the journey to return to normality, but others have yet to return to anywhere near normal. For example, our Port still has not seen the virtually daily arrival of cruise lines with the passengers taking Rock tours or spending in our restaurants, cafeterias or shops. Despite this, I believe the Gibraltar economy has performed remarkably well.

1040 Our forecast GDP for 2020-21 is £2.44 billion. That is a reduction of £126 million in the gross domestic product, or -4.9%, a contraction in place of growth, but of course no one could have genuinely expected otherwise. In fact, I confess I was happily surprised by that performance. I expected a greater reduction in economic activity for the year. In essence, in the worst ravages of pre-Brexit and in the depths of a worldwide COVID pandemic we have simply reverted to our world ranking topping GDP levels of 2018-19, more or less. That performance is much better than I or others in my team expected would be the case when we were in the depths of the successive lockdowns.

1050 Of course, these are the figures for the period to March 2021 and we all know that the effect of the pandemic will persist economically for some considerable period to come. Nonetheless, what is important now is how Gibraltar powers out of this economic malaise, as well as how we fare in powering out of the uncertainty that Brexit had created for us. I will outline some tax measures later in my speech that are aimed at assisting with this and encouraging investment.

1055 What I can confirm to the House is that we do expect that we will be working to try to continue to grow the economy in keeping with the estimate we made in our last manifesto, although it is unclear yet if we will be able to achieve it. This is an estimate for economic growth based on 5%

growth per annum or a total of 20% growth in the period of the lifetime of this Parliament. Of course, that will continue to be our ambition, but we say that with the caveat that the effect of the pandemic is not yet over and that there may yet be another sting in the tail of it. It may just be impossible. In this respect, the various tenders in the process of being awarded will bring the private sector into the growth of the GDP with even greater vigour as those projects take off. In that I also include the start of works at Victoria Keys, which has now been given the final advice due from the Development and Planning Commission, as well as advanced discussions on the Eastside development.

Mr Speaker, the GDP results I am reporting this year will once again put Gibraltar among the fastest growing economies in the world for the year before the pandemic hit. As a result, I will therefore continue the tradition started by my predecessor, Sir Peter Caruana, of calculating for the House the GDP per capita in our economy. I reiterate that I am very sceptical of the value of this calculation or its accuracy and it is not a strictly scientific measure, but as this was used by Members opposite when they were in Government as an indicator of the average standard of living of individuals in Gibraltar, I will continue to do the calculation for them.

In Gibraltar the particular nuance is that our daily imported working population matches up against the whole of the resident population, creating a significant distortion. Having said this, this calculation is used in similar analysis internationally, and that is why it was adopted by Members opposite when they were in Government. It is nonetheless an established economic metric, however much it may also be of doubtful value, which I shall once again provide to the House.

In this respect, as I have told the House, the latest forecast for 2019-20 estimates a GDP per capita growth of 4.5% from the previous year to £2.566 billion. On the IMF GDP per capita rankings the UK features in 35th position with a GDP per capita of INT\$44,117 and Spain in 47th position with a GDP per capita of INT\$38,392. The sums are in a currency referred to as international dollars, designed by the IMF to show purchasing power parity by using the rate of the United States dollar as at a 20-year average. Gibraltar's GDP per capita for 2019-20 is forecast at £79,707 or INT\$121,154.64, placing Gibraltar in first position, up from third in the last calculation. But the GDP per capita never fed anyone, Mr Speaker. Gibraltar is closely ahead of Luxembourg, which enjoys a GDP per capita for the year of \$118,002.

As I have said before and must reiterate to ensure the record of the House reflects my own view, these measures are not scientific because of the differing methodologies and fluctuating exchange rates on which they are based. This lack of uniformity in calculation makes the exercise, in my view, unreliable. Additionally, in the case of Gibraltar the calculation is particularly lacking in relevance given that we have now reached 30,000 working people – in fact, more – in a population of 32,000, making the per capita aspect unreal and, in my view, totally distorted.

The important aspect of this exercise, however, is really only to appreciate that Gibraltar's economy is estimated to have grown again in 2019-20, before the pandemic struck, by 4.5% and with average earnings going up by almost 3%. This growth continues to place us ahead of other small countries in the world, including Malta, Luxembourg, Singapore and Hong Kong when it comes to GDP per capita. But I emphasise that this was for the year before the pandemic hit.

I turn now to the question of borrowing and the cost thereof. The cost of borrowing is the lowest in history since governments started borrowing in the 16th century, so our borrowing is also at the lowest rate ever secured by the Government of Gibraltar – not an entity that was around in the 16th century, of course. That is why short-term borrowing now has made sense. That is also why we did not ask the UK for money, not least because we did not need it. We asked the UK to support our own borrowing. We did not seek and we did not get £500 million from the UK. We did not even seek the loan of £500 million from the UK. We sought and we got support for our sourcing of our own £500 million. That is what shows the resilience of our balance sheet and the strength of our covenant.

Whatever others may say, we have been able to source our own £500 million, even in these difficult times. We did not need the UK's guarantee for that. I can happily inform the House that we had £500 million available to us even without the UK guarantee. What the UK guarantee has

1110 done is secure the borrowing at a much lower rate, at the same rate as a sovereign nation. And let's be clear that the UK has not provided a similar guarantee to others willy-nilly. So, when the banks have X-rayed our economy and our public finances they have considered our public finances and our economy strong enough to lend us £½ billion.

1115 I say to everyone in this community who reads what the naysayers say – not just in this House, but beyond it – who do you believe? The backseat drivers on social media who have zero experience of finance? They tell you things are horribly bad with our public finances because we are mismanaging, yet the professionals in the banks who have considered the risk Gibraltar represents have assessed it is a very, very low risk, despite not being a sovereign nation. The professionals have considered that we are doing a very good job managing our public finances, 1120 although of course right now every nation is suffering pressure on the public finances and we are in a deficit situation.

Mr Speaker, I believe that the vast majority in our community will be very satisfied indeed that even in these very difficult times our Government has been assessed as such a low risk thanks to our prudent management of our public finances. That is the real test to pass, not that of the social 1125 media commentators or the Opposition's retired bankers. Additionally, the UK Treasury itself, when it has considered our risk of default on our borrowing, has assessed that we are a sufficiently low risk that they have provided the sovereign guarantee, as the Foreign, Commonwealth and Development Office, which has to make the assessment.

Again, I say to all our public that they should take great confidence from this and listen less to the armchair experts and commentators on social media who are demonstrably wrong about most 1130 things – and this is the slam-dunk that demonstrates it. Again, the UK sovereign guarantee is a great vote of confidence in the strength of the covenant of Gibraltar PLC, the company in which all of us hold shares and our livelihoods, even in these very difficult times. That is really something to be proud of and in great measure the fruit of the work of the Financial Secretary, Albert Mena, 1135 at this extraordinarily challenging time. Our public finances are in a very bad cash situation, like every other exchequer in the world, but we will build back better, sooner and stronger than most others.

Mr Speaker, as I mentioned at the start of this speech, the Estimates Book is extremely complex this year for the reasons I have outlined. I will, however, seek to highlight the key performance 1140 indicators so that those listening are aware how we have fared and what we expect for the 12 months ahead.

Dealing first with the 24 months that have passed, as I already mentioned in May when I first became aware of the forecast outturn, the Government has posted a deficit. This is a significant loss and something that last occurred in 2003-04. It is important as we go into this debate that we recall that the last deficit declared was in the time that Members opposite were in Government. 1145 The reason for the last deficit under the GSD was not, like today, a worldwide pandemic which no one could avoid, the reason for the last deficit under the GSD was not, like today, related to a global shutdown of the worldwide economy; the reason for the last deficit under the GSD was much easier to understand. It was lavish pre-election spending as a splurge. The last deficit in our 1150 history was occasioned by lavish GSD spending which brought the public finances into the red.

So, when we refer to the dire state of the public finances now, and when we hear Members opposite refer to our public finances being in a dire state, we have to keep in mind that these are the after-effects of a global event and that the public finances of most nations, large and small, if not all nations, are suffering as we are. That was not the case in 2003-04. The only relevant event 1155 in that financial year was the General Election of October 2003. The hon. Gentlemen will recall it. It was the election of the 'cold steel of election night', indeed the General Election that bestowed on me the honour of being elected for the first time. Additionally, we have to remember that the majority of the spending that we have undertaken and which has led to this loss and additional borrowing in this year was agreed with the Hon. Mr Clinton and Mr Azopardi. In 2003, the 1160 spending which led to the deficit had not been agreed – obviously – with the official Opposition.

In those circumstances, although I am of course open and happy to debate in this House the point of arrival at this pandemic, we have to be abundantly clear that the point of arrival was one of surplus. We did not arrive at the pandemic with a deficit, like the GSD arrived at 2004. So, when the hon. Members opposite like to go outside this House to propagate the untrue myth of our pre-pandemic spending being problematic, and when there are some sheep out there who might buy that myth, I would say this: there is no logic or truth to that at all. We were in surplus before this crisis, therefore all our spending before this crisis had been affordable, and it is untrue to spin the untruth that our spending on schools, teachers, healthcare facilities, our healthcare staff, the Police and their resources, our civil servants and public servants is somehow the cause of this extraordinary deficit. It just is not true. Those who say that need to understand that the 'S' in GSLP stands for 'Socialist' and we are always going to be proud of our investment in our public services and in our public servants.

But of course we have to cut our clothes to fit the cloth we have available. We are proud of having built new schools, we are proud that by the time we have finished our programme every public educational establishment in Gibraltar will have been built by a GSLP Government, in some instances with our Liberal colleagues, but we were doing that when the world was not in crisis. We are proud that we have increased public sector pay. We are proud that we have provided for the socio-economic development of our people by building new homes where we only initially recover half the cost. We have refurbished our housing estates and will continue doing so. We have built a new marina, we have built a new national University, we have built a national bank, and all of that we built in a manner that was affordable and yet enabled us to deliver the highest surpluses in history year on year.

So, when the talk is of anything being lavish, it is of lavish investment in Gibraltar and the Gibraltarians, our people. That is where the money has gone. We see this sort of prudent spending as a socialist virtue, not as a sin, but always whilst it can be afforded. We will not permit spending to be undertaken when it cannot be afforded, because we will not borrow to fund recurrent expenditure. The worldwide economic factors have turned dramatically and we must react appropriately. What is important to understand, what is real, what is undeniable is that this is a pandemic loss. The deficit is caused exclusively by the COVID-19 pandemic.

Whilst the reasons for this loss are well known, Mr Speaker, I would like to signpost some key indicators. Our revenue over the two-year period 2019-21 was in the region of £1.255 billion. If you consider that our estimate for revenue for the single year 2019-20 was £700 million without any growth, we would have expected to raise at least around £1.4 billion in revenue over the two-year period. This loss of revenue, which amounted to around 11%, had to be made up to keep Government going. This was met from the COVID-19 Response Fund, which in turn borrowed these moneys.

So, around £158 million was borrowed to meet forgone expenditure. Forgone expenditure came from a number of fronts as follows. Business activity ceased, so Government would no longer receive revenue from sources such as the Nature Reserve ticket, for example. This is equally applicable to import duty and many other heads of revenue. As we locked down, Government provided a number of incentives to business to allow them to retain staff and be in a position to resume once the pandemic was over. Examples of this were PAYE and Social Insurance incidentally, rent and rates holidays etc. Nobody complained when the Social Insurance was waived; those complaints only arise when we revert to the fact that we need to raise those dues. Finally, with counters closed and movement restricted it became more difficult for payments to be made to Government or chased up. Government also suspended more aggressive approaches to debt collection, cognisant of the difficulties everyone was facing.

The effect of all of the above was that Government saw a drop of some £65 million in its personal and corporate tax receipts and £74 million in its import duty receipts. The balance to make up the aforementioned £158 million came from the shortfall in rates, electricity and Group Practice Medical Scheme receipts.

Departmental expenditure came at roughly £1.147 billion for the 24-month financial year. That is roughly £573.5 million for each of the 12-month periods. This was reasonably close to the revised Appropriation Bills we passed during the course of the pandemic, which as hon. Members will recall simply doubled the projected Budget for 2019-20 with the exception of those figures for the GHA, the Care Agency and the Education Department, which we could see would be impacted. I am quite impressed and proud that despite the pressures of the pandemic we projected this with some accuracy, given the estimate was for £1.153 billion and the forecast outturn was for £1.147 billion. That is a difference of around £6 million, which in the scheme of things amounts to no more than what you might call a rounding error. Of course, this is the global position. In fact, most Departments fell well within their allocated budget, given the constraints of activity, whereas others were forced to spend more on account of the exigencies of the pandemic. To a large extent fiscal control was out of our hands and we were required to spend in order to save lives and protect our frontline workers.

This was a period of what we might call demand-led spending in certain key areas. Nowhere was this more evident than in the BEAT scheme. Mr Speaker, as you know, we set up a scheme at short notice to be able to fund the cost of employees, to ensure they could meet their own costs of living. This scheme took many forms but was dedicated to support businesses in the affected sectors as they slowly resume their activity. The cost of the BEAT scheme alone to the end of March 2021 was £28.5 million. I welcome that hon. Members were our allies in the disbursement of this money and the creation of the COVID Fund. This amount was paid to all those eligible who made a claim, irrespective of nationality or residence. It was the right thing to do. I hope they will not now run to the hills when they see the cash effect of what they supported and start to decry the pandemic expenditure.

Additionally, it was administered in record time to ensure that those who needed help received timely support. As with every scheme of this nature that is thought up at short notice, there are always issues. There are always those who feel they are not fairly treated, but by and large I believe the scheme met its objectives and was successful.

Finally, the COVID Response Fund supported the capital expenditure requirements of the GHA and other Government Departments to enable the purchase of ventilators and IT equipment, amongst other capital items, to the tune of around £5 million. Overall, the COVID Response Fund supported the forecast outturn, in one way or another, to the tune of £227 million. With the exception of £2 million that came from the European Social Fund claimed to support BEAT employee payments, the balance was raised from Government's additional borrowing – that is to say £225 million.

This means that indirectly our recurrent expenditure has been financed by borrowing. This means that this pandemic has required us to break a sacred rule. We did so with the support of this Parliament and in the knowledge that this was the way that virtually every other country across the globe was facing down the challenge of this pandemic. So, by the end of March 2021 our aggregate public debt has increased from £438.9 million as at March 2019, to £677.7 million by 31st March 2021 – still within the ratio of 40% of GDP at £2.57 Billion. But that is not the full story. And that is not net public debt, that is aggregate public debt. It is important to also reflect on what else we paid for during lockdown.

Some £92 million was paid in pensions, without fail, and in order to stimulate continued economic activity and following advice from the OECD, the Government completed its assessments on individuals and paid out a total of £26 million over the two-year period in tax refunds. This means that we are now up to date with tax assessments and almost all personal taxpayers will have received their rebates to 2018-19, and we continue to make good progress on completing the assessments for 2019-20 with some 25% of those already complete. This is better progress than many, if not most countries in the world.

So, another thing we do with the money we collect as revenue is give it back to taxpayers who have overpaid, as soon as possible. That is not lavish spending. That is properly returning money to its rightful owner as soon as possible. It is a virtue, not a sin. I will talk about this further when

I comment on the performance of the Income Tax Office more generally, given it falls within my area of direct ministerial responsibility, but it would have been so easy to have simply allowed ourselves to fall behind in tax refunds and undo the excellent work that has been achieved in earlier years. We did not do so. We did the right thing and we returned moneys due to the taxpayers to whom the money is owed.

Mr Speaker, now I want to reflect on the estimate for the year ahead, as this will better describe to hon. Members the challenge I believe we now face as a community going forward. The year ahead is going to be very challenging as we seek to restore the public purse whilst ensuring we support economic activity. The balance that needs to be found is not an easy one as Government seeks to balance the books, repay the cost of the pandemic and put Gibraltar in a position to be ready to face the other challenges that may well yet come our way.

We must be honest with the electorate. Yes we have faced down this pandemic, yes we have exited it perhaps quicker than many other countries, thanks in large part to the support from the UK, but let's not kid ourselves: it has taken a tremendous toll on our public finances as it has taken a toll on virtually every other country's public finances in the same way. We all face the same challenges, and, like the pandemic, I want Gibraltar to exit this challenge successfully before anywhere else – and I believe we can do it.

But first to the challenge ahead. As you can imagine, seeking to project what will happen in the next 12 months is extremely difficult, as this changes, depending on further restrictions that may have to be imposed, how quickly business returns and how quickly revenues return. Despite these difficulties, estimating expenditure for next year as accurately as possible needs to be done. At present, we are estimating revenue for the year 2021-22 of around £633 million. That figure is some £67 million, or almost 10%, adrift from the level of revenue we were used to in 2018-19 and that which we were projecting for 2019-20. In that time we have not reduced employees or our ambition for the services we need to deliver to this community. Additionally, we will, of course, be making a contribution to various charities, including Community Care, although they already have been able to build up their reserves, for rainy days such as those we are experiencing now, from the contributions made by this Government, having been left at zero by the former GSD administration's failure to make donations in excess of their liabilities.

But simple mathematics tells us that this expenditure cannot match up to our projected income for the year. Indeed, we are projecting a deficit again of £51 million. In order to fund this deficit we will need the COVID-19 Fund to step in and borrow a further £51 million. I can tell you we have already done so. We have already borrowed a further £50 million over the 31st March 2021 figure. This is, of course, to be expected as the economy was largely shut down in the first few months of this year and we expect revenues to return as we seek to return to business as normal.

We are projecting departmental expenditure of around £551 million. This is almost in line with the expenditure estimated in 2019-20, so we are seeking to maintain expenditure levels for two years. It is therefore important for those listening to understand that every additional amount spent this year beyond the sums estimated in this Book will be an additional pound we need to borrow. We are keen to repay the borrowing as soon as possible, not extend it. For that reason, to rebuild our public finances as quickly and as effectively as possible I want to emphasise to everyone listening that we must be careful with any additional expenditure not already provided for in the Estimates Book before this House.

Speaking of matters not provided for specifically in the Estimates Book, I also want to deal with the question of the accounts and audits of the Government companies. COVID has impacted our ability to progress the audit of all Government company accounts. Nonetheless, very good progress has already been made in catching up on the accounting processes for Government-owned companies such that the accounting is up to date and companies are ready for audit, or for the accounts to be reviewed for an accountant compilation report to be prepared for those companies not legally requiring an audit. During the lockdown period much progress has been made in readiness for either of these processes to be finalised.

1315 To be clear, there are a total of around 70 Government companies. Eleven of these, like
 Gibraltar International Bank or Gibtelecom, are not within the remit of the Government
 accounting team compiling the reporting of these companies. This, therefore, leaves 59
 companies. Twenty seven of these – almost half, that is to say – were formed before our election
 and were all in default of the obligation to file accounts before we were elected. Management
 1320 accounts are ready for either audit or an accountant's compilation report for up to 31st December
 2019 and beyond for 54 of these companies – that is to say some 91% of all companies within the
 ambit of Government reporting. The audits and accounting compilation report processes have
 been completed on 34 of these companies, with many others presently underway.

To explain the nature of the problem, if you focus on those companies which we incorporated
 1325 post our election in 2011 – some 39 companies – management accounts are up to date for 35 of
 these companies for the periods up to 31st December 2019, with audits having been completed
 on some 26 of those companies. This is the best record of any administration in our history. We
 have therefore broken the back of this process and I now look forward to seeing steady progress
 to finalise the remainder over the coming 12-month period and have these filed and available to
 1330 the public. The filing should then be maintained without fail.

I want to move now to look at the performance of the job market these past 24 or 25 months
 since the last Budget debate. In that time, several Ministers have carried responsibility for this
 important area of Government policy. The Department of Employment continues to demonstrate
 that despite the pace of work and the enormous pressures placed on it in recent times by both
 1335 Brexit and the COVID pandemic combined, the dedication of its team has not faltered for one
 moment. They have done a magnificent job, so ably and inspiringly led by Debbie Garcia. During
 these past two years the Department has not rested. They have continued to work tirelessly and
 have stepped up to the demands and challenges placed upon them all – a real example of a
 Department in action in the service of the community.

During the pandemic the Department was also a fundamental entity in ensuring that the BEAT
 1340 support measures we approved were administered correctly in a manner that made our BEAT
 COVID measures a deliverable reality, and as a result of that work even in these most difficult
 times unemployment has remained stable and Gibraltar continues to boast historically low
 unemployment levels.

Looking to the statistical facts, as at October 2020 the total number of employee jobs in
 1345 Gibraltar has decreased by 1,087, an unsurprising 3.6% reduction, from 30,603 in 2019 to 29,516
 in 2020. Those figures were records each year, and we must not be surprised at all that the
 combination of Brexit uncertainty and COVID carnage has resulted in slightly lower overall
 employment figures.

Breaking down that analysis, the private sector employment figure has recorded a decrease of
 1350 1,214 jobs from 24,001 to 22,787 in October 2020. That is a reduction of just over 5% in private
 sector jobs in that period. Conversely, the public sector and the MoD have seen an increase in the
 numbers of persons employed of 1.9% and 2.1% respectively, to 6,232 people and 497 people in
 October 2020 when compared to October 2019. When the private sector reduction and the public
 1355 sector growth are netted off against each other, the overall drop in employee jobs is the 3.6% I
 referred the House to earlier.

Mr Speaker, I want to tell the House that there has been consistent growth in the number of
 public sector jobs in the years we have been in office. In the Civil Service, the number of persons
 employed and in post has gone from 1,584 when we were elected in 2011, to 2,040 now. That
 1360 means a growth of roughly 25% in civil servants in post under the GSLP Liberals in the past decade.
 I remind the House that we have won three elections committed to the complement as it was in
 2011. We have in fact increased the numbers actually employed in the Civil Service by 25%, or a
 quarter, so I imagine no one is going to be accusing us of decimating anything, and certainly not
 the Civil Service.

1365 Additionally, in the Agencies and Authorities, excluding the GHA, the number of persons employed and in post has gone from 730 to 890, a growth of 22%. That increase is the Agencies and Authorities excluding the GHA. That increase is up by a fifth, or 22%.

1370 In the Gibraltar Health Authority the number of persons employed and in post as direct GHA employees has gone from 715.5 to 914.5. That is an increase of 28% in the persons directly employed in the Health Authority, an increase almost of one third.

That growth in the public sector has to be better analysed to be understood. I will be asking the Civil Service Union and Unite to review these figures with me and, if appropriate, to consider with us the possibility of the introduction of agreed early-exit packages. These would, of course, only be agreeable if the number of posts could be reduced going forward.

1375 Undoubtedly as a result of the growth of public sector employment, the average gross earnings in Gibraltar are also up. The figure for average gross earnings now stands at £32,625.26. This is another record high, despite the many challenges our economy has faced, with an increase of 2.7% from the previously reported figure. In the near decade that we have been in office, nine and a half years, average gross earnings have increased from £25,835 by an incredible 26% – that is to say over a quarter – to the figure I have just reported to the House of £32,635. That is growth that is manifesting itself in the growth of earnings across our economy – definitely something we are proud of.

1385 Under this Government, despite all the challenges and with all the sterling efforts of Mrs Garcia and her team, we continue to see record low unemployment. In 2020, the year of a global pandemic and of our actual departure from the EU, the yearly average was a record low of 21. In the last quarter of 2020, as we battled to support the return to normal business operations, we again achieved a record-breaking figure with the last quarter average of unemployment at 23, the lowest level ever recorded in unemployment history since records began for that quarter. In 2021 we have continued to maintain low unemployment levels with the 2021 second quarter average of unemployment again at 23. This a 95% reduction in unemployment since our election 2011. I do not know whether the hon. Gentlemen are making notes: this is a 95% reduction in unemployment since our election in 2011. That is to say our record is a 95% improvement on the position we inherited from the hon. Members opposite for the GSD. I remember when hon. Members opposite used to say that anything under 300 was to be considered full employment. 1395 We inherited the number of unemployed from them at a year average of 442. Their last second quarter average in 2011 was 433 unemployed. Our second quarter average last year was five – not 5%, *five individuals*. That is obviously a pre-pandemic figure, but with a pandemic and having left the EU, our second quarter average was 23. Just for the sake of clarity, that is to say our second quarter average unemployment rate in the middle of the pandemic, having left the EU, was 413 1400 fewer unemployed than under them. Just saying, because that really says it all.

I guess we will not be hearing any more of the nastiness against the Father of the House's much maligned, hugely successful Future Job Strategy, and it puts all of their past rhetoric and all of the rhetoric to come today and later this week in its proper context. Whatever their words before and after today, whatever spin we may meekly see them try to apply to this fantastic performance by 1405 the GSLP Liberal Government, the GSD's lack of action in providing employment for those who needed it, their record and their performance is what damns them most. And despite their repeated criticism, their sneering, and now more than ever these record unemployment numbers, that is the proof that this Government's system works and it has continued to work well even under the testing times that we are living through.

1410 I now turn to taxation and the revenue that the employment in our economy generates has produced. The collection of corporate and personal income taxation consistently comprises approximately 40% to 50% of the recurring Government revenue. It is therefore a vital part of our economy and one on which I must therefore comment this year.

1415 The total figure of tax collected for 2019-20 amounts to £323 million, representing £189.4 million in personal income taxes and £133.6 million in corporate taxes. The total figure of tax collected for 2020-21 amounts to £314 million for 2020-21, representing £185.6 million in

personal taxes and £128.4 million in corporate taxes. I can report for each year there because we have the calendar dates of the payments and therefore I can break down the payments between 2019-20 and 2020-21 for the House.

1420 In 2021 there was £4.3 million less in personal taxation and £5.2 million less in corporate
taxation collected than in 2019-20. That amounts to an overall reduction in tax revenue of
£9.5 million from one tax year to the next. It is expected that the COVID-19 crisis will significantly
1425 start to impact global tax revenues, given the noticeable decline in economic activity and
consumption following national lockdowns and the forced closure of many businesses throughout
the pandemic. This is the expected widespread outcome predicted by the OECD. In fact, in our
own national analysis, the total tax collected in Gibraltar has dropped £31.7 million in the
24-month period, from £345.7 million in 2018-19 to £314 million in 2020-21. That represents a 9%
decline in tax revenue, which, although aligned to general expectations globally, also includes the
1430 impact of Gibraltar's exit from the European Union at a time in our post-war history when we
considered Brexit the most life-changing and redefining moment in Gibraltar's modern history.

For this reason, my Government continues to exercise prudent financial management and
planning, allowing us to navigate these challenges securely and ensuring we safeguard our future
and our way of life, a way of life we have all come to cherish and a way of life we wish to maintain
and enhance for our children and our children's children.

1435 Given the above, our financial forecasting of the 2021-22 revenue figure is conservatively
projected to a much lower sum of £300 million. This figure is reached taking into consideration
the impact we expect to see on corporate and personal incomes as a result of the pandemic. Of
that, £180 million relates to personal income taxes and £120 million we expect will relate to
corporate taxes. This is a very prudent estimate based on a safe and pragmatic consideration of
1440 the demographic of our taxpayer base and historic trend analyses.

As part of our continued assistance to taxpayers, however, as I alluded to before, we have also
provided in the estimates sufficient funding to sustain the Income Tax Office's refunds
programme. That will continue what we have already done throughout this difficult period, when
we have sought to accelerate refunds to taxpayers. As a result, a further £10 million was invested
1445 in the 24-month financial year gone, bringing the total amount allocated to tax refunds during the
2019-21 period to £26 million. This is more money than has ever before been paid in refunds to
taxpayers and this has allowed us to continue to make significant inroads in this area and to ensure
that those who are owed their money get it as soon as possible. Our commitment will continue in
2021-22, with an additional £18 million allocated towards the final stages of this process. This will
1450 enable the Income Tax Office to issue remaining refunds up to and including those for the
2019-20 tax year and allowing for a return to a reduced recurring funding level in the future.

This process itself has not been without its difficulties. The closure of Government's cash
counters arising from the pandemic has required the Income Tax Office to process a tremendous
amount of banking information not previously held, in order to be able to service refunds due to
1455 taxpayers remotely. I am aware that some people have had to wait longer than they or we would
have liked to receive their refunded money. I ask those still waiting to please be patient. The
Government does not want to keep your money, it wants to return it as soon as possible. That is
the best stimulus measure we can provide, to put more money into taxpayers' pockets for them
to save or spend as they wish. I therefore urge everyone listening who has not done so already,
1460 to please ensure that they provide banking information to the Income Tax Office. Having these
details available will reduce the processing time and enable Her Majesty's Treasury in Gibraltar to
effect payment in a shorter timeframe. In this respect, I must thank the team at the Income Tax
Office for their hard work and efficiency.

I must also take the opportunity to speak about international developments in taxation. The
1465 Government continues along its defined strategy of tax transparency and prevention of base
erosion and profit shifting (BEPS). Gibraltar has already indicated its in-principle support for the
OECD's consensus on pillars 1 and 2 relating to the taxation of the digital economy, the allocation
of taxing rights and the harmonisation of a minimum global corporate tax rate. This is perhaps the

most pivotal move taken to date in order to address BEPS risks at a global level and by large multinational enterprises, one Gibraltar has participated in as an Inclusive Framework member on an equal footing with all other 129 countries that have expressed support for this initiative.

The Commissioner of Income Tax, as competent authority for Gibraltar under numerous international exchange mechanisms, continues to service relevant obligations in respect of the exchange of information. During the period since my last Budget address, Gibraltar has undergone numerous assessments as part of its membership of the Inclusive Framework on BEPS across a wide range of actions.

It is important to recall that access to the OECD's Inclusive Framework on BEPS was achieved as a direct result of negotiating and concluding the Tax Treaty with Spain. This permitted Gibraltar to become a member of the Inclusive Framework and participate autonomously in initiatives such as those set out. Most notably, in September 2020 the Global Forum published that Gibraltar retained its largely compliant rating in accordance with the international standard for the exchange of information on request. This rating puts Gibraltar on a par with many other significantly larger and mainstream jurisdictions such as Australia, Canada, Germany, Spain and the United Kingdom – an excellent result for a small jurisdiction with limited resources, most definitely a testament to the hard work and expertise of all involved.

The Government's prudent stewardship and our economic policy coupled with our appetite for tax transparency, administrative co-operation and mitigation of BEPS risks, has attracted positive international recognition. Not only does Gibraltar no longer feature on specific lists classifying territories as tax havens, but it is listed by the Tax Justice Network below the United Kingdom, the Channel Islands, Germany, the USA and Spain in their 2021 Corporate Tax Haven Index. This list ranks those jurisdictions most complicit in helping multi-national corporations to underpay corporate income tax by considering tax and financial systems as well as laws and policies available to reduce instances of abuse. Jurisdictions are ranked by their Corporate Tax Haven Index value comprising a measure of how much scope for corporate tax abuse the jurisdiction's tax and financial systems allow. This is assessed against 20 indicators. I have tasked our taxation experts to now review the Tax Justice Network's detailed methodology and consider these 20 indicators in order to improve our ranking, where possible.

Perhaps the most central developments in Gibraltar's international tax landscape in the period since my last address are the entry into force of both the Double Taxation Agreement (DTA) between the UK and Gibraltar and the International Agreement on Taxation (ITA) between the UK and Spain regarding Gibraltar. Following ratification, the DTA with the UK entered into force on 24th March 2020. This framework provides greater clarity for international businesses structuring their tax affairs and allows them to do so in a manner which is wholly transparent and aligned to international tax principles. This, in turn, encourages inward investment and growth at such a crucial time.

Relationships have also been strengthened between the Income Tax Office and HMRC and HM Treasury in the UK, enabling officials on both sides to reach out and network with counterparts and key personnel as required. An example of this is the Memorandum of Understanding between the competent authorities of the United Kingdom and Gibraltar concerning the assistance in the collection of taxes under Article 26 of the DTA, signed on 24th June 2021.

Despite having seen its fair share of negative commentary, particularly from hon. Members opposite, and being the subject of a lengthy parliamentary debate, the Government successfully published the legislation giving domestic effect to the International Tax Agreement with Spain on 26th February 2021, following which it entered into force on 4th March 2021. Following its entry into force, the Joint Co-ordination Committee and the Liaison Bodies formed under Articles 4 and 5 of that Agreement met in May 2021 via video conference. The purpose of the meeting was to discuss important aspects of its implementation and the best way forward on co-operative matters. More recently, the first reciprocal exchange of information under Article 3 of the agreement has been successfully concluded by both parties involved.

1520 Mr Speaker, for all of these reasons, as expected, the Agreement with Spain is a success story
in the making: no concessions made on sovereignty and a commitment by Spain to both remove
us from their blacklist and not to lobby for our inclusion on any others. However, if this were not
sufficient evidence vindicating the Government on its decision to proceed with this Agreement, I
have only recently received some positive news justifying all our hard work on this even further.
1525 As a result of the liaison between the Income Tax Office and their Spanish counterparts, I am now
advised that certifications issued by the Gibraltar tax authorities have been recognised by a
regional tax court in Andalusia. As a result of their acceptance, these authorities have officially
accepted the tax paid in Gibraltar as a set-off against the tax due in Spain. This important
recognition should now see tax cases against Gibraltarians in Spain receiving a fairer treatment in
1530 line with internationally accepted principles. Recognition of the independence of the Gibraltar tax
authorities, and by extension the autonomy of our tax system, is a fundamental breakthrough and
one which has been facilitated through this much maligned Agreement.

I hope that these successes continue and that this Agreement allows for a closer relationship
with our neighbours, one under which, through mutual respect and understanding, a relationship
1535 can flourish for the betterment of both sides.

Later this week we plan to issue a list of questions and answers compiled by the Income Tax
Office based on those questions people have raised in respect of this Agreement. Clearly this is
not tax advice but rather the Income Tax Office's view on how they understand the Tax Treaty
with Spain. The Income Tax Office reserves the right to modify this as matters progress and there
1540 is further experience from the interaction of the treaty, but I think this will be useful for
professional advisers in particular.

Finally, in relation to the international aspects of the work of the Tax Office I refer the House
to the press release issued by the European Commission on 19th March 2021 under which the UK
was being referred to the European Court for failure to recover illegal tax exemption aid in
1545 Gibraltar. I am pleased to be able to announce to the House today that the Income Tax Office, as
the authority charged with recovery of the aid due, has achieved provisional implementation of
the decision, as confirmed by the European Commission's Enforcement Team, through payments
into escrow in relation to the outstanding amounts of aid. In the circumstances, we expect to be
able to continue to work to give effect to the state aid decision without infraction proceedings
1550 being progressed further against us.

Returning to focus on a national level, the Income Tax Office continues on the path to a
digital transformation. A move into this space is considered a vital and necessary step in a
post-COVID-19 working environment. In this regard, the Commissioner of Income Tax has asked
me to extend his thanks to the Government's Information Technology and Logistics department
1555 for their continued support as and when required in all such matters.

The Income Tax Office has also worked closely with Government's Digital Services team for
their successful launch of a number of online tax services, including a registration verification
process, the application for an S1 certificate and the ability to manage your own allowances. These
services are being expanded and will shortly also allow taxpayers to submit their income
1560 declarations online through a dedicated user portal. Innovation, modernisation and a strong sense
of customer needs underpins this project, driven forward by the Income Tax Office's intention to
deliver a digital tax system that is fit and proper for all users.

And now, Mr Speaker, I turn to the moment you have all been waiting for. Having shared all
this detailed information with all hon. Members, I will turn now to the measures that the
1565 Government proposes to introduce this year.

This year, in keeping with our manifesto commitment, the disability benefit will increase by the
rate of inflation. The old age pension will similarly also increase in line with inflation. The
Government has already made clear its commitment to equalise the pensionable age between
men and women. We will continue our work to achieve that in the most advantageous way
1570 possible that is affordable for our community. That is work in progress that is taking longer
because we are trying to deliver the best possible option for our people. Both the disability benefit

and the old age pension have risen by at least the rate of inflation every year since we were elected, and will continue to do so.

1575 The Minimum Wage will also go up again this year. When we took over, the Minimum Wage was at about £5.07 an hour. That amounted to just over £10,000 a year. The Statutory Minimum Wage was increased to £6.45 with effect from 1st August 2017. It went up in August 2018 again by 4.5%, or 30p an hour to £6.75. As a result, the Minimum Wage had increased by 25% in our first seven years in office. That was already the highest increase in the Minimum Wage that any Government has ever delivered in our history.

1580 I have said repeatedly that I am in politics to help working people. My background is proudly undeniably working class. As I have told the House before, I am proud that I come from a working family and we know what it is like to have to scrimp and save. Each year I will therefore insist on wanting to continue to increase the Minimum Wage by as much as the economy can reasonably wear without risk. If I thought it could rise by more, I would put it up by more. That is a careful
1585 exercise that we have to do.

In 2019 I put in place a mechanism to ensure that the Minimum Wage would increase by a third of what it was when we were elected. The legislation on the Minimum Wage therefore provided for increases to £7.50 until the next three financial years. Hon. Members will recall that at the election the Leader of the Opposition betrayed that he had not been aware of this being
1590 provided for in the law. Those increases, culminating in this increase, will deliver a Minimum Wage at £7.50 an hour. The next two programmed increases will provide for inflation. These increases give workers on the Minimum Wage the certainty that their hourly rates will continue to rise every year for five years. Workers have never had that certainty before, in particular when Members opposite were in power and the hourly wage rate sometimes did not go up at all for some years.
1595 I am delighted that by seeing through the implementation of this law this year we are delivering the most generous ever increase in the Minimum Wage in any 10-year period, however it is measured. No government in Gibraltar's history has ever increased the Minimum Wage more.

By announcing these increases as we did in 2019, we also enabled businesses to plan ahead. I recognise the representations made by the Chamber and the Federation of Small Businesses
1600 seeking that we should delay the increase in the Minimum Wage for a year as a result of the pandemic. We do not agree. We will not act, as the GSD acted, not to increase the Minimum Wage. We believe that our five-year escalator for the Minimum Wage was the right thing to do and we should not stop or pause the escalator.

As I told the House when we introduced the escalator, I am happy and proud to be able to
1605 show that at this rate our Minimum Wage is comfortably in the top third of the group of 21 countries in the EU that have a Minimum Wage or the Group 3 Tier. Now our Minimum Wage is the sixth highest in the 21 out of the 27 countries in the Eurozone in which there is a Minimum Wage. I am calculating that based on a Minimum Wage at £15,600 a year or £1,300 a month, at £7.50 an hour, on the basis of a 40-hour week, 52 weeks a year – divided by 12 for the number of
1610 months in the year. That means that the Minimum Wage in Gibraltar has already gone up by almost 50% in the time we have been in office, from just over £10,000 to over £15,000. At Friday's exchange rate of €1.17 to the pound sterling, our Minimum Wage will be in the top third in Europe at €18,252 a year, or €1,521 a month. The average monthly Minimum Wage in Europe is €962, or about two thirds of ours. We are doing well by any measure when it comes to our record on the
1615 Minimum Wage. Germany only provided for a Minimum Wage as recently as 2015. We have had it since the Hon. the Father of the House introduced it in his first Budget after 1988.

After this increase we will be alongside France and just below Germany at €1,584 a month, and Belgium at €1,594 a month – but with one caveat. When adjusted for deductions of Social Insurance, the sum of the take-home Minimum Wage in Gibraltar is higher than in Germany. To
1620 be clear, in Germany an employee pays about 14% of their gross salary in Social Insurance, for half, 7%, the employee pays himself and the other half is paid by the employer; an additional pension insurance of 18% – half paid by them, 9%, and half by the employer. Additionally, long-term care insurance is paid at the rate of 3%, the whole amount paid by the employee – with an

additional 0.25% if they have no children – and also 2.4% unemployment insurance, paid half by the employer and half by the employee.

All of these deductions on Social Insurance equivalent payments due from a person on the Minimum Wage in Germany produce a state deduction of €110.88 for healthcare insurance from the employee, €142.56 for pension insurance from the employee, €47.50 for long-term care insurance from the employee and €19 for unemployment insurance from the employee. The employer pays the other half of the 7%, the 9% and the 2.4%. The total state deductions in Germany, the industrial powerhouse of Europe, from the pay packet of a citizen on the Minimum Wage is therefore €319.94. That leaves a Minimum Wage take-home pay before tax in Germany of €1,264 per month.

In Gibraltar the monthly take-home Minimum Wage before tax is reduced by the sum of state insurance payments of £130 per month payable by the employee after the increase. That is €152 a month at the same exchange rate, less than half of the deductions in Germany. That leaves a take-home wage in Gibraltar for those on the Minimum Wage, calculated in euros, of €1,369 a month. Our minimum take-home pay for full-time work is therefore above Germany. They never thought it was over before our election, but is now. It is an honour to be able to show that our consistent increases in the Minimum Wage since we were elected have now put our Minimum Wage take-home above the German equivalent. We will continue to seek to increase and climb up that ranking too, because in the same way we have grown our economy in other areas we will continue to do so in this respect also, properly, consistently and realistically adding to the Minimum Wage in a sustainable manner.

As the Minimum Wage goes up, so does the guarantee that no pensioner or pensioner couple will have to survive without at least the Minimum Wage. That is a measure without equal in Europe. It is important that those who talk of hardship or of needing more should realise what the context is. People need to be reminded both of the benefits already enjoyed in Gibraltar and of how important it is that our careful balance is not upset. In simple terms, we must not kill the goose that lays the golden eggs, because the quality of our country will always be measured by what we offer to those who have least and not what we require of those who have most.

This year we will also move to ensure we provide a law for trade union recognition. Our Command Paper will pass to become a Bill and then to become an Act. Additionally, we do not just want to ensure that we are raising the amounts payable per hour for each worker; we want to ensure that our labour market is increasingly progressive and fair. In this respect we have done considerable work in partnership with Unite the Union on how labour conditions should change. Indeed, the Social Insurance changes made by the Father of the House will largely dissuade the use of zero-hour contracts. We are continuing that work: wage progress, social progress, workers' rights, all protected, all enhanced. Do not expect otherwise from this Socialist Liberal Government.

I move now to address matters of corporation tax. Those following international tax matters will have seen the OECD announcement following the OECD meeting that took place on 1st July 2021. This meeting was to discuss and agree upon on the framework for tax reform. In essence, over 130 countries and jurisdictions out of 139 in the OECD joined the bold new Framework for International Tax Reform, and Gibraltar, as I said before, is one of those jurisdictions. The framework, which, as hon. Members will know, originated in a G7 meeting in Cornwall, has now been adopted by the G20 and has led to the EU changing its position on the so-called 'Google tax' or the 'digital levy'.

For the benefit of those who may not be following this, the G7 and the OECD have alighted on a framework to update key elements of the centuries-old international tax system, which is no longer fit for purpose in a globalised and digitised 21st-century economy. The framework consists of the two-pillar package which is the outcome of negotiations co-ordinated by the OECD for much of the last decade. This framework aims to ensure that large multi-national enterprises (MNEs) pay tax where they operate and earn profits, while adding much needed clarity, certainty and stability to the international tax system. Pillar 1 seeks to ensure a fairer distribution of profits and taxing rights among countries with respect to the largest MNEs, including digital companies. It

would reallocate some taxing rights over MNEs from their home countries to the markets where they have business activities and earn profits, regardless of whether firms have a physical presence or not. Pillar 2 seeks to put a floor on competition over corporate income tax through the introduction of a global minimum corporate tax rate that countries can use to protect their tax bases.

Although this is complex, it is important that it should be understood in our community, as these measures are important to our finance centre, which creates thousands of jobs that provide incomes for many families and corporate taxes that fund our services. So, our people need to understand these issues in the same way they understood our admittedly simpler exempt company regime because back in the day it brought a lot of work to our people despite the non-payment of corporation tax. This two-pillar package will provide much needed support to governments needing to raise necessary revenues to repair their budgets and their balance sheets while investing in essential public services, infrastructure and the measures necessary to help optimise the strength and the quality of the post-COVID recovery. These are the OECD's words not mine.

I am delighted to confirm that Gibraltar has registered its support for this framework. Whilst I understand this will present challenges to this jurisdiction and its model of taxation, I do not believe it is in Gibraltar's interest to be the outlier that would not sign up to this framework and would seek to resist it. To have resisted this would have been to consign Gibraltar to the group of eight countries and jurisdictions that did not support it. That would not be a safe cabal to be included in, especially as the measure, being an OECD measure and not an EU measure, will not require unanimity for its application.

The fact that financial services companies are likely to be exempted at the instance of the United Kingdom will no doubt make application easier, but our future is as a leading, innovating, value-added jurisdiction on the right side of the global transparency and accountability spectrum, not on the opaque side. What I believe we need to do is to understand the changes and navigate Gibraltar through reforms safely and securely, so that we are left placed in the best position possible.

These are early days though, as the framework has just been agreed conceptually. As ever with matters related to taxation, the devil will be in the detail. Nonetheless, what is clear is that under pillar 2 the world will likely soon be moving to a minimum tax rate of 15%. For this reason, I am today announcing an increase in corporation tax in Gibraltar. Any company commencing a financial period after today's date will now pay corporation tax at 12.5% and not 10%. This means that if the new global agenda prospers, when we are required by the OECD to move to 15% the increase will be less significant. 12.5% is also the rate of corporation tax in Ireland.

Additionally, it needs to be remembered that corporate tax is only paid on profits, it is not paid on turnover. For that reason, it is not an additional cost to the business, but rather a slice that Government takes of profits before these are returned to the shareholders by way of dividends.

While we increase the tax rate for corporates, we will also provide new incentives to corporations that act properly and responsibly. As we come out of this pandemic my Government wants to seek to encourage good corporate social responsibility. We will support corporate behaviour that delivers capital investment, corporate behaviour that delivers marketing strategies that help place businesses and Gibraltar on the map, and corporate behaviour that supports the further training of our workforce, encouraging employment. We will also single out for support corporate behaviour that encourages environmental improvements. So, I say to businesses: invest in employment, invest in training, invest in capital items, invest in marketing and invest in environmental improvement, and we will support you in doing so. We will be your partners in these endeavours and these are the measures that will deliver our partnership.

Mr Speaker, unless I state otherwise, the measures I am about to announce will only have a limited life of around two fiscal periods, from this date until 30th June 2023. This is what we believe will turbo-charge this economy out of this difficult period we have experienced and will

create the foundations for a stable recovery. We will, of course, nonetheless consider the take-up of these measures and review their application over the period in question.

1730 First, investment in employment. In order to encourage employers to take on and train new staff, we will grant an allowance of 50% of the fixed salary cost of every employee employed after this date. This means that for every £10,000 invested in employing new staff the business will be able to claim a deduction of £15,000. For the purposes of this measure, 'fixed salary cost' means the employment cost as per the contracted salary or similar with the Employment Service. So, who can sustain the nonsense argument that we are taxing employment, when in fact we are
1735 giving tax breaks for employment and training of new staff? The measure will be limited to basic salary and will be exclusive of bonuses, allowances and overtime.

Businesses that invest in training their people will have the allowance for qualifying training under section 16 of Part IV of Schedule 3 of the Income Tax Act increased by 10% to 60% of those training costs. This means that for every £1,000 spent of training the business will be able to claim
1740 a deduction of £1,600. The claimant will need to satisfy the Commissioner of Income Tax, through an application, that the expense is validly incurred in staff training. In order to encourage appropriate behaviour, for these purposes it will be the cost of training only that is increased, so ancillary costs such as travel and accommodation are not covered.

Businesses that invest in marketing will be awarded an additional deduction amounting to 50%
1745 of marketing costs. This means that for every £1,000 spent on marketing the business will be able to claim a deduction of £1,500. Again, the claimant company will need to satisfy the Income Tax Office, through application, that the expense is validly incurred in marketing for the purposes of the business.

Capital allowances encourage businesses to invest and upgrade their equipment. COVID-19 has
1750 shown the reliance we now have on technology, on IT, on contactless payments etc., and we want to encourage our businesses to invest in upgrading their equipment. For this reason we will increase first year allowances for plant and machinery and computer equipment from £30,000 and £50,000 to £60,000 and £100,000 respectively and allow the following. For plant and machinery, where the amount of expenditure incurred is greater than £60,000, the first year
1755 allowance will be the higher of the following: £60,000 or 50% of the expenditure incurred. In the same vein, for computer equipment where the amount of expenditure incurred is greater than £100,000 the first year allowance will be the higher of the following: £100,000 or 50% of the expenditure incurred.

In addition, in order to ensure the capital allowances flow through over a shorter period and
1760 assist businesses immediately in these difficult times, we will increase pool allowances from 15% and 20% to 25% and 30% respectively for persons and persons other than companies.

We will also grant a general wear and tear on real property from where the business is conducted at 1% of the cost of acquiring the property. This is different to the industrial buildings allowance and industrial buildings therefore will not be eligible for this allowance.

1765 Finally, and consistent with our green agenda and our commitment to reduce the amount of polluting vehicles on our roads, we will extend capital allowances to promote the adoption of greener technologies by businesses. As a result the 'plant and machinery' definition will now allow for private vehicles where these are partly used for the production of the income and the motor vehicle is a full electric vehicle and not a hybrid.

1770 As a Government we need to lead by example, as we are, and we need to create the environment to protect the environment by encouraging businesses to follow our lead. As an economy we need to move in this direction and it is often the private sector that leads the way.

Mr Speaker, I have already touched on one environmental measure. I will now announce further environmentally important measures that are not intended to be limited to the next two
1775 years.

We have already provided legislation allowing deductions for solar energy systems for the installation of water heaters. These measures are now extended for any solar systems installed by companies, businesses or individuals and are no longer to be limited only to water heaters. A

1780 similar deduction for improvements to the EPC rating of a property is available under the Energy
Performance (Deductions) Rules 2018. The Income Tax Office has not received any applications to
date under those Rules. We will therefore increase the rates applicable, to see if we can encourage
business to take up this measure. The rates will therefore increase as follows: in category A+ the
rate for tax deduction will increase by 30%, from 70% to 100%; in category A the rate for tax
deduction will increase by 30%, from 55% to 85%; in category B by 30%, from 40% to 70%; in
1785 category C by 25%, from 25% to 50%; in category D by 15%, from 15% to 30%; in category E by
10% from 15% to 25%; and in category F by 5%, from 5% to 10%.

Mr Speaker, as I have mentioned previously, because no Budget session was held last year it
was not possible to increase allowances or consider taxation changes. In the context of this
difficult year, the first instinct of many may have been to raise personal taxation. We have worked
1790 very, very hard in the Government and in the Ministry of Finance to try not to raise personal
taxation. Social Insurance has been raised to help fund the GHA and pensions, and hon. Members
and those watching should be reminded that every penny of Social Insurance goes only to fund
the GHA and pensions. So, today I will not raise personal taxes for working people on our standard
GIBS or allowance-based systems and I will not introduce tax on pensions. We have worked very
1795 hard not to have to do so at this very difficult and financially challenging time. Additionally, I will
not raise personal allowances across the board in a manner that will have the effect of lowering
the tax burden.

Given the 24 months we have just passed and the challenging period ahead, it would be
irresponsible of me to increase all tax allowances. I am, however, conscious that there are those
1800 within this society who need our help more than others. Those of us who can carry the burden of
these difficult times have the responsibility to do so. Similarly, it is our responsibility to help those
who most need our help. For this reason, I propose to increase allowances by inflation or more to
a targeted, limited group of taxpayers who are the ones who may most need and benefit from
such increases. In this respect, hon. Members should note that the measure of inflation in the
1805 period July 2019 to April 2021 is around 1.5%. The following allowances are therefore set to
increase with effect from 1st July 2021 as follows.

The age allowance for single individuals is increased from £5,600 to £5,685. The age allowance
for married individuals is increased from £9,055 to £9,190. We must be conscious of the
importance of helping those of our elderly in our community who need our help.

1810 The allowance for blind persons will be increased from £5,395 to £5,475 to assist those with
visual impairments.

The allowance for a child studying abroad is increased from £1,355 to £1,375 to assist families
with dependants in further education, which is already funded by the Government.

The allowance for a dependent non-resident relative is increased from £220 to £250. The
1815 allowance for a dependent resident relative is increased from £335 to £400.

The allowance for a disabled individual is increased from £9,475 to £10,000. This is a
considerable increase, much ahead of inflation, which is designed to show that we understand
just how difficult the lives of the family members of the disabled are too. This sum has increased
from £2,724 under the GSD to £10,000 in our time in office. That is to say we have quadrupled the
1820 disabled individuals' allowance.

It is right that we should increase such allowances in this way. I do not care if Members
opposite call me lavish in my spending when I spend on these matters, or on the creation of a new
St Martin's School, or on other expenditure to come for people with disabilities. I consider it a
badge of political honour to be attacked by them in this respect. I know that there is more to do
1825 in this respect, but we have done more than most and we will take no lessons from the GSD on
this.

The maximum allowance for nursery fees is increased from £5,400 to £5,480.

The allowance for a single-parent family is increased from £5,690 to £5,800, again much above
inflation because in this bracket this increase will help single-parent families – usually, but not
1830 always, women left to bring up children alone – in a meaningful manner. I also am asking that the

Commissioner should look at the definitions employed in respect of this single-parent family allowance, to ensure there is no abuse of it.

Mr Speaker, the rules for category 2 individuals and those for higher executives possessing specialist skills have not been amended for a number of years now. It is time to balance the requirement for these with the demand that has been seen in recent months. Our changes are relatively straightforward. For category 2 individuals the cap beyond which no further taxation is due in Gibraltar is set to increase from £80,000 to £105,000. In addition, the minimum tax payable by category 2 individuals is set to increase from £22,000 to £32,000. Our changes for higher executives possessing specialist skills arise from changing the threshold to qualify for this classification. Going forward, to qualify for this classification an individual will need to earn more than £160,000 instead of the existing level of £120,000. These individuals will only pay taxation up to this level.

Transitional arrangements will also be brought into effect. These will cover businesses that are presently in possession of a certificate in respect of existing individual employees possessing specialist skills who currently earn more than £120,000 but less than £160,000. These certificates will remain grandfathered under the HEPSS regime for a period of two years to allow these businesses to rationalise their employment terms. Grandfathered individuals will continue to pay taxation under the HEPSS regime, which is slightly higher than taxation under the normal regime, even though they would not qualify for a HEPSS certificate if they applied for it after these changes under the revised terms. This will allow their employers not to lose their certification whilst they readjust their employees' earnings and qualify under the revised provisions for HEPSS. Since it is ill advised to increase taxation retrospectively, and we would always seek to avoid that if possible, these changes will come into effect on 1st August 2021.

Mr Speaker, businesses have often said that it is difficult to deal with these measures once announced, without the relevant legislation in place. We have heard them. Whilst the time to produce the regulations is certainly now much shorter than when my colleagues opposite were in Government, when we often found ourselves legislating more than a year after a measure had been introduced, any delay is obviously regrettable. For that reason, on Thursday this week regulations will be published in the Gazette that bring into force all of these announcements which require regulations to be changed. In respect of those measures which require a primary change to legislation, I will be seeking to amend the Bill before the House in order to propose the inclusion of the changes necessary to the Income Tax Act as we pass this Bill, as an additional section of the Appropriation Act. I would like to thank the Commissioner of Income Tax, John Lester, and his team for their hard work and diligence in making this possible.

Mr Speaker, the last time electricity was increased was when the GSD was in office, in July 2010. The standing charge had been increased by the GSD by 100% in 2005. Since that time to the end of January 2021, IRP has increased by around 20.5%. Those who follow these debates will recall that in the last few years of the GSD Government they had starting increasing these tariffs annually since 2008, presumably to get the electorate accustomed to the 5% annual increases that would be demanded by the financing arrangement they were intending to put in place to finance their diesel power station. The tariff had been increased by 10% in 2005 and they then increased it by an average of 5% per annum from 2008 to 2010 – in the Budget the year before election year, of course. Members opposite will not be able to avoid the fact that the measure that the GSD proposed in respect of electricity tariffs was to increase electricity charges over these past 10 years by 50% and to continue those increases for a further five years to reach a total of a 75% increase. Hon. Members have to remember that we have the document which committed them to do so.

My Government has instead held electricity prices at their 2010 levels for over 11 years. That said, given the increases in the cost of living and the disproportionate contribution the taxpayer needs to make to fund the production of electricity, the time has now come to increase all tariffs across the board, so that we no longer all have to fund the consumption of electricity by the biggest consumers through our general taxation. We must move to a system where those who

consume pay closer to the cost of what they consume. As we have consistently said in the General Election campaigns since 2015, we will be better able to do this with the new LNG facility now commissioned. This is a cleaner and cheaper fuel than the grimy, smelly diesel power plant we were going to be condemned to under the GSD.

In consumption terms, commercial users presently make up about 16% of users by number but consume some 52% of the units billed, whereas residential users amount to 79% of the GEA's consumer base but only consume 39% of units billed. These statistics are correct for the first quarter of 2021. For this reason, the Government will increase the commercial electricity tariff and all other incidental tariffs by 20% rounded off, on both charge per unit and standing charges, to keep pace with inflation.

I also think this is also a moment to consider how best to charge for electricity. Historically the business tariff has had a discount over personal consumption. This historical anomaly was based on charging less for a greater consumption. However, in 2021 our green or environmental agenda means it no longer makes sense as a community for us to be rewarding or subsidising volume consumption of electricity. In addition, it is businesses that are usually best placed to make the environmental changes that are required, such as smart lighting, conversion to LED lighting and greater insulation to business premises to retain the heat in winter and block out the heat in summer. For that reason, in order to align matters we will match domestic consumer tariffs to the new, lower, increased commercial tariff. This means that the commercial consumer tariff amount paid by home consumers increases by less than the inflationary increase – that is to say by some 16%. This also means that we will have put the cost up by an average of 1.6% a year whilst we have been in office, or 3.5% less than the GSD would have done per year if they had been in office in that period. And all that is, in any event, 30% less than the GSD would already have increased the electricity charge. That is a GSLP Liberal discount of which I think we can be proud on this side of the House. The increases will henceforth be linked to inflation and will increase on 1st June each year.

Additionally, tariffs 5, 6A and 6B are now abolished. They were only benefitting a small number of consumers and the Government sees no reason to continue them. We hope that this will also encourage consumers to install renewable sources of energy.

At these new rates the electricity charges in Gibraltar will still be lower than in the United Kingdom or Spain, and that will be because Government will still be subsidising the cost.

I should add that our power station does not just pollute less than the option proposed by Members opposite – it is not an eyesore at the entrance to the Nature Reserve, it costs less to run and it will be paid for sooner too and without the consumer having to dig deeper into their pockets as they would have done under the funding arrangements proposed by the GSD and Members opposite. Thank goodness we were elected in time to stop that grimy, smelly diesel folly.

Mr Speaker, as you are aware, following the New Year's Eve Agreement we are involved in detailed negotiations with the EU, Spain and the UK about a possible fluidity deal. Part of the New Year's Eve Agreement envisaged that we would look at a customs arrangement. Some of the alternatives that we have discussed with TLAC envisage a change to our established systems of import duties. We will continue our work with TLAC and with specific sectors and specific economic operators to ensure that we are ready for the negotiation and the decisions we will have to make. Given the challenges of the possible changes to the regime, I propose to make very limited changes to the duty tariff at this point despite it being over two years since I last effected significant changes. I do not think it is prudent to do otherwise.

However, in order to continue to raise revenues from the consumption of polluting fuels, as from midnight last night the rebate on duties for fuels supplied from land or otherwise to superyachts, jet-skis or pleasure craft of any type is reduced by one third and the supply of these fuels will therefore attract one third of the relevant fuel duties. Any diesel fuel supplied to a superyacht, jet-ski or pleasure craft of any type will also now attract 12 pence of duty per litre, roughly the same amount as will be due by the reduction of the rebate by one third in respect of other fuel. These increases will retain Gibraltar's attraction as a port for such visiting vessels, but

1935 will also provide much needed revenue for the public coffers at this time from those who are fuelling a hobby or a pleasure and not from those who require fuel for professional purposes.

Mr Speaker, as part of my Government's continuing efforts to curb the health problems arising from smoking, as well as our commitment to tackle all illicit tobacco smuggling, and after consultation with the Collector of Customs, the following increases of import duty have been introduced as from midnight last night: import duty per carton of 200 cigarettes will be increased by 50 pence to £15.50 per carton.

Mr Speaker, as you know, a couple of years ago we conceived and built the small boats marina. This houses 700 vessels, approximately. We were much criticised for this development by Members opposite. It is another one of the things they complained was 'lavish spending', however good it might be for so many who have benefitted from the creation of the berths. The marina provided berthing for experienced hands who wanted to have a place to berth their vessels, as well as a number of Gibraltarians who had not previously owned vessels but aspired to own one too.

Unfortunately, some individuals no longer want the vessels but are unable to sell these, as the next prospective purchaser is unable to confirm whether they will be eligible for a berth, making the market extremely limited. We are also aware that a number of berth holders would wish to acquire their berth, just like car owners want to acquire a garage. With this in mind, the Government will now move to sell the berths to those who may be interested. The sale price for the larger berths will be £40,000. The smaller berths will sell for £32,000. The price will hold until 31st March next year. You do not have to buy, but you can buy if you want to. Each year on 1st April until further notice, the sale price for berths from Government will increase by 10%. Once acquired, the berths will be freely transferrable but only to Gibraltar residents approved in writing by the Captain of the Port in his discretion. Renting of berths will also only be permitted if previously approved in writing by the Captain of the Port in his discretion, and each rental will require specific approval. The right for onward sale by an individual will, however, be at an open market price. Given that berths and boats are not necessities but luxuries, these transactions will be subject to stamp duty at the rate of 5%. Berthing fees will still be payable, as these are in the nature of a service charge payment to the management committee of the marina and they go to the maintenance of it. The total revenue from the sale of the berths, if all were to be sold, would amount to more than £25½ million, which is close to the development costs of the small boats marina. Additionally, the Government also retains the huge asset which is the outer superyacht marina, which has brought so much business already to Gibraltar and which we are looking to develop further.

Mr Speaker, those are the measures I announce today. That is the Budget that we propose for Gibraltar: no tax rises – although that has not been easy for personal taxation; maintaining the absence of tax on pensions; modest tax allowances for those who need it most; duties on polluting fuels and on income-generation measures from luxuries, not from necessities. A carefully calibrated package of measures designed to protect the income of working people, giving only to those who need it the most, taking more only from those who can afford it the most, working to refund our coffers to continue to fund the lifestyle we all want to see for our children.

My colleagues will later take the House through how each of their Departments will address their own revenue and spending commitments to deliver against the estimates now formally before the House.

It is traditional that I would now thank all Ministers and public servants for their work in the run up to this debate. It has become almost formulaic to do so, but it cannot be formulaic. These past 24 months have shown everyone in our community that without our public sector we would not have been able to deal with the COVID pandemic as we did. So, there is nothing formulaic about the gratitude I express to all my Ministers for their work alongside me, and the Deputy Chief Minister in particular, in these extraordinary times.

I include for thanks, of course, the Hon. Mr Gilbert Licudi QC, who was a Minister at the worst of times and was also a feature of our daily 4 p.m. press conferences. Now that he is not a Minister,

he can reflect on the excellent work he has delivered for Gibraltar. His record includes the small boats marina, the University and a number of new schools. That alone would be a magnificent record for a whole Government. He should rightly be proud of what he has achieved as a Minister, as should Neil Costa, who has left the Government since the last Budget and carries the moniker of 'hyper-achiever' for his efforts in my first Cabinets. It is a pleasure to now see the Hon. Vijay Daryanani about to deliver his first of I hope many Budget addresses as a Minister in this House.

Mr Speaker, in this Government we have all really been a Cabinet team that has been in the trenches together from Brexit to COVID and we have built a bond of trust and friendship between us as a result. My sincere thanks to all my Ministerial team.

My equally sincere thanks to all the senior officials who work closely with me or with my Ministers. To each of Michael Llamas the Attorney General, Albert Mena the Financial Secretary, and Hector Montado the Chief Technical Officer, thank you for your unwavering commitment and dedication. Gibraltar could not exist as a successful economy without your hard work. Sincere thanks also to Chief Secretary Darren Grech and his team, especially Richard Montado and Michael Crome.

These past 24 months were the worst of times. You were all the best colleagues, friends and the best professional support, and the most sincere appreciation to all of you not just from me, to Ministers and senior officials. This year I want to express the gratitude and thanks of the people of Gibraltar to all of you for your beyond-the-call-of-duty approach at these hugely difficult times. I know that it is not over yet and I will have to call on you to go above and beyond for a little while longer yet. I know also that you will be there and that you will never let your beloved Gibraltar down.

Mr Speaker, I want to take this opportunity, on my behalf and on behalf of all Members of the Government, and, I am sure, all Members of the House, to thank you, the Clerk and all members of your staff for your assistance this year in the discharge of my functions as Leader of the House during the course of the past two years since the General Election and indeed during the course of the pandemic and my need to report back to Parliament on both Brexit and COVID. Thank you for your very kind support throughout.

I specifically want to single out for gratitude the Clerk of the House, who has carried the responsibility for two referenda, two General Elections and one or two European elections too. Mr Martinez has indicated his intention to retire, and in that tug of war I have been unable to carry more sway than Mrs Martinez. I therefore ask the whole House to join me now in reflecting our thanks to him in this, his last State of the Nation debate. (*Banging on desks*)

Mr Speaker, I carry political responsibility for other Departments which I have not gone through today in the course of my speech because the political moment in which we find ourselves has required a deeper analysis of some aspects of the economics of Gibraltar in this time in our history. I do not want to keep the House for longer than I have to, but it is also unfair for me not to report on the excellent work which is being done in Customs, CSRO, Industrial Relations, Public Sector HR and the BCA. I will therefore lay on the table a report, with your leave, as I did at the last Budget, on the functioning of those departments.

Mr Speaker, beyond the Financial Secretary, behind these two Estimates Books, the Supplementary Appropriation Bills which we will deal with later in this session, the full-year planning, checking and cross checking and the planning for this debate is a team of people who keep working at the most difficult of times and who keep smiling despite the many drafts, redrafts and the very many changes that 'the Book', as we know it, goes through from inception to printing. Thank you to Ernest Tomsett, Susie Gonzalez, Bethany Gomez and Alison Cruz, as well as the many others in the team who make it possible for us to account with such absolute and complete transparency and clarity to this House and to taxpayers generally. All that is right about this Book is down to their skill and diligence as they professionally ensure that we report accurately to the people.

I also extend my thanks to all in the team at the Ministry of Finance and Her Majesty's Treasury. I once again thank them all on behalf of Gibraltar for their precise and careful work throughout

the year. In the Ministry of Finance and in the Treasury, the Budget is not a one-day debate, it is a 365-days-a-year exercise.

I must, of course, also thank the Press Office at No. 6, led by Clive Golt. These past 24 months have pushed us to the limit in order to ensure that the public has as much information as possible about the pandemic. This has meant an incredible effort above and beyond the call of duty. Our sincere thanks.

Additionally, my sincere gratitude like never before to my personal team at No.6, so ably and professionally led by the tandem of Peter Canessa and Denise Ghio, and the Parliament team led by Gareth Ochello and Philip Borge. This year they have worked more than ever. To boot, they have not even claimed overtime when doing so at the height of the COVID pandemic. This team is the rocket fuel that propels me forward at the worst of times. They always keep me smiling and they always look great when the cameras are rolling. I thank you all from the bottom of my heart. I thank you all on behalf of the people of Gibraltar.

This year we are saying a fond and sad farewell to Joyce Diaz, who will be retiring against all our wishes. We will also be saying farewell to Georgina White, who will be leaving on maternity leave. We wish her all the very best at this very happy time, and in the age-old British-Gibraltarian way we wish her also *una horita corta*. She will be replaced by our younger Georgina De Bono, who will make up the team with Susan Martinez and Javi Redondo, to whom I also express my thanks. We have also said a very fond hello to some people, to Saide Haverland and to a whole new team of close protection officers – Anthony, David and Stuart. For the first time since I have been Chief Minister, the protection team is younger than me. I thought someone might be trying to send me a message, but then I worked out that they are younger than all of the Members on that side of the House – including, with respect, the hon. Lady – so I think it is not so much of a message.

Mr Speaker, in the last 10 years I have gone from sitting there and being called unfit to govern, to delivering 10 Budget speeches from here and presiding over greater economic growth than those who had impugned my ability a decade ago. The journey has, of course, been bitter sweet. In that time I have been lucky enough to become a husband and a father, but I have also become an orphan. Such is life, Mr Speaker.

Last week, Justine and I celebrated our first 10 years of marriage. We had married on a Saturday after a Budget. This year we celebrated our first decade together with a week to go before a Budget It is too cold in here. *(Laughter)* I promised her yesterday not to ever organise another Budget the day after her birthday. I also thank her from the bottom of my heart and from the depth of my love for her for putting up with it all. Ten years, three lovely children, three elections and two referenda won – not a bad record.

But now, Mr Speaker, there is no question that there are hard times ahead for all of us in this community, but they will only be hard in the context of the very good times we have just seen screech to a pandemic halt. What we are calling 'hard' previous generations would have called a walk in the park. They had so little but they made so much of it, and they showed us a better way. That is the Gibraltarian way, and if this is our moment of hardship let us give thanks that this is as bad as it gets, because we have built a Gibraltar that is economically resilient for moments such as this: reserves in Community Care, reserves in the Savings Bank. But we have to understand what has happened. We have had to pull the handbrake. We are on a new journey as a people, but one that happily does not require the hardships of evacuation. As we move forward we will spend on things that matter, but we will save on things that do not – because we choose to balance the books in this generation not because it is easy but because it is just; because we will ensure that we carry the burden of paying for the problems of our generation like COVID, and the follies like Brexit, and not transmit the burden to our children's generations.

We have invested millions already and will invest more in the right projects for our people. We make no apology for investing in our people. Now we must rebuild our public finances like we have built new schools. We must deliver a renewal and a regeneration to return to *sustainable* growth – that is the key – because we are not the same Gibraltar that went into the pandemic.

We have already lost 94 of our people to it. They will never be forgotten. I will forever carry the loss of them with me, but that past is written and we are now left to write the future for our children.

2095 That is what this Budget does. It starts to write a brighter future for our people, a future that shimmers clearer in the sunlight of the times to come, because the real divide in politics today is not between left and right, it is between ambition and no ambition. That is why I know we have done the right things these past 24 months, because we have invested in the ambitions of our people, and we have done every day of the past almost 10 years in Government, as we do and will continue to do every day that we stay in Government.

2100 We have invested in the things that matter, we have invested in the services that matter and we have delivered to the people who matter. We have delivered for the people who work hard every day, or for those whose days are so hard that they cannot even work, and in the past 24 months we have even delivered the basic wage to many to protect working people from the economic consequences of the ravages of the pandemic. That has been the aim of every one of our Budgets: to deliver for working people, to deliver real social justice, to ensure that those who can are free and able to do what they wish when they wish and that those who cannot are properly provided for.

2110 Ambition for our people, aspiration for our people, achievement for our people. Those are the three as to which we aspire. That is what we believe this Budget will once again put us on the road to delivering, that is what we stand for in this Parliament today and that is the politics of this Government. Mr Speaker, that is why I unhesitatingly commend the Bill to the House. *(Banging on desks)* Thank you.

2115 I am, Mr Speaker, conscious that I have kept everyone for a considerable period of time with a lengthy analysis, and before the next speaker is called upon to reply I wonder whether it might be convenient to stop for 15 minutes, until quarter past two, for a comfort break for everyone.

Mr Speaker: The House will now recess for 15 minutes, to return at 2.15.

The House recessed at 1.50 p.m. and resumed its sitting at 2.15 p.m.

**Appropriation Bill 2021 –
Second Reading –
Debate commenced**

2120 **Mr Speaker:** Before I put the question, does any other hon. Member wish to speak on the general principles and merits of the Bill? The Hon. the Leader of the Opposition.

2125 **Hon. K Azopardi:** Mr Speaker, in the Chief Minister's words, as he presented it this morning, he called this the hardest Budget in the history of our people, and there are reasons for that, which I will go on to set out in my contribution. But of course, in his inimitable way I was reminded, when I was listening to him towards the conclusion of his speech, that it is really a marvel to listen to him sometimes and make him sound, when he is penalising people, as if he is giving them benefits. It really is a marvel that when he is actually giving no direction to people, he is sounding as if he has a strategy.

2130 Mr Speaker, this has been a Budget that is bad for business. It presents nothing much for business, other than higher tax. It is bad for ordinary families, although there are some allowances which I will deal with in my contribution. It is a Budget without direction, with no strategy. At the worst time in our history there is little in that three-hour speech from which you can glean a clear strategy of where he wants to take Gibraltar after that post-Brexit period, other than he is involved in a negotiation, and I will deal with that in greater detail. This is a Budget without hope for those left behind over 10 years. This is a Budget that does little more than pass the bill on to some of

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the people of Gibraltar for all their historic excesses and does so in a way that does not really lay the platform to create or encourage investment.

2140 The further governance of this community has been compromised by their economic management over 10 years and this again is just an attempt to make it look as if the situation has nothing to do with them, and for the Chief Minister, in one of his opening remarks, to now describe members of our electorate as a group of malcontents that he expects to see in the next few months is a remarkable contribution by the Chief Minister.

2145 Mr Speaker, before I go into all the detail of the measures and indeed to my financial remarks, I think it is important to take a step back and see the global picture as we embarked on this Budget, because this is the first proper Budget since leaving the EU and after the impact of the COVID pandemic, and it is, as the Chief Minister has said, a state of the nation opportunity. And so, before we dive into the numbers, it is important to see the wood for the trees and to see the redwoods just ahead of you, in your face. And there is a backdrop to this debate – one is unique, one is not, but the unique one makes the general backdrop much more complicated, and layered over that is a third feature, which I will deal with at length, which is particular to this Government, that has so far worsened our financial picture and position.

2150 The first issue as we entered the last financial year was, of course, the Brexit situation, and Brexit remains providing a backdrop of uncertainty in different ways: political uncertainty because we do not know whether we are going to have a deal or what kind of deal; and it brings business and economic uncertainty, so what economic model are we talking about? There is quite a lot of discussion about whether there will be a bespoke customs union part, whether there will be VAT to that element of the deal. Everybody else who was part of the British part of the EU has had a deal, and I have said publicly and in this House before that even though Britain got a deal at the end of last year, 2020, there has been a massive loss of momentum in trying to achieve a deal for Gibraltar. That loss of momentum has an economic impact and the economic impact is in giving us continued uncertainty while everyone else has, in the Brexit scenario, been able to obtain certainty. Britain knows where it stands – it clearly has a 1,400-page treaty, so it knows where it is, but we do not.

2160 As we go into those negotiations – we were promised they would take six months, and here we are at the end of the seventh month after the beginning of the year and we still have not even started the negotiations – the reality of the backdrop to the negotiations is that the Chief Minister and the Government has already given away certain things in that negotiation by way of the MoUs or the Tax Treaty. So, when the Chief Minister asked – I do not think it was rhetorical – for me to address what opportunities have been lost, I have said so publicly and I have said it often enough. I will repeat it in this House. There have been a number of opportunities lost by the Government. They had an opportunity to embark on a clear strategy that delivered results in the Withdrawal Agreement. When other people obtained permanent benefits, we could have obtained permanent and enduring benefits for the people of Gibraltar. We did not do so then, at the time of the Withdrawal Agreement, and here we are now: more than five years after the Brexit referendum we still do not have a deal and we still do not have enduring benefits. We have given away things during the course of the negotiation on the Withdrawal Agreement, in the MoUs and the Tax Treaty. The Tax Treaty is permanent whether or not we get a deal, so even if there is not a deal, the MoUs may fall away, but if we have what he called ‘Gibrexite’, the Tax Treaty will remain. The Tax Treaty’s intrusive and harmful effects on the economy of Gibraltar and the discouraging of inward investment will continue.

2180 Mr Speaker, some people may think that a freedom of movement type deal without a customs union would be the safest type of arrangement. It preserves a model that has worked for many years without tinkering with and devising a new one, which may bring lots of unknowns and possible economic impact. I am not saying that is the situation we should opt for, I am saying that is possibly a way forward, but our position remains, as we have said often enough, that we want there to be a safe and beneficial deal – safe politically, beneficial economically to the people of Gibraltar. What that is will have to be judged when we see what is on the table, if anything is on

the table in the next few months, because of course the economic aspect of it – and this is a financial debate, so I will concentrate on the economic aspects of it ... The economic aspects of a possible deal with the EU on a future arrangement will have an impact on the economic model: the kind of markets we seek to attract, the kind of business we do, financial services, light industries, technology, gaming or anything else, and whether you apply certain VAT in different areas and so on. While there have always been challenges in the last 40 years, the challenges have not really asked us to readdress or change our fundamental economic model, and this is the economic challenge that we might be facing in the context of the negotiation.

That is important to bear in mind when considering the Brexit factor, and it is also important – and I accept what the Chief Minister said in this respect – that staying as we are is not an option, so it is not on the table. That is not on the table. We have left the EU against what we wanted, which was to keep the status quo, and now the choice is between having an EU relationship and a freedom of movement with a political or economic price, or having no relationship and a hard Brexit, whatever that means. Both scenarios bring uncertainty and it will be a value judgement in due course as to what is best for this community, and that can only be judged when the package is clear, if it emerges at all. Until then, we will have uncertainty, which preys on the basic economics of the model and the prospects of inward investment.

Mr Speaker, last year was not a good summer for the Chief Minister. First, he lost a Commissioner of Police, who left in circumstances which he described as raising issues of democracy for Gibraltar. Then he lost one of his better Ministers. Then, as summer turned into winter, he lost the opportunity to conclude a treaty when the UK gorged on their own 1,400-page treaty and the Chief Minister had to be content with holding a threadbare and partly concessionary eight-page agreement, waving it, like Neville Chamberlain, as great success when objectively it was a serious failure to land a permanent and secure deal for Gibraltar. All it did was buy some time but lose the momentum to achieve one. And here we are. If that was not proof enough, we were told it would take six months and at the end of the seventh month the negotiations have not started. We await, wholly underwhelmed so far, the next act in the Chief Minister's roadshow. His presentational skills have been silky in the past, but as the years go by the public understands the performance is just that, a performance where things are rarely what they seem and all is over-egged. Peel back the layer, pierce the veil and it is really pandemonium below a semblance of normality. That is the first aspect that affects the financial picture of Gibraltar going forward, the post-Brexit uncertainty on which we still do not have any degree of outcome, despite going into the late summer now.

The other aspect, of course, is the COVID scenario. It is still hard to believe how different the world looks 18 months on and what we have gone through as a global community. Mr Speaker has heard very often over the last 12 months debates in this House on aspects of COVID. Globally, there have been four million deaths and 190 million cases, a pandemic that overturned people's lives, devastated normality and changed it all, maybe for a while, maybe for good; it is too early to tell. Is it that in searching for normality we are now seeking that elixir of youth that is impossible and elusive? Is it not the case that while things may return in some shape or form to how it was in practice, in reality things will not exactly be the same? Things rarely ever are the same. Things move on and develop, and it is just that the pace of change is often so small when we are immersed in it for it to be imperceptible. Then, of course, a bigger moment happens. I do not want to fall into the trap, because it would be a misnomer to call the COVID pandemic a moment, although in the history of the world it probably is and will be seen to be a moment in many centuries' time, but for those of us living it and affected by it in the quality of our lives or indeed in the lives lost, it is certainly not a moment for anyone. It can be all there is.

The total cost of COVID cannot yet be finalised but some of the losses today can be: the loss of lives, the loss of freedoms, of normality, of well-being, of purchasing power, of jobs, of businesses. We have had a toll in Gibraltar of 94 lives, 4,600 cases. As I have said before, on behalf of the Opposition I want to take the opportunity to praise and thank GHA staff and other essential workers for their efforts throughout all this and for keeping all of us safe, not just now but always,

2240 especially in the difficult task of tending the normal demands on the Health Service in parallel. And of course our hearts go out to all those who have lost family members and friends at this time because of the pandemic.

The loss of life is always sad, but as a community I think we can probably consider ourselves fairly fortunate in the context of things. We have been spared the scenes in other countries of the collapse of the Health Service and the bulging hospitalisations or oxygen starvation of wards, like we have seen in some cases in the world. Businesses have suffered, yes, but they have been assisted, although they may need more help in the future, and I will turn to that. We have been able to reopen businesses twice, in May last year after the first lockdown and in March this year after the second lockdown, and get back to some normality, and we had a fairly normal last summer. We have had travel or other restrictions, but all in all it could have been far worse and the vaccination programme has allowed us to get back to normality quicker than most.

Of course, we are seeing a rise in cases, and for that we must be careful, but unless things radically change, we now need to learn to live with this virus and ensure freedoms remain, because going into lockdown is unsustainable for our collective mental and physical well-being, as well as unsustainable economically. That is also a reality, and while of course there are always concerns as the trickle of numbers rises, it is important to understand where we are and that we are in a different moment, one where the vast majority of the population is vaccinated, where we appear more protected from the risk of hospitalisation, which is such a key issue. So, unless things radically change, it is now for us to start learning to live with this risk. We need to do all we can to avoid, as much as possible, ever going back to more social lockdowns or restrictions unless absolutely necessary.

Mr Speaker, when the period of global uncertainty hit in March 2020, when health services were collapsing under strain without being able to cope, we, as a community, had a clear choice. Gibraltar needed time to allow the health and essential services to prepare for crisis and they needed emergency money to do so. Having this kind of normal state of the nation debate would have been entirely artificial and surreal in March 2020, when clearly it was impossible then to know what precisely needed to be factored into public administration, the finances to deal with the crisis. Why would we have debated heads of expenditure which would have been impacted by COVID months later or during those months? So, we did what was necessary and supported the Emergency Budget, to buy the authorities time and to work with Government on the public health and economic measures that were also necessary. We did what Gibraltar does best, faced adversity together and put aside the otherwise deep differences of approach on a number of fields. Even so, I made clear, in supporting the Emergency Budget on 20th March 2020 – and I am quoting from what I said:

we are not abandoning our traditional stance on public finances, accountability and prudence. We are simply parking that for another day. We will have a lot to say about all those issues again, and we may even have things to say in respect of prudence in the context of borrowing under this umbrella and where we need to direct funds [...] We understand that this is necessary because of the situation where we find ourselves as a community.

2275 I also said:

There may be headroom in terms of borrowing, but the Chief Minister knows that we take a slightly different view of prudence and I would say even within the times that we live we need to be sure that whatever we borrow we borrow because it is necessary. We would say, on this side of the House, without trying to strike a contentious tone, that there are aspects of borrowing that are off the book, that in global terms we would normally, ordinarily take into account and therefore impact on our affordability as a community.

I hope he understands that. I am raising it because whatever borrowing capability in legal terms the Government has, there is a need to temper necessity with prudence, and that is important for future generations of this community.

Mr Speaker, that episode and how we all handled it – and we have reflected on that before – showed that we can work together in the public interest when the chips are down. The panorama is now different, thankfully, and the dangers do not feel the same, although of course COVID is still there, but I am sure the hon. Member will understand the point that I am making, that the panorama is different: a vaccinated community. Certainly the environment does not feel the same as the day on which he called me in to have that discussion on Friday, 13th March 2020, when we were facing dire predictions on public health. There had not been a lockdown in Gibraltar, there had been no invention of a vaccine and we were just not ready, so it does not feel the same.

In political terms we were able to return to the normality of more adversarial politics in summer, and that is a good thing, not because politicians like to be at each other's throats, but because in our vibrant democracy arguments often get tested by robust debate, leading to better decision making, and if there is anything that I ever say repeatedly, it is that this community is what it is with this small population of ours, but punching above its weight, because we do have a vibrant, robust democracy and a survival streak that wants us to do, always, better than we did before. That does not mean when we criticise each other we cannot work together. Nor does it mean we never will again. As I have often said when asked, as long as I am the leader of the GSD, we will be prepared to work with the GSLP if it is in the public interest of Gibraltar to do so.

But now, Mr Speaker, we need to consider the financial consequences of where we are and why we got here, and that, of course, revives the debate that I signalled at the time of the Emergency Budget we needed to have. The economic toll of COVID is unsustainable long term, were it to continue. It is not unsustainable in the sense of how Joe Bossano has used that word before, although I will get to that, but unsustainable in another sense. It is unsustainable in the raw sense that things cannot continue like this, because we are running at a loss against a backdrop of a historic economic recklessness. We had a deficit of £138 million in the 2019-21 period – in practice, the bulk of that would have happened last year – and now a deficit of over £50 million is predicted, in practice a deficit of £1 million a week. We lost £2½ million a week last year, £½ million every working day of the year. This year we are expected to have a hole in the Budget of £1 million a week, £200,000 every working day. That is unsustainable and needs rectification by economic growth and by efficiencies in public services and identification of where there are savings to be made. Taxing the people should be a last resort because the people should not bail out the Government for its historic mismanagement. In short, the situation cannot continue as it is and we cannot afford to repeat last year.

Dealing with the financial hole has to be seen in context in terms of our capability of dealing with it, in terms of how much leeway we have – in essence, in how good shape we were when the pandemic economic crisis arrived. So, it is important to have the arrival debate. It cannot be glibly dismissed, set aside as the Chief Minister seeks to do. The size of the deficit is unprecedented in modern times and of course the situation is strange to a lot of us in this House. On any view, our costs are now higher than what the Government is receiving by way of revenue from various sources. In other words, the cost of running Gibraltar for public services is now higher than the money coming into the Government so it can run those services. To give a basic example, it is like someone earning £25,000 a year and spending £30,000 a year. That can only be financed out of savings or if someone lends you money. Either way, it cannot last because either your savings run out or people stop lending you money, and if you have borrowed you have got to pay it back.

Joe Bossano said in the 2019 Budget that 85% of the revenue usually comes from three sources: company tax, income tax and import duty. He said that when giving a pre-pandemic warning about how unsustainable the expenditure then already was – his health warning, as he called it – and he advised us then that it would not be heeded by many. He probably did not have Members of his own Government in mind. But it is important to bear in mind that even Sir Joe Bossano was warning about the sustainability of costs of the public sector before the pandemic, so those warning signs were there and delivered by the Minister for financial stability himself. In some ways, it was no different to the warning of Daniel Feetham, when he was Leader of the Opposition,

2330 that there were dangerous curves lying ahead as he warned against the policies of borrow and spend. My colleague Mr Feetham said, in 2017, and I will quote from his speech:

... there is opacity, Mr Speaker – in the way the Government is spending or has spent £772 million, a pot of money in Government-owned companies? This is an issue of huge concern for the Opposition, which has become even more concerning post the Brexit referendum [...] today we are asked to believe the statements made by the Hon. the Chief Minister that things could not be better, when we do not know what he is doing or what he has done with £772 million in those Government-owned companies. I repeat: this is not just about transparency and accountability. It is about being able to spot emerging or existing economic problems so that they can be dealt with, and that becomes more necessary now there are some very significant curves up ahead for the jurisdiction.

As he said then, it is about being able to spot curves, and I would add about being able to respond ably when sudden events hit you. Of course the Chief Minister was right when he said in his speech that no one could predict COVID. No one is saying on this side of the House that you
2335 could predict COVID. The point is that the economy should be managed in a way that when things happen – as indeed they will, because if we have learnt something in the last 12 months it is that there will be things around the corner that we cannot predict – we are able to deal with them. If Brexit was the curve that Mr Feetham was talking about, then COVID is the falling meteor from the sky. For all events we need to be ready and not be placed in a fragile financial position by the
2340 policies of the incumbent Government.

It is precisely all those sources of revenue that Sir Joe was talking about – company tax, income tax and import duty – that are our main pillars of revenue, that are deeply affected today. We know that because of the publication of the COVID Fund figures to 31st March and we know it also because of the figures shared with us privately by the Government under the agreement that
2345 we had to support the Emergency Budget last year, which we understand will be published later this week in respect of the first financial quarter of this year: £227 million to 31st March 2021 and an additional £25 million for the first quarter to 30th June 2021, so £252 million so far. That is the cost of COVID so far. I stress ‘so far’. And of course it will not be over like a magic potion, because economic inactivity over a period, the slow restoration of activity in some areas and the almost
2350 complete collapse of other sectors like tourism for a long period means that the effect on corporate tax and income tax will likely be felt at least, perhaps, for the next 24 months. When people talk about the projection of the recovery of tourism, it is notoriously slow. And that is probably optimistic, because it is all about the restoration of activity to levels pre-COVID, and that will not come any time soon, as indeed has also been remarked by Sir Joe Bossano before. If Sir Joe
2355 was lamenting a few years ago that after the 2008 crash it took 10 years for some restoration of activity to pre-2008 levels, imagine what will happen now. It will not be a surprise to say some sectors will take a long time and need to basically reinvent their services to diversify, change their business model, change the way they do things, change the way they market their goods and services. All that takes time and they will need assistance from the Government to manage that
2360 change, assistance that this Budget does not show the Government is there to support.

There was not just a loss of revenue that left a gaping hole in our Budget last year. Last year, there was a need for emergency borrowing to plug that hole, as well as to deal with the contingencies in the Health Service or the economy. Again, we recognised those were necessary at the time to deal with the unique and special times we had as Gibraltar borrowed £250 million
2365 last year. But of course that borrowing does not provide absolution of past mistakes, nor does the COVID situation paper over the financial state in which we arrived when the COVID crisis happened. The £500 million guarantee of the UK was welcome, as it lowered the cost of borrowing, but it was not a licence to print money and it was not a reason to simply borrow without the best of reasons or to want to kick start the economy. We have had the GDP predictions
2370 and impact of GDP. I too share the reaction of the Chief Minister that I would have thought that GDP had been impacted more than it is. There has been a reduction, –4.9%, I think he said, but of course the effect of that means that if there is contracting growth in certain key sectors it will impact on our ability to borrow because of the formula in the law, and that is also a fact.

2375 So, layered over the loss of revenue, because there is less activity and profit, there has been a parallel need to first stabilise the economy through economic assistance to business and fund the emergency costs of the pandemic. The BEAT measures were necessary and we supported them, although not all the detail. We fully supported the need to buy the Health Services time to deal with the COVID pandemic and to do what was necessary in public health and economic terms. In that, the Government knows it had our support. But of course this is not a Budget where you can vote for certain measures and not others. The BEAT measures cost £32 million. The bulk of those costs fell to be paid in the initial programme, BEAT 1, March to June 2020, during the first lockdown, and BEAT 5, December 2020 to February 2021, the second lockdown. Once out of lockdown, the financial impact of business assistance was much more reduced, hence the importance of, as much as possible, avoiding further lockdowns. It also tells us that, short of a lockdown, it may be possible to assist business and workers through difficult times at a relatively modest price. Is there a need for more business assistance schemes in the future? We think so. There may well be, as the tourism industry recovers and the fallout is still felt by anyone in trades ancillary to the retail and hospitality sectors, but a lot of business people listening to the Chief Minister will ask themselves the question what assistance are they getting from this Budget. Precious little is the answer, and I will turn to that in greater detail later.

2390 Mr Speaker, there is, however, a big distinction between the economic action taken in the last 12 months of global public health and economic crisis and the state of public finances before COVID struck. COVID has cost £250 million so far, but it does not account for where we are financially as a community now or where we were before the pandemic. The crisis decisions and borrowing during COVID were necessary and we took those together and with our support, but the state of the public finances when we arrived at the crisis was of the Government's own making and they left us exposed and without any other option but to borrow heavily and with little leeway for the future. Those are the facts. So, change that started as an economic shock will now need to be managed going into the future against the backdrop of a presently unsustainable picture caused largely by the acts of the Government, led by the Chief Minister. We are no longer at Sir Joe Bossano's health warning stage. We are so beyond the health warning that we are in the financial ICU. As I have said before, we supported the Emergency Budget with a clear and important caveat that we did not renounce our traditional criticisms of the management of public finances or the levels of borrowing, our capability of dealing with threats or curves and the interest-bearing way Government does certain things. I also made clear we did not abandon the lack of controls or general recklessness on spending on certain key projects. Those issues are the ones that need to be dealt with today, to which we must turn.

2400 Before I do that, I want to say something about the past because the Chief Minister often looks at the past. It is important to be consistent and also important to acknowledge the need for correction. I say so because the default mode of the Chief Minister has, over the last 10 years, been simply to point the finger at the past, as if that is wholly absolution for his sins. He will no doubt say that some of the things I recommend or stand for were not done by the GSD in the past. I fully expect him to say that in his reply, but that is precisely what I want to set in context because I am proud of the work we did during those years I served as a GSD Minister, and the overall legacy the GSD left when its terms of office ended was a positive final balance.

2415 The economy had trebled in size from £346 million in 1996, when we inherited the administration of this community, to £1 billion. So, when the Chief Minister talks about the growth – what he called the unprecedented growth – it is actually not unprecedented at all. There was much bigger growth during GSD times because the economy tripled in size during the time the GSD was in office.

2420 The reputation of the financial services had been recovered – or have we forgotten where the reputation of the financial services was after the July 1995 riots and everything, and the context of where Gibraltar was at the time?

2425 Public services had far improved, with a new Hospital and Primary Care Centre – or have we forgotten where the Hospital was, up St Bernard's Hill, in the middle of town, not fit for purpose,

after many, many decades of recommendations that it should be moved? There had been massive investment in all public services.

In 1996, when we were elected, the spending on Social Services was £1.5 million – £1.5 million was what we inherited from the GSLP as the investment in Social Services – and that grew to
2430 £16.5 million.

The Health Services we inherited were completely under-resourced and spending increased from £20 million in 1996 to over £80 million.

The Budgets that the GSD had repeatedly saw recurrent surpluses, and, overall, the economy was solid and growing.

Jobs grew massively, from 12,000 when we inherited the administration of this community, to
2435 around 21,000, around a 62% increase.

There were massive tax cuts that returned money to the people. The top rate of tax was 49% when the GSD was elected and it was lowered to an effective 25%, the same that exists today because the Members opposite have done nothing to return more money to the people, despite
2440 their electoral promises.

And while borrowing grew significantly in the last three years of GSD administration – and I will have more to say about that later – this Government has broken all the records of borrowing, debt and lack of transparency on the use of the people's money.

But that does not mean that I agreed with everything the GSD did, and that is well known. Nor
2445 was our record a perfect one. No Government's record is perfect. The best you can hope for is a positive balance. I was never Finance Minister, so I ultimately could not design our stance on core public financial issues. None of that is an excuse, Mr Speaker, it is an explanation of why the Chief Minister wastes his time pointing his finger at the past. He knows it is just a political diversionary tactic, his usual smoke-and-mirrors effect. It is now with Roy Clinton that I have the chance to
2450 design our public finances offering. What matters is our commitments now and that we carry them out in the future. In 2011 he appeared to stand for things which seemed far removed from the GSLP past, so people will be bored by the Chief Minister harking on about the past, as if it is his perfect defence shield.

Mr Speaker, I believe in transparency of public finances and controls to ensure an end to abuse, waste and corruption. This is not new and nor am I breaking new ground. The GSD does offer a
2455 different approach and a different way of doing things to that offered by the Chief Minister. I believe in value for money, not austerity. I believe we should have a Public Accounts Committee. People should know fundamentally what the Government does with their money, the money borrowed in their name. That is not the situation today. It does not matter how the money is
2460 structured, it is still the people's money to account for clearly.

We will, when the GSD is returned to office, instil new controls over public finances to reduce the legacy of debt inherited from the Member opposite. I am sure he will point the finger, as he has been doing for many years, to say the GSD did not do this, that or the other, but it was a
2465 different GSD with a different leader. I accept the good things about our legacy, that we left Gibraltar better off than we inherited it, but I also accept that we did not get everything right and I would change how we would do some things in the future, when we are elected. I have been candid about that, Mr Speaker. There is nothing wrong with that. It is the value of correction and it is salutary.

Will the Chief Minister make the same admission, or is he so arrogant in his imperious Roman
2470 ivory tower that the emperor and his historic entourage do no wrong? Surely he does not believe the GSLP of 1988 got everything right or believe in everything they stood for. I am sure he sees that there were good things done in those eight years of government – so do I; I have always said that – but presumably there are other policies, traits or mistakes that he now recognises were errors of the old GSLP. Or is it the price of his former leader's loyalty that requires that he morphs
2475 himself into believing, or saying he believes, in everything they stood for, always, like a zealot?

I did not have him for a zealot, I had him for a chameleon, a shameless populist, all things to all men all the time, the defender of the elderly while he taxes them and takes away their

legitimate expectations, but as he sits usually next to his former leader to the right and his former leader to the left, I guess it is hard. Or maybe it is not so hard. Maybe that is precisely how he honed his art so well in his climb up the greasy poles. I say 'poles' in the plural, as he jumped from the party pole of his former leader to the right to the party pole of his former leader to the left, fully greased to ensure speed of ascent and armed with intoxicating invitations of departure to his rivals, pretending he was some form of double agent, and somehow still managed to make his feat look credible by keeping a poker face when presenting his contradictions of what they stood for in the past as something he apparently always believed.

If it were magic he would be a superstar, if he were an illusionist he would be in the hall of fame, but time is running out on the illusion. You can say you are the new dawn, but if the new dawn has not come in 10 years, maybe it was a false dawn. To many people it was a false dawn.

To those still waiting for housing after being told they would be housed before or after his first election in 2011 – there are still some people – it is a false dawn.

To those who were promised Community Care by the architects of the scheme only to have it arbitrarily removed on 17th February 2020, it is a false dawn. He can talk as much as he wants about Community Care, but during GSD times no arbitrary rules were introduced so as to deprive people of the legitimate expectations of Community Care.

To those people who wait patiently for improvements in public services, who were told there would be an e-government revolution – except that there are no guns or roars of change in this public services revolution, there are just whimpers and murmurs – it is a false dawn.

To those who fear they cannot express themselves publicly, who think we are back to the bad old days of the culture of fear, of jobs and contracts for the boys, of waste and abuse, for people who expected so much more given the gilded manifestos churned out by Members opposite, to those who have been left behind by this Government of broken promises, to all those people this has been a false dawn but an agonisingly long one at that, because it has been 10 years and the Chief Minister is still looking back and pretending it is someone else's fault.

Power cuts are a good example. First, the GSD were point-blank blamed, but as time went on it became difficult to blame the GSD because too much time had passed, so even that was a stretch for the marvel of spin that we have opposite. So, the blame passed not to the Members here, the blame passed to the GSD cable. Magically, a cable had been identified that was at fault and had been introduced at some point by ... Presumably, Peter Caruana, on one of his off days, had gone down and installed a cable. But even that was impossible. Ten years on they have found a new scapegoat. Now it is the falling instructions manual. When in doubt, the default mechanism goes into overdrive: find someone else to blame.

Mr Speaker, it has been 10 years and people expect responsibility for the Government's actions and acceptance that the state of our nation – for this is what this debate is about – is on their shoulders, that they have had long enough to fix things. This now cannot be blamed on everybody else. In fact, he has no one else to blame on the matters that matter to people, except himself.

Are the massive delays in delivering the houses at Hassan Centenary Terraces the fault of the GSD? They issued a press release in September 2017 headed 'Hundreds of new homes as from August 2019'. Four years on and two years from the deadline announced, where are they? Those houses will not be finished for another couple of years or more. In the same press release, they promised two other developments, Bob Peliza Mews and Chatham Views. They have not even seen a single brick laid, and yet there are people paying for those houses, struggling to make ends meet, being prolonged with their financial obligations. They promised that all three developments would be ready by the end of 2021, this year – another failure for which they cannot blame the GSD.

If the Chief Minister will give me any credit, he will at least recognise that in the borrowing debates I am the consistent one, not him. In 2011 I was clear about my concerns on the state of borrowing, and so was he, or so I thought. When I had been in government before 2003, the increase in debts was very small. The gross debt in 1994-95, the last full financial year of the GSLP administration, was £83 million. It was £78 million in 2002-03, the last full year that I was a

2530 Minister. It had come down. Net debt – calculated using the modern definition, if you were to go back and calculate it – was zero, or close to zero. I accept, however, that debt did grow significantly after financial year 2008-09 and by 2011 I shared the concern that the gross debt of £500 million was high, that it should come down and that net debt should not grow, so that is nothing new. What is new is that the Chief Minister changed his view and breached his promises on borrowing –
2535 or has he forgotten? In 2011 he took that promise to an election. In 2012, in his first Budget speech as Chief Minister in this House, he said, and I am quoting from his 2012 speech:

in Opposition, we raised issues about the creeping growth of our nation's gross debt and why we have a clear commitment to deal with gross debt and net debt levels, as we set out in our manifesto [...] That is why, Mr Speaker, our manifesto specifically provided, in clear and unambiguous terms, our approach to the reduction of national debt. Our manifesto provides on page 27 that in respect of gross debt:

'Our commitment is that Gibraltar's public debt will be brought down by half of its current level, whatever the current level is after the election, so that by the time of the next election in 2015 there will have been a 50% reduction. Gibraltar's gross debt is presently stated to be at £480,000,000.00 ...'

A commitment to halve it from £480 million. Well, Mr Speaker, we all know where that promise ended. Instead of halving the public debt of £480 million, he has more than tripled it, and the tripling has nothing to do with COVID. He has become addicted to debt, to use his phrase in 2011, but of someone else, his predecessor. I remember that night in 2011 in the Leaders' Debate when he repeatedly said to his predecessor that he was leaving the people of Gibraltar 'D E B T, debt'.
2540 Or has he forgotten? He clearly breached his promise to the people of Gibraltar and he should admit that. But I am not chastising him for changing his mind, if that is where he is. I am chastising him for breaching his promise while pretending he is not addicted to debt, which he clearly is now.

2545 Mr Speaker, the position now is even worse than the tripling of gross debt. This now stands at a vertigo-inducing £1.7 billion of gross debt, or, to use the example he gave in 2011, £51,000 for every man, woman and child; not £16,000, as he said in 2011, when he was so shocked at the level of gross debt, in his podcast. If that was bad, then what would the Fabian Picardo of 2011 have said about £1.7 billion of gross debt, £1,700 million? There would have been podcast after
2550 podcast. This is not just £20 million, £30 million or £50 million, it is £1,700 million.

I know that a few million apparently does not buy the Government much these days. Even a green triangle by Midtown costs nearly £4 million, but luckily there is someone to bail out the Government, this time, from its economic recklessness. Are we going to find the Government plough around the private sector to find someone to bail it out every time it makes a complete
2555 economic hash of it?

Does the Chief Minister not see how appallingly contradictory this looks to the outraged tone on debt he took in 2011, how politically hypocritical it is for anyone who voted for him thinking he would actually lower gross debt, that he actually meant what he said, that he would fulfil his promises, how this was just the first of his big breaches of promise to people? There have been so
2560 many since then that he may be banking on people forgetting, for this big broken promise to just dissipate into the ocean of broken promises, but we will remind him all the way.

Even in 2015 he was still carrying on the pretence of lowering gross debt in his Budget speech, but the rails came off badly in his addiction to debt as he parked hundreds of millions of pounds of debt off book to pretend the gross debt is smaller than it is. There is now almost £1 billion in
2565 off-book indirect gross debt. Worth saying again, because people will probably think I have misspoken: £1 billion off book.

He systematically ignored the warnings of my predecessors, especially Daniel Feetham, on where he was driving Gibraltar and the dangers of his economic recklessness. And of course this is the Chief Minister who said in 2011 that he would cut taxes to 18%. Have these tax cuts
2570 materialised? No, of course not. That, again, has nothing to do with COVID because COVID happened nine years after he was elected. The situation is what it is because of the other issues of mismanagement: a public sector out of control and a reckless spending programme.

Now we are told that nothing in their manifesto may be delivered. That is what they said in February: they cannot commit to say which of the commitments in their manifesto they might deliver. What he said in February was 'I cannot commit to telling you what we are going to deliver in our big, 140-page manifesto,' which the Chief Minister described as such a brilliant manifesto, 'because of COVID and Brexit.' But hang on, Mr Speaker, their last manifesto allegedly was devised with Brexit in mind and knowing full well the results. They said they had a post-Brexit plan and that we would be out and may well have a deal, so it cannot be because of Brexit that they cannot now fulfil their manifesto. Or is it that it was undeliverable anyway when they presented it to people in 2019 and they knew it was undeliverable in part?

The new development clearly is COVID, but let's be clear: while COVID has, of course, affected us deeply, our ability to emerge from all of this and bounce back or reposition ourselves as an economy has been hampered by years of mismanagement of our public finances and lack of controls. COVID has added a layer of £250 million of unforeseen expenditure, but our state is what it is because of the lack of financial leeway and mortgaging of our ability to manoeuvre to the hilt. Or are we really going to pretend otherwise, as the Chief Minister does, that, irrespective, if we did not have that £1.7 billion in debt, if we had £300 million, we would not have a bit more leeway? Of course we would have more leeway, and anyone listening to this debate would think it is a ridiculous point for the Chief Minister to make, that if we had lower debt we would not be better off.

This is years of the Chief Minister not heeding Sir Joe Bossano's own health warning on sustainability by giving in to his populist instincts and buying votes at any price. He is the one who has the gall to invite other parties at election time not to conduct politics by public auction and then proceeds to convert elections and the run up to them as a fire sale, where he gives away everything and anything just to keep the keys to No. 6. He is the one who, in the run up to every single election, systematically writes to anyone with a grievance or an issue, any sector, any union, any association, any business group, any individual with a housing or other issue. If you have an issue, you get a letter from the Chief Minister making a promise – promise after promise – that if he is re-elected, things will happen. Shamelessly. Who has not had a letter from Mr Picardo promising something? There must be hundreds, maybe thousands of people out there still holding letters of breached promises. Well, they will know it is a false dawn for them too.

COVID, Mr Speaker, cannot be used as a shield for the years of disarray and debt addiction. When the COVID pandemic arrived, we already had £1.45 billion gross debt. They already tripled gross debt instead of halving it, as they said. The net debt figure is unreal. So, when he says he has got these percentages, the net debt figure compared to the percentage of GDP is completely unreal, because it does not take account of the hundreds of millions of indirect net debt hidden away from public view. If that true picture were known, instead of the artificial figures presented today, it would be far worse. Again, all that was before COVID.

Of course the picture has been made worse by COVID, but if they had done what they said they would do in 2011 we would not be here today and we would have a buoyant position to bounce from with much more financial and borrowing flexibility. The fact is that he heeded no warning – not from this side of the House, from Mr Feetham, and not from his side of the House. I know he will respond in the way we are accustomed. He will treat us, once again, to a personalised reply looking at the past and vilifying all of us on this side of the House, one by one. This time he will not get his new people to do it for him, hiding behind them in a disgusting pretence that he is the altar boy, when really he is the sinner. (*Interjections*) This time he will do it himself, and we welcome it. Let me tell the hon. Member we welcome it, because I want the people to see the person behind the mask. The more the mask slips off, the closer his last day in office arrives.

In his reply there will be plenty of allusions to the past, as well as personal vilification of everyone on this side of the House. I am sure there will be plenty of references to the PDP in that process, as if the hon. Member thinks that is something I am sore about, or that I have a raw nerve about. The Chief Minister is wrong. To have the gumption to leave anywhere on a principle is something to be proud of. So what, Mr Speaker? Everyone knows that there was a time in my

2625 political past when I had my differences with Sir Peter Caruana. To leave simply to climb the greasy pole faster for political expediency just shows that principle is a foreigner to him. So the Hon. Chief Minister is wasting his breath if he thinks that makes any difference anymore, or inflicts any political damage. He is like a broken record, Mr Speaker, like a band that releases one good album and then disappoints with successive albums that all sound the same and bore the people. He was
2630 a fresh act once. His repertoire is now jaded and tired.

Mr Speaker, if mismanagement, borrowing, recklessness and waste brought us to the precarious position we are in today, what will get us out of it? Well, there should be efficiencies, control of waste, control of abuse and corruption, transparency so there is real visibility of the economy and actual debt information is out there, real prudence, targeted business assistance to
2635 deliver restart born only to invest and create economic activity, a programme of reduction and management of borrowing – one that he promised before the 2011 election. But where are these? There is no obvious indication of non-essential expenditure being looked at when you look at the Book. Why? Many Departments have been allocated money as if nothing has happened, as if we did not have to deal with COVID or the lack of a Brexit deal. How is that evidence that things are
2640 critically being looked at, or that the Chief Minister is setting a clear direction to get us out of *his* own economic mess?

People will be surprised to know that in the pandemic Budget over the last two years the costs of the Government's computerisation programme were huge at over £14 million. What is the value for money of that, given the creaking roll-out of that programme?

2645 They will be surprised that despite all the promises that the facilities would be ready for the Island Games several years ago, what actually happened was a papering over cracks to deliver a superficial façade that would allow the Games to take place. In fact, the Government then proceeded to rip up some of these facilities, to finish them properly at massively high cost, and that cost continues without any kind of apparent restraint. People will be surprised to know that
2650 the Government spent £15.3 million on further works to those facilities in the last couple of years.

What has been the collective cost of the Music Festival jamborees over nine years? Thirty million? It has certainly lost money like a sieve, maybe even lost £16 million. People will be surprised that even though we have not had a GMF or other concert in 2020, we still paid £6 million, paying further moneys to the costs of past concerts, in the last Budget.

2655 What evidence is there of efficiencies in Departments? We are not talking about essential services, Health or Care. What about the other Departments? If the moment is tough now, how are things being tackled to identify savings within Departments that could be made without compromising core services – there is very little, nothing really, being said by the Chief Minister about that – efforts being made to identify savings without compromising core services, without
2660 affecting the public, to get greater value for money without affecting services – indeed, improving services? Identifying savings does not need to compromise services; it can improve them if you find a better way of doing things.

Is this the year to spend £430,000 on a Customs launch? This is just a handful of examples – which are rife – of the Government's inconsistent behaviour.

2665 The Chief Minister made a few announcements of Budget measures and I want to go to those. Of course we welcome the measures to increase disability benefit and the pension. We welcome those, as of course we welcome the increase in Minimum Wage and indeed the allowances that have been given to a limited group of taxpayers that he rattled off. Those are issues that we welcome. As a whole, I would make the observation that the measures he announced are bad for
2670 business. They do very little for business: they increase corporate tax; they increase Social Insurance, if you put them alongside the other measures that have been announced already; they disincentivise job creation – despite him creating an allowance for tax breaks for employment, the reality is it will not go far enough. It is surprising that he looks at the fragile economy and the fragile sectors that have been deeply hurt by the COVID period, that are finding it very difficult to
2675 emerge in a post-lockdown scenario where there is a trickle of tourism, and yet then penalises

those businesses through a lack of assistance measures, a combination of Social Insurance and corporate tax. Business would have expected much for more from this Budget.

This Budget was also bad for ordinary working families because while the Minimum Wage has been raised, what he gives with one hand he takes with another by increasing electricity charges also. Isn't this just the general tactic of trying to pass the bill for his historic economic recklessness to the people of Gibraltar? If we had been in a better position, if we did not have £1.7 billion in gross debt, if we had three or four hundred in debt, then we would have more leeway and perhaps he could help business more and help ordinary families more, but he has done very little with this Budget, very little indeed.

On a technical point, before I pass on to deal with other matters in my speech, the Chief Minister at a given point in his speech said he had heard Members opposite and that he wanted them to, in effect, introduce an amendment to the Appropriation Bill to, in practice, give the Appropriation Bill a Finance Bill character, so that there is legislation introduced that allows them then to publish these Finance Bill measures. I am not sure, Mr Speaker, that that is possible. I am not taking a point of order on it, but it may become a point of order in due course. I am giving the hon. Member an opportunity to address it in his reply because I have in mind, in particular, Standing Order 32B of the Standing Orders that says that in dealing with Finance Bills:

The Parliament shall not proceed on the Finance Bill before the Appropriation Bill has been read for the Third time.

So, if there is going to be a mechanism introduced to make this a hybrid Finance Bill/Appropriation Bill, we just do not think it can be done. It would need separate legislation. I will give him the opportunity to deal with it in his reply, if he has an answer, and that would avoid any point of order when it comes to it. We will then consider the nature of his reply.

Mr Speaker, instead of commending controls or greater efficiencies and better value for money, the Chief Minister effectively now looks to people to bail him out by not giving the business sector greater assistance or raising electricity charges, but why should the people bail him out from his own economic recklessness? This is a Government that does not understand, or does not seem to understand, that the public moneys are not theirs. It is not your money, it is the people's money. When it is your money, you can spend it how you please, but it is the people's money.

So, basically, we now have a Government who, having mismanaged the historic situation, says to people, 'This is really bad and you must now tighten your belts.' So, forget the culture of responsibility, layer over it a tightening of your belt and give me more of your money, so I can plug all the holes and problems I have, some of which I created after years and years of mismanagement and broken promises.' It beggars belief, Mr Speaker, and is a fool's errand. What a request to make of people, and why should they believe him? Why should people hand over their hard-earned money to a Government that has systematically proved it cannot be believed when it has made economic promises about debt, taxes, management of the economy or value for money in the past? Would you give more money to someone who has lost it? Why should people trust Mr Picardo to manage us out of this financial mess, which he himself has partly created? He makes a big song and dance about 'I hope the Members opposite are not going to think that it is lavish spending, the fact that I am doing so well as giving people back their tax rebates of two years ago.' Well, I certainly do not think it is lavish spending, because it is not your money. It is the people's money. That is why they are entitled to a rebate. It is not even a positive mark in the tally against the Government for him to make a big song and dance about the fact that he is repaying a debt that the Government has to the people who are entitled to receive their money back. Government should be about giving money back to people, because the money is on sacred trust to manage and administer carefully and properly for future generations, not to spend it, like there is no tomorrow, on vanity projects or the glamour of selfies with pop stars, opera singers, film stars or retired presidents – because it is not your money. But, of course, when all that has happened for the better part of 10 years, it takes us to where we are today. This is a

2725 desperate scramble for cash, and people are entitled to ask who is next and what next, but let's be clear about why this is happening and why the scramble for cash, because things have been announced, even outside this House, that are part of the scramble for cash.

It is much worse and much more painful because of the terrible economic policies of the Chief Minister over the last 10 years. Who is going to suffer? The students, the elderly, the disadvantaged. Who will not suffer? The party apparatchiks, the friends who are close to the Government. Will students now see harsher conditions and a roll back on investment in training and skills and post-graduate qualifications for a new economy? The Social Insurance price hikes have been penal, hitting businesses that can ill afford them and are struggling, and discouraging job creation.

2735 Business groups have warned of the effect of these of fragile businesses now also deprived of BEAT measures going forward. What is the sense of that, other than evidence of the desperate scramble for cash? The Chamber, which he liked to quote so much in his 2019 manifesto, condemned the increases and lack of consultation. They said, and I quote from the Chamber press release:

The recent announcement of huge increases in social insurance payments highlights the precarious state of the Government's finances in the wake of not only the Covid Pandemic but also years of rampant recurrent and capital expenditure.

2740 It is worth pausing. The Chamber is making the precise point that it is not just about COVID, it is about their economic recklessness in the past. And it continues:

It also demonstrates the inconsistent approach which the Government takes on consulting on matters affecting the business community. It beggars belief that these measures have been announced without consultation and without notice to those most affected. [...]

Now the Government seeks to burden the taxpayer once again with very significant increases in social insurance of between 20-100%. This at a time when inflation is currently running at just 1.4% and a large number of local businesses are on the verge of collapse after having had to endure their worst year of trading in living memory. The fact is that even in the case of those businesses that survive these increases, many will be forced to cut jobs in order to be able to pay for them. These increases, therefore will not only leave many workers without a job but will not give the economy the type of stimulus it needs right now and is counter to all of the good work that came out of CELAC and the Beat measures.

I wonder if the Chief Minister will quote the Chamber in his next manifesto.

Mr Speaker, the Social Insurance hikes have been sudden. They range from 20% to 107% at one brutal stroke. Voluntary contributions have increased by 142% in one blow, amounting to over £1,100 to those payers of contributions, per year. The Social Insurance rises of 20% to 107% is just this year and the political hypocrisy is staggering, because in 2011, in his only contribution as Leader of the Opposition, in his swift ascent up the greasy GSLP pole, Mr Picardo was then shocked that Social Insurance contributions had gone up by 20% in four years. He said this, and I quote from his contribution:

Social Insurance employee contributions have gone up almost 20% in the past four years. When looked at since 2005, the increases are even more remarkable: increases in the employees' Social Insurance contribution of approximately 30% in the past six financial years.

2750 Shock, horror! An above-inflation average increase in Social Insurance contributions of 5% per year, on average. Five per cent, Mr Speaker. He was shocked at 5% per year over a six-year period, but he thinks that 20% to 140% increases in one year are okay. And if we add the additional 20% added in 2017 and 2018, we have a staggering set of increases, far in excess of the ones he complained about in 2011. Hollow words indeed in 2011 from the fresh-faced then Leader of the Opposition, Mr Picardo.

2755 There was a promise of no austerity, but of course even then the inconsistent messaging is rife. We were told on the morning of the election – the re-election – after the most shameless

campaign of giveaways by the Chief Minister, who promised everything to everyone and presented a manifesto that would cost hundreds of millions of pounds to deliver, that suddenly it was the end of the culture of entitlement and the dawn of the era of responsibility. One would have thought that such an important measure and announcement would have been made during the campaign, that he would have deemed to have told the people of Gibraltar from whom he was seeking re-election that, by the way, if I get re-elected, there will be a new age of responsibility and an end to the culture of entitlement. Did he not think it worthwhile mentioning while he was presenting his gilded manifesto? Or is it just another example of political inconsistency and hypocrisy?

A second dawn, this time of responsibility, and we are getting tired, Mr Speaker, and so are the people of Gibraltar, of so many false dawns. In this culture of responsibility he adopted a Kennedy-like mantra of asking people to do more for less. The irony cannot be more galling, given his contribution over the last 10 years to the age of entitlement. The inconsistencies are rife and he cannot help himself by slipping back into spending rhetoric when pressed. And it did not stop the promises to bail out developers, of course. Students, the elderly and the vulnerable suffer at the hands of the Government's directionless and inconsistent approach to spending and borrowing.

Joe Bossano has always said we need to be economically self-sufficient to be politically self-sufficient, something drummed into me as a young man listening to politics, which I believe. He also said that you borrow to create infrastructure or generate activity. Again, I agree. All those golden rules are being broken by Mr Picardo. He threw away Bossano's red book while simultaneously pretending he was eulogising it. If there was ever an *Et tu, Brute* moment, it was when the old GSLP's economic rule book was burnt in the Blairite bonfire of Mr Picardo's false dawn. Or is it, in fact, that there are still some embers on the fire where their red book lies, some tension perhaps between the present GSLP leader and his former leader to the left? The thinly veiled conflicts of position on these economic issues when they surface publicly suggest that, for sure.

So, Mr Speaker, we cannot support this Budget because it does not give a true picture of public finances, and because we do not endorse Mr Picardo's approach to economics or the management of public finances. It is as basic as that. In doing so, we are not voting against the salaries of the Civil Service, as the Chief Minister has previously and ridiculously said. This is not about our hardworking public servants. Anyone listening to the contribution I have made will know it is about him and his disastrous approach to the precarious economic cliff that he has taken us to. After all, we cannot vote on individual issues. Sometimes they do in the House of Commons, but we cannot vote on individual issues for us to signify the fact that we are content on some aspects. This is an all-in vote and a state of the nation debate, and in this state of the nation, which it has been for decades, it is much more than a book-keeping exercise where we simply castigate the Chief Minister's accounting sleight of hand but still then vote for it. This is the moment, once a year, when this House hears extensive debate about the state of our nation, and in doing so, it is an opportunity to say that we stand for something else, that we do not support *his* direction of travel of *our* nation, that we think that the financial and economic approach is wrong and setting generations of Gibraltarians up with a legacy of more debt.

Mr Speaker, if I thought £500 million was too much gross debt in 2011, why is it a surprise that I think that close to £2 billion is too much gross debt now, and that I think the present levels of net debt are also too high? If I thought that around £250 million of net debt, which was the 2011 net debt figure, should not increase, why is it a surprise that I think the figure of closer to £580 million net debt, in his view, or the reality perhaps of a figure of net debt much higher than that, and perhaps closer to £1 billion if you include the off-book figures, is not too high?

The official gross debt figures presented by the Government are artificial. The fact is we do not know the complete overall net debt position, because he will not tell people how much money, of the hundreds of millions of pounds borrowed off-book, remains. The real net debt could be massive. This is the people's money, they have a right to be told, and the Government needs to stop behaving as if they do not have an obligation to tell the people, whose money it is, what

2810 precisely they have done with it and how much remains of it. Putting it in wholly owned Government structures does not mean that magically the obligation to account for it disappears. And if there was ever a damning admission we had it earlier in the debate, in the Chief Minister's contribution when he said if we had to reflect the borrowing rule directly, we may have exceeded to 40% legal limit ceiling. That is the real issue. The real issue is that the actual figure of net debt
2815 is much higher than they are reporting when you take account of all other moneys that are off book. However you look at it, in gross debt or net debt figures, the Chief Minister has broken all the records of debt, and the people are entitled to know. If this was a film and I was the star, it would be *Jerry Maguire* and I would be shouting 'Show me the money!'

The overall picture of our public finances is that he has massively increased the public debt of
2820 Gibraltar when he said he would lower it, and in that, he has to account to the people of Gibraltar for a massive failure, a massive breach of promise, or, worse still, a political lie. Why is that important, Mr Speaker? Because of precisely where we find ourselves, in a fragile economy, in a small place without many natural resources, other than its people and our endeavours, facing a hostile Spain, an unhelpful EU and a lethargic, sometimes, United Kingdom. We have to do much
2825 of this on our own, so we cannot endanger our ability to survive and prosper. If there is something we surely have learnt over the last 12 months, it is that there can be future uncertainty, and, as such, that the warnings we have been giving about the unsustainability of the Government's approach should be heeded. This is a message that we have been giving for years. And nor is it the case that we are saying that we do not want new schools, better services and no housing, because,
2830 after all, the GSD delivered new facilities in health and improved public services as we massively invested in those services.

So, the choice is not between his addiction to debt and no improvements to public services. The choice is between his way and another way, a more prudent and economically responsible way, where there are still affordable and deliverable changes and improvements to public services
2835 but not ones that rack up historic, worrying legacy debts. If there are three words to describe his legacy to the people of Gibraltar when he leaves office, whenever that is, they are 'debt, debt, debt'. It is no longer a surprise that the Chief Minister has breached his promises on debt and taxation. Maybe it is because he never meant them. I meant what I said. The many people in Gibraltar who have been made promises that he then breaches, those people who shouted 'No more lies!' to him in a demonstration in 2019, may think that in fact that is his golden great. After
2840 he retires, when all he can do, like an old singer, is release his old hits of 30 years ago, surely 'No More Lies' will be his big theme song.

Many oppositions around the world ... indeed, it is customary for oppositions around the world who disagree with a government's approach to vote against the budget because they disagree on
2845 the principles. This is no different. This is not a policy we are following because we are stuck with it since Mr Clinton arrived, which is what he said in his 2019 speech. This is a policy that I have re-evaluated since I became GSD leader and Leader of the Opposition, and endorse as the only way to send the strongest signal that we disagree fundamentally with the Chief Minister's economic management. That is why we vote against it. Let there be no equivocation. This is about a style
2850 and approach to public finances that is different – it has always been different between the GSLP and the GSD – that we promise to deliver in a different way, more transparent, more prudent, less reckless and more mindful that it is the people's money. So, if people want better control, less waste and abuse, greater transparency and better management of public finances – their money – then it is clear, from the way this Government has behaved for the last 10 years, that it is only the
2855 GSD that will deliver it.

Mr Speaker, in 2011, at the end of his Budget contribution, the hon. Member said that there were people saying that it was time for Peter to go. There are many people saying it is time for Fabian to go now. He was the future once, but he was a false dawn and many people cannot wait for him to be the past. (*Banging on desks*)
2860

Chief Minister (Hon. F R Picardo): Mr Speaker, after the re-run of the 2011 General Election campaign, I wonder whether we might adjourn and return to the 2021 Appropriation debate at 5.15 p.m.

2865 **Mr Speaker:** The House will now recess to 5.15 p.m.

The House recessed at 3.45 p.m. and resumed its sitting at 5.15 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 5.15 p.m. – 7.40 p.m.

Gibraltar, Tuesday, 20th July 2021

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The Gibraltar Parliament

The Parliament met at 5.15 p.m.

[MR SPEAKER: Hon. M L Farrell BEM GMD RD JP *in the Chair*]

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

Appropriation Bill 2021 – Second Reading – Debate commenced

Mr Speaker: The Hon. the Deputy Chief Minister.

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, it is good to see this House meeting
5 today in order to debate the Estimates of Revenue and Expenditure. The events of the last
15 months have shown that nothing can be taken for granted, not even this traditional, set-piece
annual fixture.

This is my 23rd Budget. Thirteen have been in Opposition, 10 as a Member of the
Government – one of which failed to materialise in the usual way, as we all know, as a
10 consequence of the pandemic.

We have seen how a virus first detected in China at the end of 2019 has now taken millions of
lives, destroyed families everywhere, decimated economies across the planet and quite simply
turned the world upside down. The pandemic has challenged everything that we took for granted:
the simple right to leave our homes, the right to meet who we want when we want to, the right
15 to gather in hundreds or thousands, the ability to travel smoothly and simply, the right to open
the doors of our businesses, our relationships with our loved ones and the elderly in particular.
Those multiple challenges have complicated our existence. They have thrust to the forefront of
the debate the delicate balancing act between freedom and the protection of life, and difficult
decisions have had to be taken.

Mr Speaker, this global pandemic is a watershed. It will mark a before and after. COVID-19 has
taken a heavy toll in many different ways and in many different areas. It has had a devastating
economic impact everywhere, first because governments have increased their expenditure, and
second because government revenues have shrunk. That is the basic pattern repeated in different
places, and we all know the reason why. Governments have had to spend money to protect their
25 citizens, here in Gibraltar too.

Our own COVID-19 Response Fund already runs into hundreds of millions of pounds as we have
strived to save lives and protect businesses. Our intensive preparations have cost money. This
covered areas like general medical supplies, PPE, a field hospital, ventilators, medication and
investment in doctors, in nurses and in frontline staff. We all agreed this expenditure here
30 together, emergency spending to face the threat to our people.

At the same time, the private sector was effectively shut down as we faced two lockdowns.
The taxpayer was called upon to support the business community in a number of different ways
through Government rents, rates, taxation and import duty, and importantly support for private
sector salaries.

All this comes with a price-tag attached. This is exactly what these estimates reflect. It means
35 more money going out and it means less money coming in. That is the financial cost of COVID-19,

a cost which runs through these Estimates of Revenue and Expenditure. I have never seen anything like it in over 20 years in this House and the consequence of this is simple mathematics. It was already spelt out to the country by my hon. Friend the Chief Minister on Thursday, 40 20th May, and it is laid bare in the numbers tabled before this House today: a deficit announced then of £138 million with a further deficit of £51 million projected for the next year.

Those stark figures represent the financial consequences of our actions. The numbers reflect the decisions that we took, that both sides of this House took together. We agreed and established the COVID-19 Response Fund in the knowledge that what mattered was the present and that the 45 protection of our people from this deadly disease was paramount. We all did what needed to be done, for we were not only dealing with the unexpected, we were also dealing with the unknown, and to an extent we still are. When people look back in 20 years' time and write the history of this period, that unity of purpose will not be lost on anyone. It is, of course, nothing new. For more than three centuries Gibraltarians have united against countless threats, some of those perils 50 blatant and visible; others, like this one, covert and invisible, not the usual type of threat and certainly not from the usual quarter.

The people of Gibraltar, for their part, have trusted their leaders to manage the pandemic and we all rose to that challenge. Everyone did. Hundreds of volunteers put their names down to help. Our health and care services made us proud, our frontline and emergency workers, our civil 55 service and the wider public sector; our elderly, particularly those over 70, who were called upon to make sacrifices for the common good; our young people too; our business community, who have taken a serious hit.

I want to take a moment to praise the work of those who brought everything together: the Chief Minister at the top; the two Health Ministers, Paul Balban and Samantha Sacramento; the 60 Minister for Public Health, Prof. John Cortes; and all my other colleagues, each in their own area. Gibraltar can be well proud. We have become a world leader in testing for COVID-19 and we have led the world with our vaccination programme, thanks to the unstinting support of the United Kingdom.

Mr Speaker, this public health background must be at the centre of our debate here today 65 because it would be a serious error of judgement to view these estimates in splendid isolation as if nothing had happened, as if we had not faced a threat to life, as if the overriding priority had not been precisely to protect our people. It would just be plain wrong to belittle all this, to ignore the catastrophic economic cost of this global pandemic and to pretend it never happened.

Sadly, we suffered a human cost too, something much greater, a cost that cannot be measured 70 in pounds and pence. COVID-19 took 94 souls away from us, lives which were ended before their time, and we will never forget them. Thankfully, many more were saved. This destruction of human life is unknown in Gibraltar since the Spanish Flu of some hundred years ago, and globally *four million* people have now lost their lives.

As families come to terms with their loss and we grieve for those who are no longer with us, 75 the shattered economies across the world struggle to find their feet. Variants, mutations, vaccinations, genomic testing, PCR, antigen, face masks and social distancing are part of the legacy that COVID-19 has left us – a new lexicon for a new era. We hope and pray that all this is over soon, but then who knows? The fact remains that this global pandemic has had a terrible human cost and we can never forget that, but for the purposes of today we should recall that the global 80 pandemic has had a disastrous economic cost as well, and that Gibraltar, regrettably, is no exception to that rule.

Mr Speaker, COVID-19 is the crisis of a lifetime, our departure from the European Union the challenge of a generation. As the House knows, the COVID-19 pandemic has coincided in time and space with our exit from the EU, and we as a Government, a Parliament and a people have had to 85 contend with both. In their time in office, any government might expect to deal with one such unusual eventuality, but we have been particularly unlucky to be faced with two, and both of them at the same time. The double blow of Brexit and COVID has been a real test. It has stretched our resources, it has probed deep into our resolve and it has pushed Gibraltar to the very limit.

The referendum of 2016 unleashed a huge volume of work for the public administration: volumes of papers, hundreds of meetings, hours upon hours of stress, tension and pressure. The consequences of our EU exit have been felt across every Department, every Authority and every Agency because, quite simply, membership of the European Union had percolated into every area of life – everywhere. Therefore, exit from the European Union, as someone observed during this process, has been like trying to remove the eggs from a cake after baking it. It has meant at least two detailed strands of work running in parallel, often more. That work intensified and peaked with each deadline.

There were a number of such cliff-edge scenarios. Several came before the Withdrawal Agreement had been concluded. Members will recall that our original departure date was set for 29th March 2019, then 12th April 2019 and then 31st October. The intensity rose to new heights with each and every deadline. Finally, the UK and Gibraltar left the EU with a Withdrawal Agreement on 31st January 2020. The next cliff edge came in the run up to the end of the transition period on 31st December last year. The New Year's Eve Agreement ensured the continuation of a semblance of normality. This was accompanied by a series of contingency measures unilaterally applied by Spain, originally until the end of last month. Those measures have now been extended further until 31st October.

All this comes at a time when we stand on the threshold of the commencement of treaty negotiations about Gibraltar's future relationship with the European Union. The draft negotiating mandate of the European Commission has just been published this afternoon. The next step is agreement by the member states in the Council. The content of the mandate should not come as a surprise to anyone. It reflects the opening position of those on the opposite side, and not our view or the view of the UK. In other words, this is the start of a process and not the final product. Gibraltar, the United Kingdom and Spain remain committed to an outcome based on the New Year's Eve Agreement. This is, nonetheless, a most unhelpful mandate. It contains very little that we can agree with and it simply may not be possible to arrive at a new treaty on this basis.

We will know more once the mandate has been approved by the member states and the negotiations commence, but at each and every stage, including this one, we have faced a cliff edge and Gibraltar has had to plan for different outcomes. We have prepared for the consequences of an agreement and also for the consequences of no agreement at the same time.

In relation to the no-deal work, I want to make one thing absolutely clear. It is impossible to mitigate for every consequence of a non-negotiated outcome and it is clear that the Government can only prepare in areas that we control. In other areas, the new situation will simply reflect what it means to be outside the European Union.

Businesses and citizens need to make their own preparations too. There is a considerable amount of information on the Government's website and we will deploy the same well-oiled communications strategy that we have used in the past. I am pleased to inform the House that the Government plans to update our private briefings on a no negotiated outcome. These will be delivered to a number of interested parties, including Members opposite, and will be similar to the ones provided before previous cliff edges.

The Government continues to work closely with the UK government on a No Negotiated Outcome Board, or NNO for short. I chair this jointly with the Minister for the European Neighbourhood and the Americas, Wendy Morton MP. It met in Gibraltar on 28th June in hybrid format. This joint no-deal work has been continuous and has now spanned a number of years.

I want to place on record our gratitude at the continuing support of the United Kingdom in this area. The House knows that the UK has financially supported a number of EU exit projects for Gibraltar. This has included the construction of a ferry access ramp at the port; the purchase of a waste shredder, compactor, baler and wrapper; and the temporary ferry service from Algeciras, to allow time for our food importers to adapt to the new EU rules which followed our exit.

The official scheme which facilitated the ferry service from Algeciras came to an end on 15th May. The UK and Gibraltar governments took the view that this contingency was absolutely

essential and the bedding-in of the ferry service has served its purpose. The operation has since continued on a purely commercial basis.

Food importers have made use of the additional time to make alternative arrangements. The House will recall that the issue here is the transit of goods of animal origin from the UK and outside the EU to Gibraltar. Those goods are required to enter the EU in transit through a border control post, generally in France, and then to exit through the nearest border control post, which is in Algeciras.

This new system, which has operated from 1st January, has presented a difficult logistical challenge for our food importers. It is cumbersome and bureaucratic. The processes and procedures are different. There is more paperwork for the exporter, more bureaucracy for the importer and more rules for the transport companies. This reflects what it means to be outside the European Union.

The Department of the Environment, together with DEFRA in the UK, have maintained a close contact with our food importers throughout the Brexit process, and this regular contact continues to this day. I am pleased to report that the bulk of them have now better understood the new systems. There are some making use of the ferry, there are others importing their goods into the EU and then re-exporting them to Gibraltar as opposed to moving them in transit, and there is an increase in the number of refrigerated and other container traffic arriving by sea. This has had the effect of reducing our dependence on the border and is part of the strategy for a no negotiated outcome.

Mr Speaker, the number of containers arriving at our Port has increased considerably. The average number was some 400 a year. This year we have over 300 already. Indeed, at one point there were so few containers arriving at our Port that the viability of the fortnightly service was put in doubt. That trend has now reversed. This increase in container traffic has led to improvements in infrastructure at the Port as part of our no deal planning. I referred earlier to the ferry access ramp. Associated infrastructure was also upgraded at the time. The Government has increased the number of connection points for reefers. These are refrigerated containers used to carry temperature-sensitive cargo. Those power points have now increased from a handful to 30. The plan is to go to 60, if needed. This will increase our storage capacity for refrigerated goods. Electrical, resurfacing and other works are also in the pipeline.

As I said earlier, it is just as important to prepare for no treaty with the European Union as it is to prepare for a treaty. The Government nonetheless very much favours a positive outcome based on the New Year's Eve Agreement, but we still need to prepare for the worst.

Driving licences are a useful example that has undergone a positive transition since we left the EU. Gibraltar started the exit process with an International Driving Permit (IDP) as a requirement to drive in the EU in the event of no agreement. It will be recalled that there are two types of IDP. Spain and Portugal, for example, each require a different permit. This meant that someone driving from here to Portugal would have needed their driving licence, an IDP to transit Spain and a different IDP for Portugal: three documents to take the place of only one. The situation today has improved considerably. The United Kingdom has negotiated agreements for the mutual recognition of driving licences with the vast majority of member states of the European Union. The Gibraltar driving licence is covered by those arrangements. This means that an IDP would now only be required for Cyprus, the 1949 version; and Croatia and Italy, the 1968 versions. The Government is awaiting the outcome of discussions with these remaining three countries. Spain has itself continued to recognise Gibraltar licences without an IDP.

Mr Speaker, the movement of persons across the border remains the single most important issue in the context of a no negotiated outcome. This would mean the full application of the Schengen Border Code. Such a move would have a considerable impact on the lives of ordinary citizens on both sides, and on businesses too. It would mean controls to enter Schengen and controls to exit Schengen, passport stamping on the way into Spain and on the way back from Spain and more intensive checks on non-EU nationals. Border guards would have the power to ask questions about the purpose of your visit to the Schengen area, about the duration of your

stay, about the cash that you have on you, and about your ability to sustain yourself during your visit. You could be asked for a copy of your travel or hotel voucher. All this would happen with the legal cover provided by the Schengen Border Code. It is the same at any external border of the Union.

I must confess that by its very nature no-deal work is very depressing. No part of it is pleasant, so the Government will continue to work tirelessly for a new UK-EU treaty about Gibraltar, but again, as I said, at the same time we must be ready to face the alternate reality in the event that agreement on a new treaty is not possible. We cannot simply bury our heads in the sand and we must be just as prepared to conclude an agreement as we must be prepared, if needs be, to walk away without one.

Members will know that the Government hosted a visit of Home Office officials from Border Force International during the week starting 7th June. The object of their visit was to review and advise on our border options in the event of no agreement. The team looked at the physical and geographical layout of the Frontier. They left with a better understanding of the position on the ground. Indeed, the effects of passport stamping were witnessed during the week immediately before that visit, and this will serve as a reminder of what life outside the EU without a treaty on our future relationship could look like.

Since 2019, stamping for everyone would have been the norm if there had been no Withdrawal Agreement which included us in its territorial scope, if Gibraltar had been left out of the transitional period and if there had been no New Year's Eve Agreement. The consequence in each case would have been the full application of the Schengen Border Code and the stamping of passports that goes with it.

So, it is easy to criticise what the Government has achieved, but facing the alternative reality brings everything into focus and we cannot lose sight of one important point. The Withdrawal Agreement, the MoUs, the Tax Treaty and the New Year's Eve Agreement were all much maligned by some, yet those very agreements have set the basis for a degree of normality – not the full normality we were used to, clearly, because that can only come with EU membership, but a degree of normality all the same. So, I want take this opportunity to congratulate my hon. and learned Friend the Chief Minister because he has led on these constructive and imaginative solutions and because those policies have saved Gibraltar from the worst. I also want to thank the Attorney General, and the Financial Secretary too, and countless officials in Gibraltar, London and Brussels also for the invaluable role that they have all played.

Mr Speaker, our border mitigation plans are tried and tested. A hard border with controls and checkpoints will not be new to us. Over many decades, Gibraltar has deployed mitigation measures whenever there have been delays, even during our time in the European Union. Indeed, in that time the border saw three inspection visits from the European Commission. They came on 25th September 2013, again on 2nd July 2014 and for a final time on 27th October 2015. So, it is important to make one thing clear. In the event of no agreement, mitigation measures will not solve every issue. There are some areas outside our control where there can be little or no mitigation, where the alternate world of a no-deal scenario will mean that procedures will be more time-consuming, that processes will be more cumbersome and that rules will be more bureaucratic than before. That new situation reflects life outside the European Union.

The advice to citizens and to businesses remains the same as it has been since 2016. The message is that they should continue to plan ahead, to plan and not to panic.

Mr Speaker, on 26th June a further visit of UK FCDO officials took place as part of the planning for no negotiated outcome, and this Sunday a further group arrived, which comprised officials from the FCDO, the Treasury and HMRC. This is part of the ongoing deal work on goods, transport and customs. The House knows that Gibraltar has never been a part of the Customs Union or the EU *acquis* for the movement of goods. It is an area where we have always been in a no-deal situation.

The main impact since the end of the transition period has been the new routing via Algeciras for goods of animal origin from the UK. Members are aware that controls on the movement of

goods will have an impact on the fluid movement of persons. In other words, even in a common travel area with the Schengen zone, the potential would exist for cross-border travellers to be stopped and quizzed about what they may have on their persons, in their bags or in their vehicles, and it is in that context that the Government has considered looking at the viability of different solutions to expedite customs procedures. Indeed, the New Year's Eve Agreement itself explains that a future treaty could foresee a bespoke solution in this area.

As the House knows, we left the EU on 31st January 2020 and the transition ended in December last year. This means that we then lost the legal framework provided by European law. A new legal structure came into being to replace it. This includes, for example, the European Union (Withdrawal) Act, the European Union (Withdrawal Agreement) Act, the European Union (Application of International Agreements) Act, and the European Union Laws (Voluntary Implementation) Act, among other legislation. So, while we have retained EU law in our statute books, we have also proceeded to update and amend it accordingly to take account of Gibraltar's new reality. Work is also ongoing to expand our new international legal framework.

I turn now to report on our office in Brussels. This can be found at head 12, subhead 2(7). Hon. Members will see that the estimated expenditure for the financial year 2021-22 reverts to £260,000. This follows a considerable underspend in the combined financial year 2019-21 of £350,000.

Since its expansion in 2015, our representation in Brussels has offered invaluable support to the Government. It has spearheaded our engagement with the EU institutions, with its member states, with the representations of third countries and territories based there, as well as with the many non-governmental organisations headquartered in the heart of the European Union. This has been especially true since the UK's decision to leave the EU in 2016.

First, it supported our work to secure Gibraltar's inclusion in the Withdrawal Agreement, then it assisted during the negotiations on the Framework Agreement, and thirdly it continues to work as we prepare to commence negotiations on our future relationship with the EU. Gibraltar House in Brussels has been there every step of the way.

The office has also engaged with other Brussels-based stakeholders, despite the challenges of last year. Those challenges were considerable. Up until lockdown, the office maintained its regular programme of face-to-face contact and direct engagement. This has proved important in recent years, ever since we enlarged our footprint in Brussels. However, the serious impact of COVID in Belgium significantly altered working practices. The EU bubble too had to adapt. The pandemic reduced personal contact in formal settings. It also impacted on the soft lobbying and networking typically done at events and conferences. Like everywhere else, engagement at one point migrated entirely into the online sphere. Nonetheless, throughout this time, the office has been able to keep up with its daily monitoring of EU developments and our assets there continued to attend online events and conferences.

It is positive to note that, recently, restrictions in Brussels have started to ease. This will allow a resumption of our successful programme of familiarisation visits to Gibraltar. These have, over the years, provided MEPs and officials with a unique understanding of our issues.

The team at Gibraltar House continues to co-ordinate its efforts with the UK mission to the European Union. Deep ties at all levels have been established. That engagement has been continuous and across the board on Gibraltar matters. This contact was particularly important in the run up to the Framework Agreement. There is also ongoing co-ordination with regard to wider public diplomacy objectives in Brussels. Indeed, it is worth noting that the UK mission is itself transitioning to a new role. This followed Brexit and the ratification of the UK-EU Trade and Co-operation Agreement. UKREP, as it was known, has now become UKMis Brussels. This engagement with the UK mission is supplemented by continuous contact with the wider British presence in Brussels.

A group of Brussels-based UK offices and organisations continues to bring UK-linked interests together. It comprises over 50 entities, including the devolved administrations. This allows for co-ordination, for exchange of information and for a framework within which to liaise on many

important matters. Gibraltar House plays a central co-ordinating function in this organisation. In addition to this, our team in Brussels currently leads its Digital Working Group. All this is complemented by the Government's recent membership of the British Chamber of Commerce in the EU and Brussels.

300 The pandemic impacted on the calendar of ministerial visits to Brussels during 2020 and 2021. In February 2020 I had the opportunity to travel there on an intense and fruitful visit. This was topped off by a reception at Gibraltar House, where we hosted friends of Gibraltar, diplomats and other dignitaries, and the event was also used to introduce Daniel D'Amato as the new Director of Gibraltar House. Daniel took over from Sir Graham Watson. Sir Graham was pivotal in expanding
305 our presence in Brussels and assiduously led the team for five years. I know that hon. Members will join me in in thanking Sir Graham for his staunch defence of Gibraltar throughout, first as one of our Members of the European Parliament and then as the Director of Gibraltar House. As we look forward, I want to highlight the solid and professional work that Daniel and the team have continued in Brussels. This includes the provision of wider support to other Government Ministers
310 and Departments as well.

As I mentioned earlier, the team at Gibraltar House provided important support during the course of last year's negotiations on the Framework Agreement. They were involved in many areas from information gathering to the provision of advice on specific issues. They also provided technical assistance on no-deal preparations. It is clear that the role of Gibraltar House will be just
315 as essential as we move into the next phase of the negotiations. The conversation will then move from the trilateral space into a multilateral space. When that happens, putting across our position to the EU member states and the European Parliament will be vital. I remind the House that the EU27 acting collectively and the European Parliament will have to consent to the text of any treaty that emerges from our negotiations with the European Commission.

320 The Government expects that in the months to come there will be intense activity in Brussels, and we hope that we will be able to conclude the Brexit process that began all the way back in 2016. It all seems so long ago now.

Mr Speaker, the Government expects that Gibraltar House in Brussels will evolve into a new role in the context of our planned new relationship with the EU. In the event of an agreement on
325 a treaty, new areas of co-operation and engagement could go deeper than they did when we were members. Many other territories which enjoy tailor-made relationships with the EU have such presences in Brussels, as do Monaco, San Marino and Andorra. The Channel Islands, for example, which have never been part of the European Union, maintain representative offices there. Indeed, Bermuda, a UK Overseas Territory like Gibraltar, actually opened an office there in 2018 after the
330 vote to leave the European Union had taken place. So, our presence is important and the Government have no plans to change that.

Gibraltar has left the EU but the effect of EU policymaking on Gibraltar will continue to be felt, no matter what happens. Therefore, with a treaty or without one I am certain that the value of Gibraltar House in Brussels to our country will only continue to increase, and I know the House
335 will join me in thanking Daniel D'Amato and the team in Brussels for their work in very difficult circumstances.

I move on now to Gibraltar House in London. This can be found at head 12, subhead (2)6. The estimate for this financial year is again £1.2 million.

The COVID-19 pandemic has had a profound impact on the work of Gibraltar House in London.
340 The office found itself operating on altering work patterns throughout the pandemic. It was subject to UK government restrictions, both on opening and in the way in which it operated. The building itself was reviewed and made COVID-19 compliant. For some periods its doors were closed to the public. However, it did provide a service by telephone and email. The staff worked remotely for some periods.

345 London resembled a ghost town during the height of the lockdowns. I am told that, similar to many other major cities, it looked like a scene from a horror movie: shops and restaurants closed, pavements deserted and hardly any traffic, everything stripped back to the very essential alone.

The Director and his deputy regularly attended to the building and worked from the office in person, in order to ensure its security. Members will recall that a hotline was opened for Gibraltar students in London and that support was given where this was possible.

The lockdown affected all offices and departments across Whitehall. This included the main department of state that Gibraltar deals with, the Foreign, Commonwealth and Development Office. Most staff there worked remotely and engaged virtually. MP offices at the Westminster Parliament operated in the same way. Therefore, the lobbying activities of Gibraltar House were mainly virtual during this time.

Gibraltar House continued to work closely with the other UK Overseas Territories during this period. This happened mainly under the umbrella of the United Kingdom Overseas Territories Association (UKOTA). The Association brings together Anguilla, Ascension Island, Bermuda, the British Virgin Islands, the Cayman Islands, the Falkland Islands, Gibraltar, Montserrat, Pitcairn, St Helena, Tristan Da Cunha and the Turks and Caicos Islands.

The territories engage the UK on matters of common interest. Needless to say, there are also times when different territories have different interests and priorities. I was pleased to participate in the Political Council of UKOTA which took place on 27th May, together with my colleague the Minister for the Environment, Prof. John Cortes. The meeting covered Brexit and COVID matters. It also included an update on COP26, where my colleague has been leading for the territories.

On another matter, a co-operation agreement has now been signed between UKOTA and the Overseas Countries and Territories Association of the European Union. The objective is to foster greater co-operation between the Overseas Territories of the UK and the Overseas Territories of the EU.

The Government is also keen to develop further our relationship with the institutions of the Commonwealth and with its member states. In March last year we started this process with a series of meetings in London. This included a meeting with the Secretary General of the Commonwealth, Baroness Scotland. The Government also engaged with a number of High Commissioners from the main Commonwealth countries – places like Australia, Canada and New Zealand. Sadly, this programme was cut short by the pandemic and the ensuing lockdowns both in Gibraltar and in London.

The Commonwealth Heads of Government meeting which was rescheduled to take place in Kigali, the capital of Rwanda, in June this year was postponed for a second time. The Government had planned to send a delegation to participate in events which were timed to coincide around that meeting. This happened very successfully in London the previous time. Then, Gibraltar was represented at the Business Forum, the Women's Forum, the Youth Forum and the People's Forum.

The Government has nonetheless been able to continue to work with the Commonwealth Enterprise and Investment Council. This is the commercial and business arm of the Commonwealth. Lord Marland, the Chairman of the Council, was here a few weeks ago to formally inaugurate their new offices and welcome their new Country Director. The door is now open for businesses in Gibraltar to take advantage of any new opportunities that the Council may offer them.

Mr Speaker, the All-Party Parliamentary Group on Gibraltar (APPG) continues to meet on a regular basis. Indeed, it has met throughout the pandemic. One plus point has been the increase in the number of MPs present at virtual meetings. Technology has allowed them to attend from their own homes. Sir Bob Neil, the chairman of the group, continues to organise very useful meetings for MPs. This includes briefings during which both the Chief Minister and I have updated parliamentarians on the latest developments affecting Gibraltar. Seven APPG meetings have been hosted since the start of the pandemic. This has allowed the Government to brief MPs on a number of matters, including the progress of discussions about the future relationship of Gibraltar with the European Union. Gibraltar House in London has arranged both private and public engagement with the UK Parliament and there have been meetings with the Foreign Affairs

Committee of the House of Commons and with the European Union Committee of the House of Lords.

The pandemic saw the 2020 party conference season operate on virtual platforms. This very much reduced the reach that we usually have at these events. In more normal times Gibraltar has had a physical stand at these conferences. The Government also hosts a reception and these have traditionally been very well supported. Sadly, 2020 was different. All the main conferences were virtual, although Gibraltar had an online presence in each of them and I was able to host a well-attended virtual fringe on the Liberal Democrat platform. This year, the indications so far are that the two main parties will hold conferences in person, the Conservative Party in Manchester from 3rd to 6th October, and the Labour Party in Brighton from 25th to 29th September. The Liberal Democrats have again opted for a virtual conference in the autumn. There will be a Gibraltar presence at the DUP and SNP conferences too. The Government still needs to determine what shape this presence will take.

The House knows that there will be no National Day rally this year. Gibraltar House will host an event in London for some MPs, in keeping with the rules in force at that time. Dominique Searle and his team will also organise visits to Gibraltar by small groups of MPs. This will be important as we continue our work for a future relationship with the European Union. I am pleased to say that since restrictions were eased in London in April, Gibraltar House reopened, first to staff and then to the public. The office has, from 17th May, operated as normally as the rules have allowed. I want to thank Dominique Searle and his team for the work they have done over the last 18 months in these taxing times.

Mr Speaker, the pandemic and the ensuing restrictions have had a serious impact on our lobbying activities in the United Nations. The Chief Minister and I have been unable to address its committees there since 2019. Last month the representative of the Government of Gibraltar in the United States, Mr David Guerrero Liston, addressed the Committee of 24 instead. I want to thank Mr Liston for his intervention. This ensured that the voice of Gibraltar continued to be heard. We hope that time will allow us to attend those important sessions again in the future. Over the years, the Government developed a strategy in New York which went much further than the set-piece appearances before the organs of the United Nations. Indeed, on many occasions we stayed behind in order to develop this strand of work behind the scenes and away from the glare of the cameras. We hope to be able to resume this when the pandemic subsides.

The level of our engagement with the US Congress in Washington has also been affected. The public health crisis has prevented us from lobbying in Washington in person, and no working visit to Gibraltar by US Congressmen took place during 2020 or in 2021 so far. While on this matter, I want to report to the House that Congressman George Holding has now retired. He did not stand for re-election in November. The Congressman was, and remains, a staunch supporter of Gibraltar and of the United Kingdom. He is a standard bearer for the special relationship between the United Kingdom and the United States of America. Indeed, this House will recall that we unanimously bestowed the Gibraltar Medallion of Honour on Congressman Holding in February 2017. This was presented to him in person in the Lincoln Room of the US Congress Capitol building the following month. I was able to wish him well in a virtual meeting after the US congressional elections. I know that the House will join me in thanking George Holding for his support. The Government will continue to work with other friends and allies, within the constraints that exist, in order to promote the views of Gibraltar.

Mr Speaker, I now move on to my responsibilities for civil aviation. This can be found at head 13. The estimate for this financial year is £2.9 million.

Our departure from the European Union does not affect the operation of domestic flights between the UK and Gibraltar. We continue to be covered by the International Convention on Civil Aviation, known as the Chicago Convention. This provides a framework for aircraft on existing routes to overfly the EU and divert to airports there, if necessary.

While on the subject of air routes, I want to highlight the invaluable work of my hon. Friend the Minister for Tourism, Vijay Daryanani. He has negotiated more flights to more destinations

from Gibraltar Airport than ever before, including our first air connection with Scotland, and I take the opportunity to congratulate him for this.

Our departure from the European Union has been reflected in our aviation legal framework. This has followed the same pattern set in other areas. A number of EU regulations were published which brought EU law on aviation safety and aviation security into our own domestic legislation.

On another matter, in early 2019 the UK issued a revised State Safety Programme. This sets out the basis through which aviation safety is managed in the UK, the Crown Dependencies and the Overseas Territories. In September 2019, as a consequence of this, the Gibraltar State Safety Programme was updated.

Mr Speaker, the 2019 pandemic has reduced the audit programme undertaken by the Director of Civil Aviation and UK Civil Aviation Authority over the last 12 months. However, a programme has now been agreed going forward. Separately, the International Civil Aviation Organisation (ICAO) has announced that the UK, including its Crown Dependencies and Overseas Territories, will be audited in 2022. The objective is to confirm the compliance of its safety oversight system with ICAO standards and recommended practices. The UK was last audited in 2009. This 2022 audit is intended to show the ICAO that the UK oversight system has not been unduly impacted by the UK's departure from the European Union. It is, however, unlikely that the ICAO will come to visit Gibraltar. However, there remains the requirement to ensure the extensive compliance checklists associated with the 19 annexes to the Chicago Convention are reviewed and updated in the light of Brexit. The Director of Civil Aviation has already commenced this review.

The Airport held its annual emergency response exercise in November 2020. All areas of the emergency procedures and levels of command were tested. The involvement of St Bernard's Hospital and the Ambulance Service was, not unsurprisingly, scaled down given the pandemic. This exercise, as always, helped to identify useful lessons to improve the effectiveness of the response by the myriad organisations that play a part in the emergency orders. The aim is that a table-top exercise to practise the plan will be followed with a full live exercise in November.

Local interest in the operation of drones continues to grow exponentially. In 2019 there were six local operators, four of whom were offering commercial services, and 75 permits were issued during the year. By 2021 there are now 23 local operators, eight of whom are offering commercial services, and by the end of May alone over 75 permits had already been issued. New legislation introduced in late 2019 now requires that all operators have their drones registered with the DCA. In addition to this, all operators flying drones that weigh more than 249g must now prove their piloting competence. Given this situation, hon. Members will have seen that the Government has published a Bill to improve the enforcement of the control of drones. This important safety and security measure is already on the legislative agenda of this House. I want to place on record the thanks of the Government to the Director of Civil Aviation.

Moving on now to the Gibraltar National Archives, the estimates can be found at head 12, subhead 1(1) and subhead 2(20). The Archives continued work throughout the pandemic. Although a number of their officers were redeployed to other tasks during 2020, very popular virtual displays and exhibitions were organised during the periods of lockdown. There were 131 registered visitors in person during the last financial year. The website received 26,311 hits from 135 different countries. On 1st October 2020 the Archivist, Anthony Pitaluga, curated an exhibition on the 75th anniversary of the end of the Second World War in Europe, known as VE Day. That exhibition had been delayed as a result of the pandemic. I want to thank Anthony Pitaluga and his team for getting together such an interesting and relevant display.

This year marks the 100th anniversary of the establishment of the City Council in 1921. An exhibition is being planned to mark this important event. The City Council was, in many ways, the first very small step on our road to greater self-government. The Government hopes to be able to organise the exhibition at the gallery on the ground floor of the actual City Hall itself, if this is logistically and technically possible. I am grateful to my hon. Friend the Minister for Culture for his assistance in this respect.

Mr Speaker, I now move on to cover some capital projects. The Government has posted a budgetary deficit for this financial year and for the coming year. It means that we are more restricted in the delivery of capital projects than we were in the years when we operated on a surplus. I know that this is obvious. The huge cost of the pandemic means that this year we will do less than we intended.

I will now say a few words on the Parliament building, the Northern Defences and the Mount in that context. There is no provision in the Estimates of Revenue and Expenditure for the refurbishment and restoration of Parliament. This means that it will not happen during this financial year. However, the Government will use the time to seek all the necessary permits and consents. The objective is to table a planning application. Therefore, a concept design will be presented to the Development and Planning Commission, through which the Government will seek permission for the project. That design has already been produced. The Clerk of the House and the staff have been consulted. A presentation on the designs was given to the Leader of the Opposition and to the Hon. Damon Bossino on 7th April. Separately on that day the same presentation was also given to the Hon. Marlene Hassan Nahon.

In general terms, I think I am correct when I say that there is agreement in this House as to the need to refurbish and restore the Parliament building. There is also recognition of the need to improve facilities for Members and for staff. The House is also very aware of the imperative requirement to provide access to the Chamber for persons with reduced mobility. The two main points raised during the preliminary consultation were, first, the need to future-proof the Chamber in case there are more Members in the years to come, and second, the need to have a multi-purpose room on the ground floor with more than one entrance, which could be used both as a board room and as a venue for Select Committee meetings. Members were given hard copies of the designs to take away for further consideration and they were invited to come back with any further comments. No more comments have been received so far.

I am pleased to tell the House that the Government had a generous commitment from the Parasol Foundation to pay for the construction of an external lift. That lift will now be internal. Nonetheless, the Parasol Foundation has very kindly agreed to pay for the external beautification of Parliament House instead. The Government is very grateful to the Parasol Foundation for their continued commitment to Gibraltar. This part of the project may be progressed earlier, as it will have no impact on Government funding.

Mr Speaker, clearing-out works at the Northern Defences will enter their sixth year. The transformation of the site from a jungle into a jewel continues to progress extremely well. Needless to say, the past year has been a very challenging one. I have to congratulate the team in rising up to the challenge and adapting their work methods accordingly. Having to adapt to new conditions whilst maintaining consistent progress on an incredibly difficult site has not been easy. The Government acknowledges the dedication shown by all those working there.

In previous years our focus has been the clearing of debris and vegetation to expose our historical monuments. This has proved to be incredibly successful. I have announced discoveries and progress to this House and in the local media as these have been made. However, this past year we have had to be flexible. In line with the commitments we have made, efforts have been directed to the creation of leisure and recreational areas within the site. The results have been truly remarkable. Even though not officially open, the Northern Defences have provided many people with a central, much needed open space during these tough times. The exposure the Northern Defences has received in social media, both locally and from abroad, has been exceptional. This is where we can appreciate the engagement with the public. Hundreds of people have converged on the site over the last year, many of them families with children, most of them very curious to explore an area from which they had traditionally been excluded. The ongoing progress has allowed for formal tours to take place, some organised through the Heritage Trust and others conducted by the Project Director, Carl Viagas himself.

The work has exposed the value of the site for other activities also. I have to praise, for example, the initiative displayed by the Gibraltar College. The College chose this site as a case

study destination for its students as part of its Business and Travel module. They did so instead of the overseas locations that had been selected in the past. The students exposed the potential of the Northern Defences as an adventure destination. The enthusiasm displayed, not only by students but also by teachers as the area was explored, abseiled and climbed, demonstrates the quality of the product that Gibraltar has to offer: a unique combination of heritage, history, thrills and adventure. It also demonstrates the potential for employment in an outdoor environment which is not enclosed by four walls. I have to personally thank all those teachers who went out of their way to provide such a rich learning experience for their students. Hard times were turned into a new opportunity, an opportunity that has ensured that our students would not be deprived of this practical aspect to their education.

Even though works have focused on the creation of family recreational areas and nature trails, it does not mean we have ignored the historical context – far from it. Indeed, this would be impossible, and in any case the two are not mutually exclusive. The Northern Defences already comprises a series of over 50 listed fortifications. This equates to approximately 40% of all our protected fortifications, making it our most densely fortified historical site. New locations have been uncovered which add to its historical value. I mentioned the Hanover Line during our last Budget debate. Today I would remind the House that the remains of the Spanish-built Round Tower have since been uncovered. This was the only location which fell to the enemy during an attack in 1705. The Amphitheatre Gallery, built in 1779, has also been found. This is a defensive gallery which consists of a formidable glacis which was recently exposed. It will be added to our current list of protected fortifications. Never has there been a heritage initiative which has uncovered and exposed so many historical assets in the same place.

This year there are three aspects to this project: first, work will continue with the laying of essential infrastructure; second, the Government is actively considering improving the existing direct access point from Casemates Square itself; and third, the Government has commenced discussions with one of the three entities that submitted an expression of interest for the site.

I want to thank my colleague, the Minister for Heritage, Prof. John Cortes for his constant and continuous support in relation to the Northern Defences. I am also grateful to the Heritage Trust for the tours that they have provided and continue to provide to the area. I must also praise the project director, Carl Viagas, whose vision, enthusiasm and professional approach have made this success story possible.

Mr Speaker, the Government's commitment to historic sites is not limited to the Northern Defences. I will now update the House on progress at the Mount. Work has continued in clearing the grounds at the Mount during the last year. The Mount is one of Gibraltar's most prized possessions. It represents much more than simply a beautiful 18th century property in a picturesque setting. The Mount was the home of Major-General Sir William Green. His effort in preparing Gibraltar's defences prior to the Great Siege is well documented by historians, scholars and artists. It is fair to say that Sir William Green had a profound effect on our urban landscape. His defensive works had a decisive influence in keeping Gibraltar British. He also formed a new military unit here, which had a crucial influence both on our own local history and at a wider, global level. That unit became the Royal Engineers. The Mount was later the home of successive Admirals and Flag Officers Gibraltar for almost two centuries.

Any intervention in such a site is obviously complex due to its heritage value. It would also be extremely expensive, due to its sheer size. Therefore, our approach towards this site is similar to that which we have taken in other complex and sensitive areas, like the Northern Defences. The watchwords are 'slowly' and 'prudently'. This centres on spreading out the intervention on the site over a number of years. First, much of the undergrowth has been removed. This has exposed the true extent and condition of this vast area. A network of paths and terraces has been uncovered. These would have been part of the original grounds and were inaccessible until recently. Secondly, while this exercise is still ongoing, we have been able to survey the entire site and determine its condition. This has been no easy task. The grounds are approximately the size of the Alameda Gardens. This exercise has allowed us to produce concept proposals for the main

residence and for the gardens, which are very interesting. The Government intends to present a planning application shortly. This will propose different uses for different parts of the property. The Heritage Trust, GONHS and the Environmental Safety Group have all been taken to visit the site. The submission of a planning application will mark the start of the formal consultation process with the community at large.

There are ambitious plans to move the Marriage Registry to the Porter's Lodge at the Mount. This will provide an ideal setting for visitors and residents who choose to have a civil marriage. The intention is for part of the grounds along the western terraces, the events hall and the Porter's Lodge to be used to register and host weddings and other similar events. There are hundreds of people who fly out to Gibraltar to get married every year. This, in turn, generates economic activity. For too long has our community been limited in the use of outside spaces for such celebrations and has often had to resort to seeking venues elsewhere.

The eastern slopes which creep into our Nature Reserve are being explored for educational outdoor experiences. I have once again to thank the Parasol Foundation for their interest and commitment to assist the Government with the Mount. They have pledged at least £1 million for its regeneration and restoration. Their commitment to work with the Government towards its vision reflects what is special about Gibraltar as a community, particularly during these difficult times. Their contribution will see to the creation of paths, nature areas, tree-hopping activities, educational areas and an adventure park.

All of this will bring the property to life in a sensitive manner which seeks inspiration from its history. In the same way as in the Northern Defences, any intervention will be carried out in phases over many years. In the event that the plans are approved by the Development and Planning Commission, the aim would be to commence works during this financial year as a result of the funding from the Parasol Foundation.

In conclusion, Mr Speaker, this is an extraordinary Budget for extraordinary times. The financial impact of the pandemic has had a serious knock-on effect everywhere. It has impacted on every page of the Estimates of Revenue and Expenditure before this House today. This pattern has been repeated all over the world, it is not unique to Gibraltar, so we should not talk ourselves down. Such talk would be defeatist and unfair, and would be a serious mistake because better times will come. Over the centuries the people of Gibraltar have displayed the resilience, the determination and the courage to rise above every challenge. This latest challenge will be no different. In the meantime, the focus must be on rebuilding and reconstructing.

And so I want to thank the staff in the Lands Office and at Land Property Services Ltd, my personal staff in the Office of the Deputy Chief Minister at 6 Convent Place, the Clerk and the staff of the Parliament, and you too, Mr Speaker, for your support.

I too want to say a special word of thanks and wish a happy retirement to the Clerk, Mr Paul Martinez. We know this will be his last Budget debate. It has been a genuine pleasure to work with him all these years.

Thank you. *(Banging on desks)*

Mr Speaker: The Hon. Prof. J E Cortes.

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Thank you, Mr Speaker.

The world is in crisis. The climate has changed in our lifetime, and this change is accelerating. Only this month we have seen record temperatures around the world leading to deaths from heat in countries we have always considered to be cold, and torrential rains, flooding and death across Western Europe. Parts of the Earth will, in a few decades, become uninhabitable through heat. There will be thousands of climate refugees heading north from the tropics. We will be on the front line of that wave, and of the effects of sea level rise. A two-metre rise will render our airfield unusable, while a rise of three metres will flood all the low-lying inhabited areas of Gibraltar, including Laguna, Glacis, all of the Westside reclamation and the lower town. This is no joke. Those

of us who are parents or grandparents need to realise that this is the world – the Gibraltar – facing those young people and children whom we love. Indeed, with all the many obstacles this community has overcome through the centuries, including the pandemic we are still navigating, the effects of climate change are the ones most likely to see the end of Gibraltar as we know it in my grandchildren’s lifetime. Budget deficits will be insignificant in comparison. While Gibraltar’s contribution to global emissions is very small, absolutely every gram of carbon we emit into the air is a gram too much. Let us, all of us, take it on the chin. As leaders and parliamentarians, Government or Opposition, as businessmen, as ordinary people in ordinary jobs, as rich residents in luxury accommodation, as family members, as you and as me, we are not doing enough. We must be bolder. We must embrace the necessary changes before those other changes destroy what we know, what we treasure, what we love. So, in reaction to an increase in the price of electricity, or when in the coming weeks we publish the Climate Change Strategy, do not let anyone complain. Do not, anyone, say that our targets are too ambitious. Tell me instead that you want this and more, that you will support and work to making it go even further, and that you will, in your work and in your personal lives, make the changes that you need to make. Follow our leadership.

Mr Speaker, with my preamble over, let me say that I was determined that this year’s speech would be a short speech, but I regret that in the end it will not be so. Not only do I have a wide range of responsibilities to which I need to do justice, but there has been so much activity around COVID. The speech covers two years, a year of plenty followed by a year of challenge, and looks towards a lean year. While not purporting to be the Prince of Egypt, I like to think that, despite this, the future is bright. We will have to do things differently, but things we will do, because being in Government gives us an opportunity to serve. We have a duty to find ways of achieving for the benefit of the community against all adversity, but this requires that very community to reset, to rethink, to accept the reality.

In all my past Budget speeches public health has been but a small section, but for much of the past two years, public health has dominated my time and my life. When I look, in deep frustration, at all those things across my Ministry that I wanted to do but did not, I ask myself, ‘How come we haven’t done this?’ or ‘How is it this wasn’t followed up?’ And then I remember. I think back to the spring of 2020, to the days of lockdown, of driving through silent streets to empty offices to deliver one of the daily press conferences or to attend one of the strategic meetings. Did it really happen, or is my mind recalling a distant nightmare? How did I get through those days of worry for the community, as well as for my own family? How easily I forget the many hours researching, listening to advice, considering what advice to give, monitoring what was happening in Gibraltar and comparing it against what was happening in the rest of the world, being part of taking impossible decisions that went against everything I stood for. COVID-19 took over our lives. So many people did so much, but I must single out the strong and effective leadership shown throughout by the Chief Minister, through incredibly difficult days, with sensitivity and firmness, with heart and with soul. I cannot for one moment imagine how we could have pulled through like we did without Fabian. Keep your tissue in your pocket this time, Chief Minister. It is heartfelt, Mr Speaker.

We have pulled through – though, as we are seeing, we still have a way to go – but what we must never do is forget the lessons. One of those lessons is the importance of public health and how it is different from what we normally think of as healthcare. The close link is clear. In fact, I have worked closer with my friend and colleague the Minister for Health and Civil Contingencies, Samantha Sacramento, during the pandemic than I have ever worked with any other colleague, other than the Chief Minister and Deputy Chief Minister. COVID has shown that those with underlying health issues are particularly susceptible to the challenge of a new disease. Many of these underlying conditions – obesity, diabetes, high blood pressure – are preventable. Often they are related to lifestyle choice, and it is here that Public Health has a vital role. Sadly, the team at Public Health has, over much of the past two years, been working almost exclusively on COVID, but the latest Health and Lifestyle Survey, shortly to be published, will confirm where our health

710 problems lie and allow us to strategise the public health function in order to make a real difference
so that our community is as healthy and well prepared as possible for any future but possible
pandemic. I must take this opportunity to thank all those in Public Health, including its Director
Dr Sohail Bhatti, Angela Bula, the health promotion officers and all the staff, including those
715 redeployed there from different Departments in the vital role of contact tracing, for their
outstanding work during all of this time, including right now as cases rise.

The effects of COVID ranged far and many of our projects, as we have heard, have suffered
setbacks. Work on one of the new parks was just weeks away from commencing, works on three
new schools were a couple of months away, and work would have started earlier this year on the
Cultural Hub and National Theatre. Many other smaller projects, as well as large cultural events,
720 have sadly and disappointingly also had to be cancelled or postponed. All of these in their different
ways add value to our community, and I will refer to some of them later.

I had the honour of being given responsibility for Culture following the 2019 General Election.
I immediately carried out a significant restructure of the administration of the Ministry, as well as
a full assessment of cultural premises, and I met with representatives of all of the many cultural
725 groups. I commenced planning of the new-style Gibraltar Music Festival, took the plans for the
new Gibraltar National Theatre to an advanced stage and started preparing for innovative and
creative initiatives across all cultural disciplines. And then COVID struck. While many things now
had to wait, what I was not prepared to do was allow culture to be stopped in its tracks. It is of
course, almost by definition, impossible to stop culture, but there were those who felt that it was
730 an irrelevance, unimportant and of low priority while we were struggling to cope with a crescendo
of COVID concerns. The opposite, of course, was the case. Never before had keeping us
entertained, hopeful and enriched been so important, and the cultural world of Gibraltar, a world
that I love so much and which I have often called the heart and soul of the community, rose to the
occasion. While the GHA, ERS, Public Health and the emergency services did their incredible work
735 as professionals on the front line, Gibraltar Cultural Services and myriad groups and individuals
from singers and dancers to writers and artists, musicians and even lone buglers were there in
support and holding up that most vital of elements that is morale.

I was fortunate to have taken over the Culture portfolio from my friend and colleague Steven
Linares, who did sterling work over the years. Indeed, leading on from his Budget speech in 2019,
740 I am happy to once again reiterate the Government's commitment to the development of culture
locally and exporting our arts at an international level in order to get Gibraltar known and
respected even more in that world. As Minister for Culture, I am delighted to confirm that since
the Cultural Development Unit was established in Steven's time, our cultural service is thriving
and moving from strength to strength. While sadly this coming year the level of grants to cultural
745 organisations has had to be reduced, the unit continues to introduce training programmes for
cultural officials, groups, coaches, performers and cultural persons generally. The unit continues
to work with Government Departments and Agencies and other stakeholders to be able to provide
more platforms for our cultural community.

I am very pleased that in December 2019 we presented the first ever Cultural Awards. These
750 recognise potential, ability, talent and achievement of those in our community who have
supported our cultural development. The first two lifetime awards, given to Cecil Gomez and
Arturo Harper, show the calibre of those in our community who deserve recognition.

Cross-frontier and international exhibitions, including those with Morocco, continue to be
held, as is the Youth Arts Jamboree, with projects including technical theatre workshops, creative
755 writing and poetry workshops and a voluntary scheme offering students work experience
opportunities at the John Mackintosh Hall and Library.

At this point I want to recognise the work of all the many cultural groups that enrich our
community. GAMPA continued its training in music and performing arts online and was involved
in many of the cultural initiatives during COVID. Many dance and drama groups continued their
760 activities online also, despite the frustration of not being able to perform to live audiences.

This spring we were able to hold the Drama Festival once again – the first such festival anywhere in the world for over a year – the Gibraltar International Dance Festival, the Festival for Young Musicians, the Young Art Competitive Exhibition and the ever popular World Book Day celebrations. In November 2020 my team at GCS produced a successful Literature Week dedicated

765 to local authors. We will build on its success as we promote and encourage Gibraltarian literature.

Three street art murals were completed, with more planned. The Street Art Committee also approved more Gustavo Bacarisas works in other areas of Main Street as a continuation of the Castle Street/Bacarisas Street Art project.

770 One of the most significant cultural events for me was the retrospective exhibition that celebrated the life and legacy of Gibraltarian Elio Cruz. We felt Elio deserved this recognition with the exhibition celebrating his talent as an artist, playwright, poet, musician and designer. This was organised together with Alice Mascarenhas. You will recall, Mr Speaker, that this Parliament awarded the Gibraltar Medallion of Honour to Elio Cruz posthumously.

775 In September 2020 we launched a new video archives portal, Culture TV. The portal was one of many COVID projects planned and produced during lockdown. The portal provides local entertainment and the public will be able to access a variety of shows and other performances staged in Gibraltar over the years as a tribute to Gibraltar's richness in culture and forms an important part of our social heritage. If you watch carefully you may see a number of performances by a certain Minister for Culture that if you did not know that side of him may well

780 leave you in shock.

We continue to promote the use of our art galleries and have also opened one of the vaults at GEMA to local artists and groups, with several successful exhibitions and other events taking place in this culture and heritage space over the last year. Two rededications have also been organised this June, both at the National Gallery and at GEMA, promoting newly acquired works.

785 In 2020, within COVID guidelines, my team at Culture produced a Cultural Summer Programme for young people, which provided for around 40 children, and GCS will continue to support the Summer Sports and Leisure Programme again this year. Over the last two years, with the exception of the COVID cancellations, Culture Services also ran its usual annual programmes and festivals, including the Gibraltar Fair, National Celebrations, New Year Celebrations and the

790 Christmas Festival of Lights – many of these, of course, online.

Importantly, GCS has absorbed other cultural programmes, events and administrative duties, including the running of the Mayor's Office and organising events formerly co-ordinated by the Ministry, which has been significantly restructured and streamlined to become a smaller but more efficient and highly effective team. This has eliminated duplication and allowed GCS to be better

795 able to support the many groups and associations and to better co-ordinate and develop cultural activities. The new Office of the Mayor supported His Worship John Goncalvez during his tenure and is now providing similar support to the new Mayor, Christian Santos. Not surprisingly, His Worship's plans include a great deal of cultural use of the City Hall and we are working together on a number of exciting initiatives. I want to thank John Goncalvez for his work during a most

800 difficult two years and congratulate Christian and Deputy Mayor Carmen Gomez on their appointments.

As ever, our team at the John Mackintosh Hall was instrumental in supporting the Gibraltar Parliament and the election teams with the European Election and the General Election of 2019.

805 The 2019 Island Games were perhaps the highlight of Gibraltar's social calendar in the last financial year before COVID. GCS formed an integral part of the organising team and supported the Island Games Committee with all cultural aspects relating to the Games.

The Government launched the Safety Advisory Group (SAG) early last year with the aim of bringing together key agencies to ensure the safety of all events in our community.

810 In other areas, 87 new artworks were acquired for the Government Art Collection over the last two years, including purchases at auction and from private collections. Special purchases include works by Gustavo Bacarisas, Christian Hook and Rudesindo Mannia.

The John Mackintosh Hall Library social media platform continues to generate and oversee content promoting related initiatives, storytelling sessions, school visits and literature. After tracking patterns of use, we introduced new opening hours at the library, including Saturday morning opening, which suit members better and with very positive feedback. Several projects to improve the service of our national lending library have been completed, including updating of member records, computerising logging processes and reviewing and cataloguing the extensive Gibraltar collection. The Library received its latest delivery of 295 new books during the lockdown in April. A new area has been allocated for new books, which is visible on entry to the library and has a comfortable seating area for users to peruse the books at their leisure.

Mr Speaker, we are proud of how we manage our cultural facilities. The refurbishment and maintenance of all our facilities plays an important part in allowing us to support culture. A new online booking system has been developed for clients to book across all facilities from one platform. We hope that this will help the user to book and pay more easily as we encourage paperless and sustainable methods.

During most of 2020 the John Mackintosh Hall and Ince's Hall were made available for community use for dance and drama groups who were lacking in space, always strictly adhering to Public Health advice.

Work at the Central Hall and Ince's Hall are clear examples of our commitment to providing the best possible facilities for our cultural community and the public, and we were able to carry out important work before the impact of COVID hit. Work included, at the Central Hall, complete refurbishment of the main ballroom, exposing heritage walls and ceilings plus the original ceiling and stonework, doing justice to its former use as a place of worship. The refurbishment also included the paving of the rear and exterior areas and the renovation of the entrance lobby. The stained glass window will shortly be replaced with a contemporary design, a stained glass window that no one even remembered had ever been there. This is one project that illustrates the close relationship between culture and heritage, one which my Ministry builds upon.

We have made the Ince's Hall theatre accessible to all for the first time ever. This has been long overdue, and moneys were invested for this project prior to COVID. It includes a lift and disabled toilets, making the theatre accessible for persons with reduced mobility. We have also refurbished changing rooms and other areas of the facility, upgrading it in line with the Government's disability policies. Other cultural facilities and venues have also seen upgrades and facelifts, many with environmental aims, including recycle bins, bicycle racks, installation of water fountains and the purchase of technical equipment; this together with other work at GEMA, the Gustavo Bacarissas Gallery, the Mario Finlayson Gallery and of course the many premises that we manage and which are used by many clubs, associations and academies.

We are now having to curb spending in view of budget constraints, but we still have plans and we hope to be able to fulfil them as things improve. This is important. We have thousands of members of our community using cultural premises that need work and investment. My Ministry carried out a survey of all of these just before COVID and hopes to be able to work before long in areas such as North Jumpers Bastion and Europa Road. I am well aware of the need for space, for rehearsals, studios and so on, and we are working on a plan to provide more. Among other things, we are further opening up community use of premises such as in the new schools.

As we have seen, culture has played an important role during COVID-19 and the social lockdowns. GCS led a cultural initiative and programme that transformed the way our community interacted with cultural events. These included GCS and GAMPA working together on various cultural initiatives. As part of a daytime service, an online programming of shows, performances and other educational initiatives aired during weekdays. Lego grew in popularity and relevance during the times of lockdown, and an exhibition approved by LEGO HQ in Denmark was held at the Mackintosh Hall Gallery, proving to be one of the most popular in a long time. The Frontline Workers exhibition where Portraits of our frontline workers were exhibited in collaboration with the Fine Arts Association attracted 52 artists. Online events included the National Week Classical Concerts and New Year's Eve Celebrations.

Apart from senior support to CTB, GCS seconded 12 members of staff to the vaccination centre at the ICC and their maintenance and facilities teams redecorated the centre prior to opening, with equipment and furniture provided from their stock to help facilitate the quick opening of the centre.

In May this year the Chief Minister opened another major landmark exhibition, 'Culture versus COVID', which paid tribute to artists, performers and the public, displaying all the cultural events and work done throughout the pandemic.

Mr Speaker, Gibraltar needs a real theatre. Many thousands of our people are or have been involved in the performing arts – dance, acting, music – through the decades, at least as many as in sports and at least as successful. So many Gibraltarian artists have become established around the world. Only this year we have heard of the success of two of our young dancers, Jonathan Lutwyche and Simon Anthony, now working in the West End, joining Nolan Robba, who is there too. Imagine where they all would be if they had had proper facilities here. In present facilities we are unable to host professional productions and we have to spend huge amounts on bringing in stages, lights and technicians when we do. Add to that the need for studio and workshop space for the visual arts and the potential for expansion in our national lending library, and the case for the planned National Theatre and Cultural Hub is more than made. Work on this would have started already, but the pandemic stopped that particular performance too. But for all the above reasons, as recently announced, the Gibraltar National Theatre Foundation has been created to continue with the project, seeking alternative funding until better times come. I wish now to acknowledge the already significant contribution to this fund by the Kishin Alwani Foundation – more details to come later. The plan is that with the theatre will come facilities to create a larger cultural centre at the John Mackintosh Hall Complex, providing for additional venues which will allow for the introduction of new cultural activities and community use, refurbishment and extension to the public library with a new music library and a significant extension of the children's section.

There have been and will be a great many other events and initiatives, too many to mention here, but I must say that I am impressed by the work ethics and efficacy of the team at GCS. People often do not realise how much they do, often behind the scenes, supporting organisers, groups and societies, extending their support well beyond contractual requirements. During lockdown they not only kept culture very much alive, they expanded and extended its reach.

While large events and performances from artists from outside Gibraltar are great to watch and attend, I believe that my main task as Minister for Culture is the reverse, to nurture our cultural offering and those who engender it here in Gibraltar and to showcase our culture abroad. Those will be the main thrust of our work in Culture in the coming year, COVID or not.

Mr Speaker, the year 2020 was the year when everything changed. It challenged humanity in unimaginable ways. I am proud to say that officers in all other areas under my responsibility too performed in an exemplary manner and rose to the occasion in assisting all areas of Government with this challenge. Let me continue with Environment. Over half the staff across all divisions were redeployed to support COVID work. The Department led in the development of COVID analytics and contributed to the daily situation reports. This seriously delayed much of our work. However, work on Brexit continued and ranged from pet passports to food imports to exportation of waste. Significantly, during 2020 the team oversaw the procurement – already mentioned by the Deputy Chief Minister – the procurement, delivery, installation and ongoing maintenance of the waste contingency equipment.

As always, Gibraltar continues to work hard with our colleagues in the Overseas Territories and Crown Dependencies. Islands and other small territories largely surrounded by sea are important for the protection of the oceans and are particularly susceptible to the impending sea level rise. There are now many important initiatives to deal with climate change adaptation and the Environment Department has recently embarked on a wide consultation process to ensure that we are prepared for the changes already hitting the planet. I was proud to represent the Overseas Territories and attend COP25, the Climate Change Summit in Madrid in 2019, and I am proud, too,

to continue to chair the Overseas Territories and Crown Dependencies Environmental Ministers Council. In this and other fora we continue to press the UK to ensure Gibraltar's inclusion in international agreements, including the Paris Agreement, the Barcelona Convention, the Ballast Water Convention, ICCAT and the extension of the Intercontinental Biosphere Reserve of the Mediterranean to include Gibraltar. I am pleased to report that the Bern Convention on the Conservation of European Wildlife and Natural Habitats was extended to Gibraltar last December.

The Department has been active over the past two years on the marine front. For example, departmental officers have been accredited by British Divers Marine Life Rescue and have undertaken marine renewable research with the University of Highlands and Islands. A lot of other work has been carried out in this area, including the Atlantic Bluefin tuna sports fishing tagging programme. Additionally, the Department took part in the 2020 Forum of Marine Protected Areas in the Mediterranean. Unfortunately, in February of this year, it had to deal with an oil spill ecological impact assessment and overseeing cleaning operations with drone deployment, together with the Port, and they continue to work with colleagues in the Port Department on improving industry practices in this field. Despite this, the state of our waters continues to improve, as can be seen in our updated marine strategy framework monitoring report published just last week. An otter in our Port, a wintering osprey, healthy dolphin and tuna populations and increased occurrence of whales and other marine life do not happen by accident. The exceptional awareness work of the Nautilus Project has to be recognised in this context.

The Government's term in office has seen an unprecedented level of environmental legislation with nearly 200 instruments published. Recently added was legislation to ban plastic bottles on the Upper Rock and banning the importation of most types of plastic bag, including Devil's Tooth Green Corridor as part of the Gibraltar Nature Reserve, the creation of the Gibraltar National Trails and making it illegal to interfere with the natural behaviour of macaques.

We continue to seek to ensure that the whole public service adheres to the sustainable development goals and consistent with this we have prepared guidelines for sustainable catering and for sustainable events and carried on our work in encouraging young people to pursue these vital goals.

As expected, the amount of waste produced dropped during last year. Recycling volumes were also down, possibly due partly to the persistent but unfounded word on the street that recyclates are mixed after collection. We will be campaigning this year to get recycling back on track. We will also be introducing measures to improve the collection of refuse from the city centre in particular. While on the subject of waste I wish to once again acknowledge the work of the ESG in general, but also specifically in this context in relation to Clean up the World and litter.

The issue of sewage treatment is one that disappoints me most. While the reasons for the slow progress were outside of Government control, as an environmentalist I am still hugely disappointed. A large part of the original delay was the search for a suitable technology, but significantly, as I have explained publicly before, we had advanced well on project funding from the European Investment Bank when the result of the Brexit referendum led to them pulling out after two years' work. Despite this, the pre-works contract with the joint venture that had successfully tendered was signed and work on design and site preparation commenced when one of the two companies that made up the joint venture went into administration. This led to complicated legal issues which further delayed the project. I am not happy with the situation and am immensely frustrated that administrative matters have interfered with a project that had full political support and makes tremendous environmental sense. We are, however, actively pursuing several options and I have no intention of letting this go until it happens.

On air quality, over the last three years the fixed monitoring network run by the Environmental Agency working with UK consultants Ricardo has been supplemented with emerging technologies, providing indicative monitoring in potential hotspot areas and adding to the overall understanding of our air quality. The global lockdown response to COVID caused an unprecedented reduction in global economic and transport activity, which in turn reduced the concentration of nitrogen dioxide and particulate matter levels. In Gibraltar, reductions in air pollutants were quickly picked

up by our stations and demonstrated very early on how even small reductions in traffic can greatly impact air quality. It is important to note that some of the air quality indicators such as nitrogen dioxide, carbon monoxide and benzene had improved markedly between 2018 and 2019, meaning that air quality was improving before COVID considerations came into play. The environmental statistic reports for 2018 and 2019, which clearly show this, have gone live on the Government website this afternoon. Also going live tomorrow morning are our most recent greenhouse gas inventories. In 2020, nitrogen dioxide levels were down across all sites, Rosia Road and Witham's both showing compliant levels for the third year running. PM10 levels have also dropped again, down to 20 micrograms per cubic metre at Bleak House and 22 at Rosia Road. The EU target is 40. PM2.5, which is the most dangerous particulate matter, has also dropped and in 2020 for the first time met the more stringent World Health Organization target of 10 micrograms per cubic metre, compared to 20 for the EU, which we have always complied with. This is so significant given that we have in the past been criticised for not achieving WHO target levels for this contaminant. In general terms the picture across the board is of improved air quality and compliance across nearly all targets, which reflects the realities of the new power station as well as reduced traffic. But I am not complacent. It is clear that traffic is the greatest local contributor, at the moment, to reduced air quality and to our carbon footprint, with shipping also a significant contributor now that we have dealt with the diesel power generation problem.

I take this opportunity to welcome back my friend and colleague Paul Balban to the portfolio of Traffic and Transport and I look forward to working with him on improving and greening transport across Gibraltar, while I look forward, too, to continuing to work closely with another friend and colleague, Vijay Daryanani, in tackling issues to do with shipping, including of course Gibdock and tourism.

This brings me to renewables. The first phase of the solar framework agreement was assigned to successful candidates and we now have solar panels supplying clean energy across 13 different sites in Gibraltar. More will follow as we catch up with the backlog in deployment caused by COVID. While my colleague Albert Isola will provide more information as Minister for Utilities, I am pleased to say that solar power production is slowly but steadily increasing and I predict a considerable jump in solar power production this coming year.

The Environmental Agency continues to advise me in many areas and continues to provide a 24-hour on-call service, which saw environmental health officers engage in 175 callouts last year.

The Agency works closely with the Department on Brexit issues such as contingency planning on food imports and exports of waste in the event of a no negotiated deal scenario.

The Agency remained active during lockdown with measures put in place to protect staff whilst at the same time adapting to continue to deliver critical services to the public as well as ensuring that the administration of waste exports and food imports remained fluid – not easy tasks. The Agency assisted in the disinfection of Government estates, contact tracing and assisting the Director of Public Health in the enforcement of permit conditions imposed on the catering industry. This also involved a collaborative effort with the Royal Gibraltar Police in carrying out evening patrols to ensure that conditions are complied with to ensure an environment which is as safe as possible for both workers in the industry and for the public.

The Agency continues to provide a significant contribution to the Government's anti-dog fouling campaign. So far in 2021, 63 DNA samples have been collected with 11 fixed penalty notices issued to offenders. Officers from the Agency and the Department also carry out patrols during which they check that dogs being walked on the public highway are duly licensed and registered.

The Agency continues to monitor the quality of our bathing waters, where standards have been improving over the past few years. Five of our bathing waters are now classed as excellent, with Western Beach improving and now being classified as good rather than sufficient.

The agency is the competent authority for Control of Major Accident Hazards (COMAH). In conjunction with the Office of Civil Contingencies and the UK Health and Safety Executive, the first

LNG live exercise was organised in January 2020 and carried out with all emergency responders and stakeholders taking part.

On to beaches, Mr Speaker. The Beaches division of the Department works hard to ensure our beaches are ready for enjoyment by all. Two new jellyfish nets, one for Eastern Beach south and one for Catalan Bay, were installed in 2019. The usual beach levelling and re-profiling of beach at Eastern Beach and Catalan Bay was carried out on time in both years. Many do not realise just how much work goes into getting the beaches ready for the bathing season. There are too many examples for me to list.

The management of the cemetery ensured that, albeit with restrictions, families were still able to bury their loved ones in a timely manner. January and February 2021 saw an unprecedented number of COVID deaths in the community and I must thank the cemetery staff for their dedication and professionalism at this time. Despite the unparalleled emotional burden and stress on these individuals, they continued to work diligently, on a half-crew basis, to bury as many as seven members of our community a day during this most difficult of times. I must also pay tribute and thank the former Cemetery Superintendent, Alfred Ryan, who retired in August 2020 after 50 years of service and dedication to the community.

Mr Speaker, planting trees and creating green areas remains a top priority for the Government. Such is the number of trees that we have planted that we now find ourselves struggling to find suitable new areas for tree planting. That said, tree planting continued with nearly 250 planted since autumn 2019. This included those new trees in the refurbished and much improved Governor's Parade, and of course the completion of Midtown Park. It really is incredible how we have greened the heart of our city. This is all part of the way we can use nature-based solutions to improve our carbon performance.

Recently, we were able to dedicate Juan Carlos Perez Promenade, a tribute to the life and work of Juan Carlos Perez, a much loved Member of the House and former GSLP Minister.

The Botanic Gardens never cease to evolve. The Alameda's collection in its nursery of plants from throughout the world continues to grow in size and international reputation, with new species being added to planted areas throughout the gardens. As ever, improvements to aesthetics are combined with the showcasing of plants that are increasingly valuable for education and conservation purposes. Large sections of path were repaired during the last-but-one financial year, alleviating the effects of root action and erosion. Conservation of key Gibraltar species is one of the core roles of the gardens, and it continues to propagate native and endemic species in ways that maximise genetic diversity of these important collections. Thus, the gardens' work is crucial to the conservation of species found only in Gibraltar and nowhere else in the world, as illustrated by the rescuing from certain extinction of the Gibraltar Campion in the 1990s. Hundreds of plants of this species are now produced every year.

The extremely popular children's education programme continues to grow in scope and activity, including its outreach work with local schools. Most importantly for education on the site, construction work is now under way to develop an exciting new education area in the heart of the gardens for outdoor learning about horticulture and the environment. The project has been made possible without any Government funding whatsoever through the very generous contribution of donors, among which the Kusuma Trust, Casais, Gamma Architects and the Rupani family stand out.

The impact of the pandemic on the Nature Reserve was both good and bad. Sadly, tourism numbers plummeted, as did our revenue, which had grown steadily since the fee system was revised a few years ago. We are still a way from returning to pre-COVID levels of tourism, although this has increased significantly in the last two months, but the Department has been working hard maintaining sites, clearing paths and cleaning up during this time. Habitat management continues and has improved areas for wildlife. Speed ramps were introduced and new picnic sites were prepared. I am delighted to report that Tovey Cottage field centre was completed and inaugurated this spring. Schools have wasted no time in visiting the centre, which has been a complete success.

1070 The Gibraltar Nature Reserve team ably manages the different parts of our reserve. I am convinced that the Upper Rock is at its best in recent decades, both as a tourist asset and for wildlife. The improvements continue and more will be seen as soon as funds allow. Now we have an obligation to maximise on the income that the Upper Rock can generate, while always ensuring that residents can continue to enjoy this, our only real bit of countryside, without charge. We will
1075 therefore, following discussion with stakeholders, be introducing an increase in the entry fee to non-residents by no later than 1st April next year.

The recently launched St Michael's Cave experience is a must-watch and is already awing audiences young and old. We will continue to search for modern, attractive and environmentally friendly ways to give Gibraltar a creative market edge which will ensure return visitors to the Rock, no doubt to the delight of my hon. Friend Minister Daryanani.
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The management of the yellow-legged gull continued throughout the pandemic, and as a result we have ensured the long-term trend in the breeding population of gulls in Gibraltar continues to be one of decline. As an example of evidence of this, GONHS recently reported to me that while up to about five years ago counts of young gulls on our beaches and at sea at this time of year reached 500 in a day, a count last week revealed just 38 young gulls. I must thank the Avian Control Unit for their efforts and dedication during this time.
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The GONHS Bird of Prey Unit continues its formidable work in rescue, rehabilitation and tracking with extraordinary success, and continued to do so throughout the pandemic. A number of release and reintroduction programmes are ongoing, including the hugely successful breeding and release of Barbary Partridges, with other initiatives planned.
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Macaque management is another of those areas of wildlife management which, of necessity, continued unabated this past year. For the second time in many years we have had zero growth of the monkey population without mass culling as a result of the benign contraceptive measures that have been implemented. Incursions into town were much less frequent, even during the pandemic. Lack of disturbance and illegal feeding by visitors which ensured that the animals did more natural foraging within the Upper Rock are likely to have contributed to this. As they too are susceptible to COVID-19, special measures were introduced in law prohibiting human contact with the macaques, as we aim to ensure that this disease is not transmitted to these animals and then back to humans.
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Mr Speaker, as we know, thanks to the work of my friend and colleague Albert Isola, Gibraltar already enjoys a reputation for leading in financial services and for robust regulation. During the past year we have been developing legislation and working with relevant stakeholders around the world through virtual workshops for a new regulatory framework which will cater for Green Instruments. The framework will provide for Green Instruments to be issued and traded on regulated marketplaces in or from Gibraltar. The objective is to facilitate trade as widely as possible, but only of Green Instruments which demonstrate significant environmental integrity. The international trading of environmental assets has an important role to play in achieving the targets set by the Paris Agreement. The issue preventing that market from reaching its full potential is the lack of trust on the part of investors. Our legislation will provide just that assurance. There is a dire need to reassess the way economies are run and assessed. Economists globally have so far failed to attribute real value to environmental assets, including biodiversity. I am hoping that Gibraltar will be among the first to do so, following the game-changing review published last year by Sir Partha Dasgupta.
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In respect of heritage, the Heritage and Antiquities Advisory Council (HAAC) has now consolidated its functions and is an efficient tool in ensuring that Heritage is protected and well managed. Earlier this year I established a subcommittee of HAAC in order to produce a heritage management plan for Gibraltar, a vision document that will ensure a future for our past.
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The small Heritage team has been successful over the past two years in executing a number of small, low-budget but important projects. After so many years of neglect, Nun's Well Cistern was opened for the first time ever for all to enjoy. This included the beautification and natural
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landscaping of the external areas as well as the cleaning and restoration of the well itself. The Gibraltar Heritage Trust has kindly taken over the management of visitors to the site.

Another important milestone was the launching last week of the Ministry for Heritage website. The website now provides the public and professionals with as accurate a summary of Gibraltar's many heritage assets as possible. In this I would like to recognise the work of Marcello Sanguinetti, recently retired, in seeing through a total revision of how heritage is managed in my Ministry.

In other areas, phase 2 of the tampion and gun maintenance programme was completed and tampions were placed over 23 barrels. The work included the complete restoration of the iconic Koehler depression carriage at Grand Casemates Square. Restoration works are now nearly complete at the Convent. We have also refurbished many of our city plaques, repainted the names on our city walls and restored and repainted our old street signs. We have digitised maps and plans held at HM Dockyard in collaboration with the Gibraltar National Archives and the Heritage Trust. Archaeological works throughout the area of the Europa Point sports complex are now finalised with the walking trail now open. There have also been some interesting finds at the Garrison Library, including an intact wall, archway and steps leading into what was the Governor's garden from street level, dating from before 1800. Over the past year, restorations have included the medieval vaults in the new Xapo Bank at Casemates and the Old Police Station in Irish Town, private initiatives under the combined supervision of our archaeologist, Dominic Lopez, the Heritage Trust and the National Museum, who have also provided expert advice at the North Gorge, the Old Casino and Orange Bastion. All of this is only possible due to the close working relationship the Ministry for Heritage has with these other heritage stakeholders together with other departments such as Town Planning and Technical Services. In all my years of involvement in Heritage, never before have all the players worked so closely and so much in support of each other, all to the benefit of heritage.

The work of the Gibraltar National Museum continued throughout. While public areas were closed, a highly successful virtual museum was created. The posts were put on standard social media and the response was huge. With the reopening of the Museum, the virtual museum's output was scaled down but not closed altogether.

I am pleased that the Calpe conference programme was not halted. A very successful conference was held on a Gibraltar theme with an impressive panel of Gibraltarian speakers. This coming year's subject is Iberian Neanderthals and the occasion will mark the 95th anniversary of the discovery of the Neanderthal remains at Devil's Tower. All the leading Iberian scientists in this field will be coming to Gibraltar in September, COVID permitting, showing once again how central Gibraltar has become in this field of study.

The work at Gorham's Cave World Heritage Site continues. Researchers are returning to the site and new and interesting discoveries will undoubtedly hit the headlines in the coming months. One recent publication was that of the Gorgoneion, the fragments of a ceramic item depicting the Gorgon Medusa. More recently a wonderful reconstruction of the entire Gorgoneion has been produced by the Museum. It is pleasing to see that the necessary skills and expertise are available now within the Museum's team for this kind of work to be done in-house and at low cost. Not so long ago we contracted an international team to produce the sculptures of Nana and Flint, the Gibraltar Neanderthals. Now, reconstructions of Calpeia – a Neolithic woman who lived some 7,500 years ago – the Gorgoneion and Yantar have been produced exclusively by the Museum team in house. Yantar was the reconstruction of a Bronze Age male who had been excavated from Bray's Cave years ago. Genetic work showed that he had come from the Russian steppe. So much of our ancient history remains there to be discovered. The Museum continues to plan new displays and I am pleased to announce that Yantar, along with Calpeia and other exhibits, will form part of a new gallery dedicated to the Pillars of Hercules.

Restoration is an important aspect of the Museum's work, and their support to the Ministry for Heritage on many restoration projects such as the limekiln on Willis's Road is a fundamental part of that work. There is a great deal more restoration to do, which we will have to strictly prioritise in view of finances.

The close relationship with the Gibraltar Heritage Trust continues and is indeed going from strength to strength. The mutual support that exists between the Trust and the Ministry on day-to-day work allows projects to continue unimpeded. The Witham's Cemetery project, now in its fifth year, is an example of the Trust's dedication. Among other work, the Trust has also taken on a voluntary project to restore Lord Airey's Battery, a 9.2-inch emplacement at the top of the Rock.

Challenging as the last financial year has been given COVID-19 and subsequent lockdowns, the Gibraltar Garrison Library team remained in post throughout, and whilst footfall came to a dramatic halt the Library saw a substantial increase in their online outreach. This is reflected in the level of electronic research support to our Gibraltar-based community, including students, and to UK-based university students. Digital copies of materials were produced for these purposes and the library team are continuing in this endeavour. Sensitive heritage-driven capital works were undertaken in the basement for the establishment of a digitisation studio, a conservation department and a secure climatized repository room. It is also reassuring to know that members of our community are increasingly referring to the Garrison Library as a central repository for gifting their collections. These are special and often rare collections of great Gibraltar significance and it is an initiative that we encourage. The library will now be looking to create a Friends of the Gibraltar Garrison Library with the aim of maximising the commercial potential of the library.

The last two years have been years of exciting renewal and stressful re-profiling in rapid succession in Education. 2019-20 was exciting. We saw the start of long overdue co-education in our comprehensives, the move to the fantastic new secondary schools, realignment of key stages and the start of the move towards more vocational opportunities. In sharp contrast, 2020-21 saw the impact of lockdowns and isolation, with the need to reinvent the way we teach. Online teaching became the norm of necessity, markedly improving in content during the second lockdown, and, while never the same as face-to-face teaching, it certainly ensured that our children kept learning.

COVID was an incredibly stressful time in education for children, parents and of course teachers. They all had to change what they did and how they did it, and we saw a flexibility and an adaptation at levels that we had never seen before. But we did it, and my strong view is that our children were much better taught during this time than their peers in the UK and that for the most part they have been able to catch up on lost time. I think that we are now much better equipped to continue online learning components and certainly using the internet to communicate with parents. More fundamentally, the fact that for two years we have not had formal GCSE or A-level exams has presented to me the possibility of transforming our education system even further and looking at options such as are used in other countries where education is much less exam orientated and more performance based.

Of course, COVID has meant that we have not as yet started work on three of our planned schools – the Gibraltar College, Governor's Meadow and Bishop Fitzgerald. These are, of course, still planned but delayed. However, the start of work on the new St Mary's School is imminent given that this will have other funding arrangements, and work is proceeding in important improvements in other schools, notably St Paul's.

We sadly had to deal with fire damage at Governor's Meadow and flooding at St Joseph's, but both were speedily repaired and refurbished. My thanks to all the staff and to GEA and GJBS for their prompt and skilled work.

Special Educational Needs is one of the most important areas under my responsibility. I am pleased to say that one notable project that we have continued is the new St Martin's School, delayed as it was by the difficulties the construction industry faced during COVID. Happily, I can confirm that St Martin's School will open for pupils this coming September. The school has additional facilities, including a hydrotherapy pool, enhanced therapy areas and specialist classrooms. All staff have been and are working extremely hard planning for the migration to the new building.

The vitally important relationship between the Department and the parents of St Martin's pupils has never been closer. During lockdown there was close communication and collaboration

1225 to discuss ways in which families could be supported, and this positive relationship has continued, as evidenced by the frequent meetings and close working together which will soon result in much improved provision for pupils and former pupils of St Martin's and their families, details of which will emerge soon. I thank the Parents' Association and the Little Smiles charity for all their work here. Indeed, meetings with parents' groups are now a regular part of my agenda.

1230 Our Special Educational Needs Co-ordinators (SENCOs) continue to have a full-time role and are now able to dedicate their time on all SEN-related issues. In addition, there has been a great deal of training in special needs afforded to all the staff, including in such areas as autism and dyslexia.

1235 The School Counselling Service was introduced in August 2019. I do not know how we would managed without them. They deal with hundreds of cases, and they too were able to continue their work during lockdown through online platforms. Some important initiatives here have included the development of staff well-being. This had been identified as an area of concern prior to COVID and was, of course, exacerbated by pressures brought about by COVID.

1240 There is a growing number of children in our education system who have been impacted by trauma, children who have a high number of adverse childhood experiences. Some of these children are in residential care, some still living at home and others spend time, sadly, in and out of prison. The school environment can be a challenging place for these children, causing high levels of anxiety, frequent meltdowns, violent outbursts, depression or school avoidance. In September 2019 the old St Bernard's Nursery became available and it was renamed Teaching and Learning Centre (TLC) with the acronym putting emphasis on nurture. In the past academic year the TLC
1245 has helped to fill this gap and provide a base and a lifeline for a number of our most vulnerable children. The flexibility outside the school setting has given these children a calmer, more flexible setting where they could access both academic and therapeutic activities.

Scholarship numbers in the 2020-21 academic year were 811 mandatory undergraduate
1250 scholarships, 211 postgraduate scholarships and 83 other discretionary scholarships. We currently have 1,105 students in higher education, something to make the community proud. We will this year continue to provide for all the mandatory scholarships and it is likely that we will have more students in higher education than ever before.

1255 All our upper and lower primary schools have now embarked on our digital teaching and learning initiative. The rollout to secondary schools began prior to the disruption caused by COVID, with some teachers receiving their initial training and subsequent professional development. We are targeting the coming academic year to complete the rollout. To date we have rolled out over 2,000 devices in support of the initiative.

1260 The Key Stage 4 curriculum in our secondary schools is now fully equitable with respect to the range of subjects that pupils can choose at the end of year 9. The September 2021 year 10 cohort will be the first one ever in Gibraltar to benefit from this equalisation. This is so overdue, and I am very pleased that all our young people will now have equal opportunities at this stage.

We now have a hair and beauty level 2 course at both secondary schools and the follow-up
1265 hairdressing course at the Gibraltar College, which launched in September 2020. Plans are advanced to introduce a vocational BTEC in Music Performance in association with GAMPA.

Both secondary schools have made great strides in offering a Digital Technology course at Key
1270 Stage 4 and will now launch GCSE Computer Science as from this coming September. This builds on the revamp of the IT curriculum at Key Stage 3 to deliver a greater emphasis on computational thinking skills and coding. Our teaching and learning initiative has a huge focus on developing digital skills in young learners and some of the learning that is being demonstrated by our young learners is breath-taking. Other developments in this digital area will be announced soon.

The Department of Education worked in close collaboration with the University of Gibraltar to develop a bespoke Post-Graduate Certificate in Education aligned to the teaching standards in the UK. This exciting new programme has now seen two cohorts of students mentored and supported
1275 by the excellent practitioners in our schools.

The Department of Education launched education.gov.gi in the midst of the pandemic as a way of providing stakeholders with information. This platform quickly developed as services were digitised and improved upon. To date, the enrolment processes into our schools and the scholarship processes and subsequent contract issuing have been fully digitised. The website also includes information on accessing the educational psychologists and other support mechanisms offered by the Department. Over time we will see the rollout of other support mechanisms for students and parents appearing on the platform.

The challenging period that was the review of teachers' pay was successfully resolved some time ago. More recently, most of the posts that had been acted for a number of years, some pending a TLR review, have been discussed and agreed with the union and have been advertised. This will ensure that subjects and pastoral care are managed by teachers on a long-term basis, which will result in much needed continuity for our schools and much needed consistency for pupils.

This year we have engaged with NASUWT with the aim of developing and completing a zero-tolerance policy for any aggressive, violent or anti-social behaviour in our schools, and we are a footstep away from completing an acting policy and a CPD policy. We discuss matters on an almost weekly basis, and the Social Partnership Forum has reconvened.

There is so much I could say about the work at Education. We have been through a tough year and a half and I cannot express enough gratitude to the professionals who have done so much. I thank them for that and for the way that they welcome me into their schools. I am pleased to say that I have been able to visit every single one of them this last term.

I would like to now thank several people who have retired during the course of the past year. First, Derek Alman, who led my school education projects. I would like to pay tribute also to six outstanding head teachers who have retired over the last two years – Rosanna Hitchcock from St Paul's, Gizelle Montegriffo from St Joseph's Lower Primary, Leon Abecasis from the Gibraltar College, Annabelle Felipes from St Martin's, Fiona Ferro from Governor's Meadow, and Michael Tavares from Bayside – after lifetimes teaching our children and young people. I also wish to thank the outgoing Director of Education, Jackie Mason. I wish them all a long and happy retirement.

I look forward to taking on more and more challenges and working with all in Education to continue to progress on things that have needed fixing for a long time, but more importantly to achieve new and better ways of helping our young people to be better than us.

Mr Speaker, with regard to the University of Gibraltar, this, as hon. Members know, is an autonomous educational institution established by the University of Gibraltar Act, an achievement of my hon. Friend Gilbert Licudi. Since then, the University has continued to develop and grow as an institution, marking its fifth anniversary in September 2020, and I am pleased to be able to report on the following.

Tuition fee income has almost tripled in the past two years, increasing from around £489,000 in 2019 to an estimated £1,325,000 in 2021, enabling the University to significantly progress towards self-sufficiency. The proportion of income, excluding donations, provided by the Government subvention has decreased from 86% in 2017 to an estimated 47% in 2021. This positive progress towards self-sufficiency is expected to continue with the Government's annual subvention being significantly reduced in this Budget to £1.25 million and the University's continued efforts to increase its tuition fee income by providing an excellent product and service and use of targeted marketing.

Students enrolled on core academic programmes – that is excluding students engaged on professional and short courses – have increased from 30 in 2018-19 to 134 in 2020-21. Since September 2019 several new academic programmes have been launched. The University welcomed over 200 students during its September 2020 enrolment week at the start of the last academic year. September 2020 also saw the University welcoming its largest number of international students, from 10 countries in addition to Gibraltar. The University was finally able to hold its first graduation ceremony in December 2020 and was one of the few higher education institutions anywhere able to celebrate a physical graduation ceremony.

The University has recently established a Centre of Excellence in Responsible Gaming led by its Chair, Dr Zolt Demtrovics, and its International Scientific Advisory Board. The University's Gibraltar Maritime Academy commenced operations just the week before last.

Management of the COVID-19 pandemic required the entire University team to act quickly and decisively with a smooth transition to staff and faculty working from home and the delivery of education online. The University laboratory, even though it caused significant disruption to PhD and Marine Science students, was made exclusively available as a COVID-19 screening laboratory to the GHA, using equipment supplied by the GHA and the University, and the lab continues this vital function to date. The nursing simulation suite was made available to the GHA's ophthalmic clinic. The University's ICT Director was seconded to the GHA and the University nursing students played a major role in administering the COVID-19 vaccine as part of their first-year placement.

The University and its officials and academics continue to be involved in international initiatives and to host international events, thus contributing to the high profile and good name of Gibraltar in academic and specialist circles abroad.

I now turn to my legislative agenda for the coming year. While many of the projects I am involved in are sadly delayed, I do however have a wide legislative programme that I plan to introduce. Among the Bills that I intend to bring to this House are Bills for a fully revised and updated Education Act, a revised Entertainment and Culture Act, an Act to set up the Gibraltar National Park, an Environmental Governance Act, a revised Garrison Library Act and a number of Acts which subdivide and modernise the archaic and voluminous Public Health Act.

And there is another important piece of legislation which we are about to publish. This is an exciting initiative that Her Majesty's Government of Gibraltar has signalled in the past, but about which it has not, up to now, made any official announcement. I am, therefore, very pleased to be making a statement on this new potential industry for the first time in this House. It is important to explain that I am making this announcement in my capacity as the Minister for Public Health. The new, potential market to which I refer is medicinal cannabis. I am pleased to report that the draft of a Bill for an Act to make provision for the regulation of the production, import, export, marketing and supply of cannabis for medicinal and for connected purposes is now ready. The House will be interested to learn that the Government is supporting the efforts of the private sector to establish the appropriate legal and regulatory architecture in order to create a robustly regulated medicinal cannabis industry. This regime will be fully compliant with the UN Single Convention on Narcotic Drugs 1961, as amended. Subject to final discussions with Her Majesty's Government in the UK, we very much expect to be in a position to publish the Command Paper soonest and certainly during the course of this year.

At this juncture, we foresee a number of potential outcomes, including regulatory alignment with the United Kingdom Medicines and Health Care Products in respect of certification of local licences, engagement with Her Majesty's Government departments and agencies in respect of UN Single Convention reporting and related matters, exploring product demand that may exist in the United Kingdom that Gibraltar's new economic sector may be well placed to supply, and synergies arising in respect of research and the development of the sector more broadly. We have spared no effort to ensure that the proposed new industry is regulated fully in accordance with Gibraltar's international obligations under the UN Single Convention. It will be the strictest policy of the Government that only the most reputable businesses will be able to be licensed under the draft Medicinal Cannabis Bill. Such businesses must conduct their operations fully in accordance with the proposed new statutory licensing regime.

Finally in respect of this subject, it is important to note that we are of the view that this new potential industry, comprehensively regulated to the highest standards, could well create an innovative and thriving sector of Gibraltar's economy. It could lead to new quality employment and export opportunities to different jurisdictions. It is predicted that medicinal cannabis as a business globally will continue to expand for the foreseeable future. It is vital that we remain open to such new opportunities to maintain our economic growth. This has underpinned our firm commitment to private industry by establishing the relevant statutory and regulatory legal

1380 framework. I trust that all hon. Members will agree with us that we should seize the potentially positive economic prospects that a robustly regulated medicinal cannabis industry can deliver.

Mr Speaker, as ever, I wish to express my thanks to my personal staff and of course to my heads of Departments and CEOs – Liesl Mesilio, Seamus Byrne, the acting Director of Education Keri Scott, and Chris Segovia the Chief Environmental Health Officer – for their hard work at all
1385 hours and every day, and to all their staff for their constant support; to all the staff in those Agencies and contractors that work to my Departments; to NASUWT, Unite and GGCA for their constructive work; to all the NGOs, associations, schools and academies, environmental, cultural, educational, who are so committed to what they believe in, often working as volunteers, for being committed, honest and reasonable in pursuing their aims; to sponsors and to the trusts and
1390 foundations that support our work, more appreciated now than ever; to all those many citizens appointed to voluntary boards, working groups and committees for which I am responsible; and to all those in other Departments with whom I have regular contact, such as the staff at No. 6 and at the Gibraltar Law Offices, Gibraltar House in London and Brussels, and Land Property Services for always being there when I need them; to you, Mr Speaker, and your staff; to the Chief Minister
1395 and Deputy Chief Minister, always a source of advice, support and encouragement; and to all my other colleagues for their own work and support over these two difficult years. Finally, I would like to thank His Excellency the Governor, Sir David Steel, for the genuine and non-political interest that he shows in the work of the different parts of my Ministry.

In doing all of this, I too commend the Bill to the House. *(Banging on desks)*

ADJOURNMENT

1400 **Hon. Chief Minister:** Mr Speaker, I now move that the House should adjourn to tomorrow – when I am reliably informed that various bits of illegible handwritten notes will have been brought together into the magnificent contribution that we expect every year from the Father of the House – at 11 a.m.

1405 **Mr Speaker:** I now propose the question, which is that this House do now adjourn to Wednesday, 21st July at 11 a.m.

I now put the question, which is that this House do now adjourn to Wednesday, 21st July at 11 a.m. Those in favour? **(Members: Aye.)** Those against? Passed.

This House will now adjourn to Wednesday, 21st July at 11 a.m.

The House adjourned at 7.40 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.04 a.m. – 1.17 p.m.

Gibraltar, Thursday, 22nd July 2021

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The Gibraltar Parliament

The Parliament met at 11.04 a.m.

[MR SPEAKER: Hon. M L Farrell BEM GMD RD JP *in the Chair*]

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

Appropriation Bill 2021 – Second Reading – Debate continued

Clerk: Meeting of Parliament, Thursday, 22nd July 2021.

We continue with the Second Reading of the Appropriation Bill.

5 **Mr Speaker:** The Hon. Albert Isola.

Minister for Digital, Financial Services and Public Utilities (Hon. A J Isola): Thank you, Mr Speaker.

10 I think, before I move on to my departmental responsibilities, across my areas of responsibility, I would like to just make some observations, firstly in respect of COVID and then in respect of some of the contributions we have heard from friends opposite, which I will have a little bit to say in a brief moment.

15 Mr Speaker, I think as every Member has already referred during their intervention, this past 18 months/two years have been really quite extraordinary. We have lost 94 of our own; our essential services, our care workers, our front-line workers, my people at Gibelec, my people at AquaGib, have really put in an incredible shift to keep this place going. Indeed, it is not just in respect of the work they have done to look after our health, (*Interjection*) it is also of course the work that has gone into looking after our economic health, the work that the Financial Secretary and his team have put in, the Employment Department and the BEAT measures with furlough.
20 Every single part of our community has pulled together including, I must say, the Opposition who worked closely with us leaving aside their political issues to support Team Gibraltar in getting through this pandemic.

25 But of course, Mr Speaker, I have to say that during this time what really struck me – and I have to confess that on more than one occasion I was stopped in the street, on quite a number of occasions, by people saying ‘Thank you so much for everything you are doing.’ Of course, collective responsibility means that when something goes wrong you take it with your colleagues, and collective responsibility also means that when you have done nothing but your colleagues have done something good, you can also take the credit at that time for that too. So I did.

30 But, Mr Speaker, I say with enormous pride that this past 18 months working with my colleagues on this side of the House has been a privilege and a pleasure; and the shifts that they have put in, the work that Paul, Samantha, John, Joseph have put in in several contingencies in Health and Public Health really have been quite incredible. For a community of our size to manoeuvre and move what they have each done is absolutely incredible and we owe them all an enormous debt of gratitude for the work that they have done during this time.

35 Of course, you will have noted that I did not mention the Chief Minister, who is looking rather dapper this morning in his new suit. The work that he has done, the leadership that he has shown,

a true leader is demonstrable in our darkest time, in our most difficult challenge; and there he was decisive, leading from the front, taking difficult decisions every day of the week for 18 months, and I really, really have nothing but huge respect for the work that he has done, and my colleagues, in together driving us through this pandemic in the quite fabulous way that we have. I think it really is worthy of specific mention because when I look at other communities our size and bigger have coped and managed, I think we have left people with a lot of them wondering why we cannot be doing this in other places too. Indeed, in the business community, my interaction with those in financial services and those in gaming has had nothing but admiration, sheer admiration, for the manner in which we have coped with all the different facets of the COVID pandemic. So my thanks to all of my colleagues and the teams behind them for having delivered to Gibraltar and our people what they have done.

Mr Speaker, as I move to the contributions from the Opposition I am afraid I am not able to be quite so kind. The nonsense we have heard from them these past few days leads me to believe they live in cuckoo land. I do not say that just flippantly, I say it because when you look what they are saying and you look at what they are meant to be meaning there is an absolute conflict, which are incompatible with each other.

Mr Speaker, you cannot say that you are in financial ruin and then criticise every time you try to do something about it. There is a blatant conflict! How can you say you are in intensive care – and I am going to go through these comments in a moment – you are at death's door as an economy, but no to raising social insurance, no to raising this, no to raising that, and I will go into these in a little bit more detail. It is a total conflict. Of course, what does that tell you? What is the motive for doing that? It is purely, purely, purely political. The moral compass is off the Richter scale, it does not exist, and it is just about votes and politics. They are not here to do the right thing. Of course, we do what we believe to be best, we may make mistakes, we are not perfect, of course we are not, and we do make mistakes, and we are happy to be criticised when we do; but, Mr Speaker, the starting position that each of the speakers this far have taken us through are in complete conflict with what they are meant to be meaning and meant to be saying.

The role of any Opposition is to probe, is to question, is to criticise, yes we all know that and it is also to produce an alternative strategy. So when they say no to the tax treaty, no to a mobility treaty – what are they suggesting in place? Or, is it that we just cover our eyes with our hands and hope for the very best?

Mr Speaker, Gibraltar is fortunate today at these difficult times to have this Chief Minister and this Deputy Chief Minister who take the responsibility to do what has to be done. Not throw eggs from the other side with no help, with no suggestion, with no contribution, with no alternative for the people of Gibraltar. Their arguments stink of 'do as I say but not as I do', because another running feature of everything they have said is that when they did certain things in Government that was okay, no problem, hunky dory; but when we do exactly the same thing – 'not transparent, not accountable, not responsible'.

Well, let's have a look at some of those things and understand a little bit better the responsibility of Government and the irresponsibility of the Opposition because, Mr Speaker, as I mentioned just previously, the Leader of the Opposition said, 'We are in the financial intensive care unit.' He said ICU.

Mr Roy Clinton said, 'that Government now has to beg, borrow and scrape to balance the books, to get out of the financial hole that it is in. We are begging from the general public, a begging-bowl budget'. Well, extraordinary! And Mr Elliott Phillips says, 'The bank has to bail out the Government for a concrete jungle.'

Just stopping there for a second: if they honestly believed, as Gibraltarians, that we have a begging-bowl budget because we have not got any money, *surely* they would welcome that somebody gives us £4 million to pay for a beautiful park that Gibraltar would enjoy for many, many years to come. Surely, if you really think we are bust, then say, 'Welcome the £4 million'!

No, no, no, it is a begging-bowl budget. Why? Because they do not give a damn, they are just here to make cheap political points, day in and day out! (*Interjections and banging on desks*)

So, Mr Speaker, we now know *really* what they are after, but then as if you want another explanation, Sir Joe Bossano comes and tells this Parliament as he has done every day that he has been here for many, many years, that every penny counts – every penny counts. The Hon. Roy Clinton said, ‘I agree with Sir Joe Bossano, every penny counts!’ Well, by Jove, he has got a funny way of showing it because, Mr Speaker, he is against the increase in social insurance – every penny counts. He wants to give more money to the BID, the Business Investment District of my friend Mr Daryanani. He wants to give him more money than he asked for! But every penny counts!

He wants to give the patron associations more money than we gave them at BEAT – but every penny counts! He wants to pay everyone who has not crossed the lines irrespective of what they earn. My Jove, as the Father of the House said yesterday, it is the height of irresponsibility to do that to our economy, especially at this particular time. But Mr Speaker, of course, pay everyone everything! But he says every penny counts.

The opposite, my friend Mr Damon Bossino says he is concerned at the nature reserve increase in price. Hey, but every penny counts! Why would he be concerned? Surely we are getting every penny we can into the coffers, if you believe what you are saying. I happen to not believe what you are saying. Even, Mr Speaker, just imagine how ridiculous it gets that when we announced the fee for parcel delivery of £4, the Leader of the Opposition said, ‘The GSD Government would abolish it! £4! He has not tried to abolish the fee for Hungry Monkey for goodness sake!’ £4! But every penny counts.

Well, Mr Speaker, I have to say I find it very difficult to reconcile the statements that they make with the beliefs they pretend to present to us; and, of course, they are against the private sector joining with the public sector, which is normal in every other part of the world in what are called ‘public/private sector partnerships’, in supporting Government in different things that it wants to do.

Now, Mr Speaker, either there is no problem with money or they are 100% irresponsible because it is just inconceivable that they should genuinely believe what they do. But then of course we get to probably the best example of all. Mr Clinton says we are now resorting to flogging berths at the small boats marina to plug the hole. Flogging berths to plug the hole. I want to remind the hon. Member that in the GSD Manifesto of 2011 they too promised to build many hundreds of berths. In fact, one of the Members opposite yesterday was talking about everyone having a letter from the Chief Minister before every election. Well, it is funny, isn’t it, because they have a letter from *their* former Chief Minister on the wall in a print in a frame saying, ‘I promise to build you a marina with x hundred berths’. The very same letter they complained about yesterday. The small boats marina had one from them.

How are they going to fund it? Because we know how the finances were when we arrived in 2011. How are they going to fund it? (*Interjections*) Which the former Chief Minister accepted live on television that he would have to come to Parliament to increase the borrowing limit to be able borrow the money we were going to need to put into place – Did he say nonsense? Well, he should watch it again because I am sure it is on YouTube. (*Interjections*)

Mr Speaker, but of course that is not all, because the hon. Member opposite is a banker. If I would have come to him, and said, ‘I want to build in the Harbour, 700 berths; and I am going to create on the outside five, six, seven huge berths for superyachts, and it is not going to cost me a penny!’ He should have said, ‘Genius. Flipping genius!’ Today, this morning, there were four superyachts berthed on this new facility. But yet, when we tell him that there is a possibility that we are going to sell the berths and recover the cost and some, of building that marina, and still have the superyacht berthing, he says, ‘Now we are resorting to flogging berths to plug the hole!’ Well, can’t he say congratulations? Because I think it is sheer genius! (*Interjection*) I think it is a masterstroke. Well it is brilliant! And, let me tell you, it is a lot more brilliant than anything you have ever done! (*Interjections and banging on desks*) There is plenty of time.

Mr Speaker, they also like to talk about entitlement – the ‘age of entitlement’, as Mr Phillips said. Well, Mr Speaker, if they are so much against the age of entitlement why do they not allow us to do something about it? Because when we want to charge for things, which move away from

the age of entitlement, and you pay as go – they are against it. Everything we want to do to increase revenue, to reduce cost, they are against!

I was walking down Main Street a couple of months back and somebody saw one of my colleagues from across the floor walking down Main Street, and he pointed at him and he said, 'Que hay un demonstration'. Because it seems for a time that whatever demonstration there was, there was one of you in it! For whatever it was!

Mr Speaker, there is this desire to criticise 'age of entitlement' and when we try to do something about it, 'No. No! We are against that. We are concerned about that. You cannot do that. Pay them more, give them more, even if they do not want it!' Well, again, I really struggle to reconcile the statements.

And of course Mr Clinton went further, incredibly so. He said, 'Mr Speaker, your manifesto promised these things and now projects that this community legitimately deserves and expects are not going to be delivered.' Wow. He is criticising the Government for not implementing the manifesto, when he tells us we are in financial ruin, and that people have a legitimate expectation, i.e. entitlement, from a Member of the Opposition who is the Banker, who is meant to be the financial wizard, is complaining that they have a legitimate expectation to get those projects delivered. A legitimate expectation! Your colleagues to your left, the lawyers, will explain to you what those words mean and it will not be pretty reading.

Mr Speaker, how can you honestly tell the people of Gibraltar that they have a legitimate expectation at a time like this when we are in an economic crisis? The Chief Minister detailed at some extent what that is. But no, this is just about political points and cheap scoring. Well, I have read our Manifesto, Mr Speaker, and we will get to where we need to get to within the confines of the economic situation we find in, because we are prudent, because we are responsible, not because we are anything like the Members opposite. (*Interjections and banging on desks*)

Mr Speaker, we then had the same old tunes of transparency and accountability: 'Do as I say, not as I do.' All again, all over again.

Mr Speaker, Mr Clinton suddenly discovered in his intervention yesterday that we now have a third category of debt, a *new* third category of debt. Never seen before! Wow, I thought. Whoa, what is this? This is going to be interesting. Until of course, he carried on: asset borrowing and renting them, rather than just building them. They cannot scrimp the money. (**A Member:** They cannot.) And I thought, good God! It costs the taxpayer more in the long run! Why rent?

Then he says, 'Now resorting to renting buildings ...' because he does not have the cash to build them. Well, hello, Mr Speaker, that is what I can say to the Member, 'Hello, wake up, look back a bit and realise that that is exactly what the GSD did in building the Hospital, in building the carparks, in raising the money off PFIs, leasing these back, renting the Hospital, renting the carparks! (*Interjection*)

For goodness' sake, did he not know that? (*Interjections*) Did he not know that? The Hospital you rented! (*Interjection*) You bound this community to rent the Hospital for years at huge cost. (*Interjection*) Huge cost. Why? But now, suddenly, he has discovered this new asset class – asset borrowing he calls it. Well, thank you for the lesson in economics. Thank you for the lesson and thank you for teaching us as to what we should and should not be doing. But I would suggest that he confers with his Members to his left who were sitting in Government at the time that they actually did it themselves. (*Interjection*) He was the Minister for Health, indeed he was.

Hon. Chief Minister: When they rented the ICC!

Hon. A J Isola: Yes, that is true! (*Interjections*)

A Member: Disgraceful!

Hon. A J Isola: Yes, when the GSD rented out the office of Euro port (*Interjections*) Exactly the same. Yes, absolutely.

Two Members: Who from?

195 **Hon. A J Isola:** From the owners! *(Interjections)*
Oh, my gosh, yes, exactly! Oh, my gosh. I mean, what depths have we sunk to that they should be –

200 **A Member:** Disgraceful, Mr Speaker!

Hon. A J Isola: That is what they allowed into Gibraltar, let's be clear about that. No. Okay, okay.

Mr Speaker, we then get to the same issues on transparency – definition of debt and 'net debt'. They did exactly the same – come on, let's be mature, let's understand and accept.

205 Use of companies, it is harder now, but it was fine when they did it. On and off balance sheet, it is fine when they did it, we cannot do it. Asset finance, the new dawn, I suppose, for Mr Clinton's understanding of economics. They did it too. But of course if we do it, it is not transparent, it is not accountable, it is not responsible, there is no trust.

What utter nonsense, Mr Speaker.

210 Mr Speaker, Elliott Phillips said that the GSD has always been the party of financial independence, prudence and responsibility. But I am not trying to mimic his tone because I could not, possibly. *(Interjection)* Financial independence, prudence and responsibility. Well, Mr Speaker, Mr Phillips obviously believes that, and he believed it at the time, which is why he stood against them in successive elections. So if they were the team of prudence, independence,
215 why did you not just stay with them?

Again, if we look at his position on the Crimes Act, it is a bit of a yes/no, yes/no, flip flop, flip flop. But, hey, this is politics and we understand that. Mr Speaker, more and more, we have come to expect less and less from the Members opposite.

We then had – and I had to congratulate my friend the Chief Minister for his use of his definition of Mr Phillips' speech at the end, he really has a way with words, calling it a 'paper hammer'.
220 *(Laughter)* I thought that was really quite an articulation of my friend Mr Phillips' speech.

I suggest to him after having had his lecture on transport, *(Interjection)* that he rereads – if he has not read it already – he might want to listen, because I am going to give him some advice. Yes. I suggest he rereads his part on transport from his manifesto, because let me tell you that nothing of what you said yesterday is in it. There are hints and droppings, as there normally are, in five very small paragraphs on transport and parking, I think it is: e-scooters, which he almost chastised – I think they were proposing to regulate, and I think we are proposing to regulate too. So there is not too much difference, and there was no need to chastise my friend Mr Daryanani, or indeed Mr Balban, or in any of the other areas of transport, and indeed in his insult to my good friend Mr Cortes in calling him a pussycat. *(Interjection)*
230

Mr Speaker, if I can just move, finally, to my friend Mr Bossino and his comments on the call – *(Interjections)* not today, or yesterday. *(Interjections and Laughter)* Mr Speaker, Mr Bossino who sought to tell my good friend the Minister for Tourism that he should resign, because one of theirs had run into problems with their own licensing. A system that is normal, an airline comes, agrees everything with you, they go away and they do their things, and they come back to us to issue a statement. Mr Daryanani said, 'If you want to issue a statement, you issue a statement.' And they did. But as a consequence of that, he, Mr Bossino – and I do not know why, but I find it quite extraordinary – said that Mr Daryanani should resign. Resign. *(Interjection by Mr Bossino)* You suggested it more than once. Yes, you did. *(Interjections)*
235

240 In fact, I find it quite incredible because tomorrow, Friday, we have flights coming in from Manchester, Gatwick, Heathrow, Southampton, Heathrow, London City, Luton, Gatwick. Tomorrow, in one day, with four different carriers – Eastern Airways have never been to Gibraltar before, British Airways, easyJet and Wizz Air.

Mr Speaker, I do not think my friend should resign, I think we all have to congratulate Mr Daryanani (**Several Members:** Hear, hear!) for the extraordinary work that he has done to raise these airlines. There was a period not too long ago where there was a new route being celebrated almost every day of the week! On Saturday, 29th May the *Gibraltar Chronicle* reports, 'Travel soars with passenger rates tripling and hotel bookings unprecedented.' Then if the hon. Member had cared to turn the page inside, which I am sure he did not, they would have said, 'The water cannon salute was heard for the second time this week as Eastern Airways inaugural flight from Birmingham flew into Gibraltar yesterday evening. The new service will be operating twice a week, all year long.' This follows the first flight from Southampton that flew in on Monday. Two inaugural flights in one week! That is incredible. But of course, in addition to all the rest that I have just described for tomorrow, we also have Bristol and Edinburgh.

Well, Mr Speaker, if that is what causes the call for Mr Daryanani to resign, I think we all need to start packing our bags because none of us will ever hit the mark that my colleague, Mr Daryanani, has in achieving the huge success he has, at a very difficult time, in attracting new business to Gibraltar. I honestly think, and I commend to my hon. Friend, that he should congratulate him, not mimic him.

Mr Speaker, moving on to my prepared speech, I believe it is absolutely remarkable that after these last two years of horror, I should be standing here telling you how well and resilient the businesses in my areas of responsibility are doing. Brexit was without question the biggest challenge to our Gaming and Financial Services firms. That was until COVID-19 came along. Yet, quite incredibly, both of these sectors have adjusted, planned and executed their structural changes, and got on with what they do best – running their businesses. Travel Insurance firms and Bureaux were the most impacted by the pandemic, for obvious reasons.

Mr Speaker, today, despite all the European business having been lost by our Gaming firms – and we need to understand that we have lost all the European business in our Gaming firms in Gibraltar, it has had to go for Brexit, so there is nothing here. Having lost some of this business, we still have today some 3,400 jobs in this sector, and growing. I am pleased to report that we have new applications *en route* and our firms continue to employ here, which is very much welcome.

In Financial Services, having lost the European passporting rights, we secured passporting rights to the United Kingdom – the only piece of land in the entire world to have achieved this. Not bad for a 'bad' Brexit deal. As a consequence of this excellent work delivered by the UK's confidence and trust in our regulatory and legal systems, and the quite extraordinary skills of our Brexit negotiating teams – led by my friends the Chief Minister and the Deputy Chief Minister, and of course the Attorney General and the Financial Secretary – I can report that in the last half of 2020 the GFSC had the highest number of applications in its history; and the numbers of Cat 2s and HEPSS in Q1 of 2021 are also at record levels.

Mr Speaker, Members will have noticed that I have not yet mentioned COVID in respect of these two sectors. That is, put simply, because these firms adjusted their working practices and just carried on. At the very first meeting of CELAC, the representatives of both our Gaming and Financial Services businesses were asked if their sectors required any of the BEAT support measures that we were designing. They of course were involved in the architecture of those systems. They both, Mr Speaker, said 'No'. And they were true to this for the entire period of the Pandemic and, as a consequence, we owe them a debt of gratitude for their complete professionalism, and we are fortunate to call them our stakeholders.

Moving on to the work of our teams, I must say that technology has come to the rescue and we have very much carried on these past 18 months with business close to 'as usual'. In lieu of travel and face-to-face meetings, the team has carried on with Zoom meetings, webinars and telephone calls to continue the promotion of our jurisdiction, with some significant degree of success. We have found these face-to-face virtual meetings to be extremely rewarding, particularly as partners or directors of the target firms have joined from diverse locations including as far away as Los Angeles, together with their colleagues in New York and London. We have

worked hard to successfully present Gibraltar as an attractive and competitive jurisdiction in many different areas, and even during the height of the pandemic we attracted new businesses to Gibraltar. Our USP of speed-to-market and access to Government and Regulators is compelling.

300 I am pleased to report that a strong flow of new applications has continued over the past two years. The pipeline, including DLT firms in GFSC, as I said, is at its highest level in many years.

We have also seen an increase in the amount of business written collectively by Gibraltar's insurance companies over the past two years, and we saw a significant interest in new applications in 2020. There are strong indications, Mr Speaker, that the market share of our motor insurers in the UK will be edging towards 30% by the end of this year. We often talk, Mr Speaker, of our
305 companies having 24% of the UK market; I believe by their growth that we will hit 30%. That is almost one in three cars driving in the United Kingdom with Gibraltar-issued policies.

A natural progression for DLT and eMoney licensed firms is to mature from Virtual Asset Service Providers (VASPs) or money transmitters to fully-fledged credit institutions. XAPO is the first to complete this journey in Gibraltar. The growth of digital banks is expected to continue and provide
310 competition to traditional players.

Mr Speaker, it is worthy of note that Gibraltar DLT firms are punching well above their weight, not just domestically but importantly globally. BITSO, the first Unicorn in South America with a recent raise of \$250 billion and a valuation of \$2.2 billion.

315 LMAX, a large London Group whose Gibraltar firm LMAX Digital recently raised \$300 million with a valuation in excess of \$1 billion.

INX, the Gibraltar firm which was the first ever United States SEC-registered token IPO, subsequently raising some \$117 million.

BLOCK.one, recent announcement of their Global 'Bullish' platform with \$10 billion of liquidity funding.

320 Mr Speaker, and of course, we have eToro growing internationally, and our own Huobi with their Charity which donated \$1M to UNICEF, the first institutional Bitcoin donation accepted by UNICEF, ever. Closer to home, Dam/Damex continue to promise and grow. It is interesting, Mr Speaker, because Dam or Damex is a Gibraltar start-up, and it is the first company, Gibraltar DLT firm, that has been accepted on Crowdcube for crowd funding for raising investment and raising
325 the money they require for the next stage of their expansion. So I congratulate them also in terms of their fantastic work.

Mr Speaker, we should also note that Gibraltar has recently been pushed up into third spot in the PWC report on Crypto Hedge Funds most favoured jurisdictions – we have come third after the United States and the Cayman Islands.

330 In Insurance, Mr Speaker, our firms also continue to impress. In October 2019, the first UK Insurtech to start its own insurance company commenced trading from Gibraltar. It was followed in late 2020 by the second UK Insurtech to start its own insurance company, which commenced trading in January 2021. We welcome Zego and Marshmallow as two of our newest insurance companies, and importantly the first two Insurtech firms in the UK, both Gibraltar businesses.

335 We continue to work to stay ahead of the curve with our DLT Framework and we will shortly be publishing the '10th Core Principle' – my friend Mr Clinton was asking before about the progress of that. This defines standards of market integrity and will be established with forward-thinking views on Decentralised Finance (DeFi) and Non-Fungible Tokens (NFTs) working in partnership with the Financial Services Commission and the Gibraltar Association for New
340 Technologies (GANT).

In the funds sector, we have overhauled our Limited Partnership Act to make our legislation more competitive, and introduced the Protected Cell Limited Partnerships Bill with expert support from a leading London funds lawyer and ably supported by the Gibraltar Funds and Investments Association (GFIA). My thanks to all of them.

345 In all of our sectors, we continue to promote and enhance the product and our engagement with firms and international organisations all over the world. We believe this gives us a wider reach than traditional means, and this has worked particularly well in DLT and, indeed, Insurance.

Mr Speaker, I welcome the development of GANT. In early 2021, outgoing Chairperson David Parody completed his two-year term of office. I would like to extend my grateful thanks to him for his work in getting this started. I look forward to working with Anthony Provasoli and Joey Garcia as the new Co-Chairs of GANT.

We have also worked closely with the Gibraltar Funds Association both in product development and of course in business development. They are great partners of Government and fully understand the power of working closely together for the benefit of the jurisdiction. My thanks to Jay Gomez and James Lasry, the Chairman and Vice-Chairman.

There has also been a much closer working relationship with the Gibraltar Insurance Association (GIA), and last month the first post-COVID GIA and Gibraltar Finance Insurance event was held here in Gibraltar.

I would also like to thank Francis Carreras and Lynda Martin, the Chair and Deputy-Chair of the Gibraltar Association of Pension Fund Administrators (GAPFA) for their extensive time, input and technical support in respect of the Private Sector Pensions Law.

Mr Speaker, I must thank Mr Marc Ellul for his leadership, support and insightful contributions as the Chairman of the Finance Centre Council over the past three years. This has been a really tough and transformational period for the sector, and despite this it has been a real pleasure working with him. During lockdown, Marc agreed to extend his Chairmanship for a further year to provide continuity at that difficult time and I am grateful to him for that. In June 2021 in a role reversal, the Council elected Mr Nick Cruz as the new Chairman for a two-year period with Marc continuing to serve as the Deputy Chair. I look forward to continuing to work closely with the Council and with Nick as its new Chair. They have an important role to play in supporting the development of our policy and business development opportunities.

In spite of a very difficult year in 2020 due to the coronavirus pandemic, Gibraltar International Bank performed considerably well under the circumstances. The results for the first half of 2021 show that the lifting of restrictions earlier in the year has to some extent increased economic activity and this has manifested itself by the bank experiencing increasing numbers of transactions across all sectors.

Deposits have grown by £500 million over the past year and now stand at £1.3 billion, a remarkable deposit figure. The bank currently has around 18,500 clients that hold 28,000 accounts. With regard to loans/mortgages the book currently stands at £468 million and the lending book has continued to grow.

Mr Speaker, the bank has recently been subjected to a number of cyberattacks, which have placed the bank and its staff under some strain, leading to staff extensively reviewing transactions manually in order to protect its clients and their own transactions. I am most grateful for their care and diligence.

I am also grateful to the CEO, Lawrence Podesta, his executive team and his staff, for their professionalism in managing the bank and the Chairman of the Board, Albert Langston and his team, for their work throughout the year.

Mr Speaker, I touched on the Gibraltar Authorisation Regime at the start of this report. Let me remind the House that the UK government issued a Statutory Instrument (SI) in early 2019, setting out the temporary arrangements for Gibraltar's ongoing passporting arrangements in financial services into the UK post-Brexit. During 2020, detailed discussions about Gibraltar's permanent passporting arrangements were held with HM Treasury and then set out in the UK's Financial Services Bill, which was published towards the end of last year. The permanent arrangements we now refer to as the 'GAR', started its passage through the House of Commons towards the end of 2020 as part of the Bill. The latest position from Treasury is that the GAR will come into effect during 2024 so there will be further UK Statutory Instruments to cover 2022 and 2023 so as to ensure a seamless transition. Importantly, anyone or any firm seeking confirmation about Gibraltar's future permanent passporting rights can be referred to the UK's Financial Services Act of 2021.

400 The GAR provides a single market in financial services between the UK and Gibraltar, which is unique and not available to any other British Overseas Territory, Crown Dependency or Third Country.

405 Mr Speaker, we have since the last full Budget a new CEO at the Financial Services Commission (GFSC). I am most grateful to Kerry Blight, the CEO, for his excellent work since he took over. I know the sector have warmly welcomed his accessible, open and transparent style of operation and I too welcome this, as well as his efforts to maintain budgetary control – a battle that he is winning. He is a pleasure to work with.

410 Mr Speaker, we also have Stephen Haddrill our new Chairman, and we are fortunate to have such a man and secured his services. He is an incredibly able individual with enormous knowledge and expertise in financial services and he will be invaluable to the Commission in the work that they do, as he has already demonstrated in the short time that he has been with us.

I am grateful to all of the Board and staff of the GFSC for their quiet and untiring work and professionalism.

415 Mr Speaker, the test of a good team is how they perform in difficult times and, under unusually difficult circumstances, the team at Gibraltar Finance led by James Tipping have excelled this past two years. Jimmy, Mike Ashton, Paul Astengo and Tim Haynes have worked closely ...

[Technical interference]

The Speaker: We are experiencing some technical difficulties in relation to the recording of the proceedings of the House so we are going to take a short recess of 15 minutes to see whether we can overcome this issue.

Thank you.

The House recessed at 11.45 a.m. and resumed its sitting at 11.50 a.m.

**Appropriation Bill 2021 –
Second Reading –
Debate continued**

420 **The Speaker:** I am happy to report that things are back on track.

Hon. A J Isola: Mr Speaker, my thanks; and my thanks also to the technical team that have put us back on track so quickly.

425 Mr Speaker, I also have to thank the team at HM Treasury for their collaborative and supportive approach on GAR. We have some way to go, but I am grateful for their enduring understanding and support: James Tipping, who manages our relationship with HMT and has driven the GAR project from our side, with Julian Sacarello at the GFSC, and I am sincerely grateful to them both for their excellent work on this critical project for the industry.

430 Mr Speaker moving to the Gambling Sector. The gambling sector has been broadly self-sustaining through the lockdown. The firms that are primarily focused on sports betting were significantly affected by the lack of live sporting events. Even our land-based operator, whose casino and betting premises were completely closed in the early months of lockdown, met its own employment costs until the latter part of the crisis.

435 Mr Speaker, I am happy to report that, throughout the lockdown period, the Gambling Division remained fully operational and effective. Significant effort has gone into assessing business continuity plans and working closely with virtual betting and gaming content providers in order to sustain operator revenues. Virtual compliance visits have also taken place and there has been a

focus on social responsibility and the wider business risks created by the pandemic. The focus has been on supporting business whilst maintaining regulatory standards.

440 Despite the headwinds of COVID-19 and Brexit, we have maintained a vibrant industry in Gibraltar. In the period April 2019 to March 2021, the Gambling Division have issued 11 new licences, resulting in gaming licence revenue remaining in a healthy state. There are at least three pending B2C licence applications and a potential pipeline of B2B licensees also.

445 Finally, I am pleased to announce the establishment of the independent Gambling Care Foundation in Gibraltar, which has been funded by the industry, and which will have as one of its objectives the support of the Centre of Excellence for Responsible Gambling, a research and training institution established at the University of Gibraltar. With the support of our firms, I expect we shall be the only jurisdiction in the world that will have all of its employees having attended a certified course at the University directly focusing on responsible gambling.

450 My thanks to the Gambling Regulator, Andrew Lyman, and his team for their excellent work during these very difficult and challenging times. Andrew has been a great signing for Gibraltar, and I am fortunate to have his expertise and knowledge available to me.

Mr Speaker, the Liaison Department continues to provide invaluable assistance to our firms and with emerging and new technologies introduced within the public sector, the support
455 provided by this unit is instrumental in identifying swift solutions for all queries relating to most Government Departments. I am most grateful to Lizanne and Tanya for their interaction with our firms and all Departments for resolving their issues in, quite frankly, record time

Mr Speaker, in considering the Gibraltar Broadcasting Corporation, GBC were quick to adapt to the pandemic and the needs of our community, who relied on the public broadcaster for trusted
460 news on our response to COVID. Mr Speaker, they stepped up to the plate, covering the daily press briefings from No. 6 and increased programming as more and more people stayed at home. In all, 270 hours of additional programming were aired by GBC Television during the three-month lockdown, with further programming also being provided by Radio Gibraltar.

The charity's 'Lockdown Edition' of GBC Open Day managed to raise £180,000 in 24 hours, which was then topped up by the Open Day Charitable Trust by £50,000, resulting in a total of
465 £230,000. This money was contributed, on behalf of the people of Gibraltar, to the COVID-19 fund. A very worthwhile exercise indeed and my sincere thanks to them for this quite spectacular effort. In December 2020, GBC held its traditional fundraising day when they incredibly raised a further £128,000 for local worthy causes through the annual marathon radio and television shows.

470 Mr Speaker, a new era for GBC is now around the corner. GBC is due to go live from the new broadcast centre in South Jumpers Bastion on a soft launch on Monday, 9th August, with a transitional period to follow for a few weeks while existing electronic systems are migrated from one building to the other. Full programming from the new studio complex begins in early October. This is a technically advanced broadcast centre providing two television studios and four radio
475 studios, as well as a variety of technical and production areas and office spaces designed to enhance creativity and the working environment, while combining the heritage aspects of the Bastion with the new build above it. It has been well worth the wait and is appropriate, as GBC enters its 60th year of existence in 2022 next year.

Mr Speaker, I would like to thank all those in front of the cameras and microphones, as well as
480 those behind the scenes and even those in administrative positions for the work they do, day in, day out. Gerard and his team have been busy managing business as usual during these unusual times whilst also ensuring the build and delivery of the new systems in time for the historic opening of the new Broadcasting House. Exciting times indeed.

Mr Speaker, in turning to my responsibilities for Town Planning and Building Control, the
485 Department has had a busy two years, as one can imagine; and in common with other Departments, has had to deal with the challenges thrown up by the pandemic. Notwithstanding the pandemic, the volume of applications managed by them has increased over the last two years. In 2019, 594 applications were processed and 665 in 2020. It is worth noting a significant

proportion of these are large scale and/or more complex applications than in previous years involving significant input and staff.

It is a credit to the team that, despite the pandemic, DPC meetings continued during this time and I must thank them and ITLD for their great work in making this a reality; not just for the DPC, but also enabling the public to join and have access to these meetings. We believe in public participation in Planning and are delighted to have been able to deliver this, even in these extraordinary times. I should mention here that with the introduction of the Town Planning Act in September of 2019, meetings of the Development Appeal Tribunal are now also public.

Mr Speaker, the new Town Planning Act now also requires Government projects to obtain planning permission and, where the nature of the project requires it, are subject to a similar public participation process as are other applications. The e-Planning service continues to operate successfully. It allows easy access to application details and provides a platform through which applicants can submit their applications online. The proportion of Planning and Building Control applications submitted online in 2019 was some 63%. In 2020, the figure rose to 86%, so a substantial increase in just two years in the use of the online facilities.

Mr Speaker, the Town Planning and Building Control teams are both working with us on a review of their work and their practices and systems with a view to modernising and updating them. I am confident that we will make good progress this year and be able to publish the review in the coming months. Building Control are also reviewing the Building Rules made under the Public Health Act with a view to updating these to bring them in line with the UK and European Standards ensuring best working practices are maintained for the benefit of both the users and occupiers of the built environment.

I would like to take this opportunity, Mr Speaker, to thank Paul and Norman and all of their staff at the Town Planning and Building Control Departments for their hard work and dedication, particularly during these past two years.

In looking at AquaGib, they continue to service contracts in respect of potable, seawater and sewerage services in Gibraltar. The Government continues to invest in capital projects as part of its asset replacement plan aimed at maintaining and improving the water infrastructure assets around Gibraltar. This includes the increased supply of potable and saltwater to the Westside area and indeed the Eastside. We have agreed a short-term extension to the AquaGib contract to enable both parties, once relieved of the extreme pressures of COVID-19 and treaty negotiations, to focus on this important negotiation.

Mr Speaker, in turning to the Gibraltar Electricity Authority: since the last Budget session there has been a huge effort going into the final stages of commissioning and the initial operational phase of the new North Mole Power Station, the associated new high-voltage distribution centres, the new infrastructure, the new high voltage cabling network and of course the decommissioning of the old and polluting Waterport Power station.

At present 88% of Gibraltar's power is generated by the North Mole Power Station and around 12% from the Energyst rental plant. Once the initial teething problems – which are normal for a new power plant of this size – are resolved, we envisage no further running from the Energyst rental plant.

On the issue of emissions, the CO₂ emission this year saw a decrease of around 9% from 136,468 tonnes in 2019, to 123,869 tonnes in 2020. *(Interjection)* The pussycat believes it is excellent. I am delighted. Thank you, sir.

Anecdotally in 2016, before the advent of LNG, the CO₂ emissions from power generation in Gibraltar were at a level of 161,000 tonnes, close to 25% more of what is emitted today. I know that my friend the Hon. Mr Cortes was instrumental in enabling us to reach the levels that we have reached today. *(Interjection)*

During the pandemic, the GEA continued to function as normal. This is particularly notable when you consider that the North Mole Power Station commissioning works had not yet concluded. This, however, occurred at a slower pace due to travel restrictions that some of the specialised contactors found themselves in when moving across Europe.

The team at the GEA are only remembered when there is a power failure, and often teased – unfairly, in my view – when we are open and honest as to the causation. Mr Speaker, people need to understand that the workers at the power station do not want a power cut. There is no point blaming them for a power cut that has been caused by a problem in generation, a problem on the grid, a problem in one of the power stations, a problem because a contractor has cut through a power cable. There are many, many reasons as to why we have power cuts, but not all are because somebody working in the GEA wants one to happen.

So I would ask my friends opposite to be a little bit more sympathetic to them and I have seen them working first-hand when they have had a power cut in the extraordinary effort they go to, to bring power back as quickly as possible, safely. I am sure all Members will agree it is critical that power is restored safely. So when my friend the Hon. Leader of the Opposition tweets – I have got a big picture of him here – ‘Not the falling instruction manual again’, when there is a power cut, he is not funny. *(Interjection)* It is humour, it is not funny; it may be humour, but it is not funny. Not for the people who are working their butts off – forgive my French – to restore power safely, as quickly as is possible. So I would ask people to be more understanding and sympathetic to the hard work that these individuals do to maintain, safeguard and restore power as quickly as is possible.

I would ask the community to remember that these failures are few and infrequent, and as we get through the normal teething problems will decrease still further. But the work going into maintaining the grid, dealing with the complex systems of power generation, upgrading old infrastructure and attending to contractors interfering with our cabling network are worthy of mention and appreciation. I have witnessed first-hand, as I have just mentioned, the response to these problems and I am grateful to Michael Caetano the CEO, and his entire team for their good work in keeping the lights on, especially when we suffer a failure.

Mr Speaker, this year has been an important year for the Gibraltar Regulatory Authority, in particular because of the work undertaken as a result of the UK’s exit from the EU. In response to the change in regime, the GRA published Brexit-related guidance and held dedicated Brexit-related workshops in the second half of 2020. Gibraltar’s exit from the EU, as I am sure Members are aware, means that the jurisdiction is now considered a ‘third country’ for the purposes of the EU GDPR. Consequently, organisations in the EU are required to implement measures before data is transferred to Gibraltar, thereby affecting the flow of data between the jurisdictions.

The Data Protection Act 2004 and the Gibraltar General Data Protection Regulation, which came into force on 1st January 2021, provide a comprehensive and modern framework for data protection in Gibraltar.

Whilst I am on data protection, Mr Speaker, as you may all be aware, this field is extremely reactive and the majority of the Data Protection Officer’s role focuses on dealing with advisory work, requests from members of the public and engaging with the Regulator about data protection with regard to any Government practice.

Departments and authorities internally continue to apply privacy legislation to their considerations whenever they undertake new processing of personal data. This was evident during the height of the COVID-19 pandemic, when public sector bodies set out appropriate agreements and procedures for the sharing of information. The Government has also recently purchased Egress Secure, which will allow for the encryption of emails and attachments. The ITLD Department will be rolling this out to all Government bodies in the coming year.

Mr Speaker, hon. Members will also be aware of the Bill that we have laid before Parliament and which we will discuss when we are able, dealing with the issue of Inter-Government Data Exchange. The Bill will I think enable Government to work more efficiently and effectively particularly in relation to its eServices with the implementation of this Bill which is very much what the UK has done themselves to be able to do exactly the same thing themselves.

Mr Speaker, turning to Information Technology and Logistics Department (ITLD) and technology, during the past year the COVID-19 pandemic has forced a great deal of uncertainty on all nations around the world. During lockdown and beyond, people were obliged to work from

home with little to no face-to-face interactions, except with their immediate families. Reliance on virtual forms of work and communication was not just a requirement, it was essential. The ITLD team were under considerable pressure to deliver remote working to Government officers working from home. I am delighted to say that under the leadership of Tyrone Mañasco and his team, the Department have done an incredible and fantastic job in introducing these tools across the entire Government to support a wide range of remote working options. My thanks and appreciation to each and every one of them for enabling the public sector to be able to continue working.

ITLD service and maintain the Government computer network. This includes everything from enhancing the physical network infrastructure to maintaining software platforms. They are the backbone to our digital services, which rely on their work to deliver strong and resilient services. Investment in IT is set to continue as the Government continues to develop and improve its online capabilities. The challenge is to build a digital environment that is fit for purpose, robust and secure. Improved IT systems have become an important focal point and a key building block for the future.

Mr Speaker, turning to Digital Services the Government is firmly committed to realising its ambition to become a fully digital Government for its citizens, businesses and public services. Significant work is going into the implementation of systems, which will enable the Government to move away from manually driven processes and control, which are inefficient and difficult to sustain. As from the 1st April 2021, the Government has an integrated solution for procurement, purchasing and payment. This means that our supply chain management and purchasing systems are now integrated into the financial accounting system of the Government, something that was not possible before.

Mr Speaker, the Government has also centralised the processing of invoices. The Accounts Payables team, run from my Ministry, is made up of a team of four people. They have the responsibility of processing all Government invoices with the use of specialist software. This system, called Invoice Capture, eliminates the manual keying in of paper and PDF invoices done previously by the Treasury. Since we started this work in November 2019, some 38,000 invoices have been processed by the new team, of which 28,205 have been exported to P2P for payment.

The e-Administration team is now finalising the work being done on HR, Expenses and Payroll. An incredible amount of work is being put into the configuration of these systems to manage shifts, requests for annual leave, calculate rolling sick leave, etc. It will enable the Government to capture employee information and the operational needs of the workforce like time and attendance, demand-driven scheduling and absence. These systems are being integrated, not only with each other, but with the financial system as well. Ultimately, it will produce the Enterprise Resource Planning system that spans across all of Government administrative systems.

In essence, Mr Speaker, the implementation of these software systems has enabled the Government to transform from manual processes to digital ways of working. This transformation is likely to be the most significant change to our administration in a generation.

I must thank the teams at the Ministry of Finance, under the Financial Secretary, and Treasury under Charles Santos, the Accountant General, for their work in making this a reality. We have worked hard and closely together and I am grateful to them all for their professionalism, enthusiasm and support – even when we have disagreed. I am also looking forward to working further with the Treasury IT team under the leadership and direction of Mr Eddie Diaz.

Mr Speaker, the other main project that we are working on is eServices. As a result of the COVID-19 pandemic, a significant number of Counter Reduction Services were also developed across many areas of the Government. These are basic services, but they come with a virtual office, a payment gateway and a customer support portal. Almost a year on since we started putting eServices online, we have processed over 20,000 applications with fee payments in excess of £760,000.

We have also started to roll out Integrated eServices. The experience is much more inclusive than the more basic Counter Reduction Services. Applicants need to register on the [Gov.gi](https://gov.gi) portal

645 and a citizen profile is created for each and every individual. The work that we have done on the Counter Reduction Services will obviously be very helpful to us as we move those into the eServices because the backbone has been built.

Mr Speaker, on 9th February the Government went live with Integrated eServices for the Department of Employment. A small number of local companies took part in the soft launch prior to that. On 18th May, the Government made the platform available to *all* companies requiring employment services.

On 1st July 2021, registration for Tax Services went live and on 12th July citizens were able to manage their allowances online. The next set of Tax Services include Income Declaration, which is due to be completed next month. The next set of Departments that form part of the roll-out plan includes Housing, the Gibraltar Health Authority and the Office of Fair Trading.

Currently, there are 8,306 registered users for eServices and a total of 26,279 applications have been submitted to Departments since its inception. These are promising numbers.

Mr Speaker, the Government recognises that change takes time to implement. Not everybody finds it easy to interact with Government Departments online. We have therefore opened a Gov.gi eServices Office at 323 Main Street, opposite the John Mackintosh Hall, where people can seek face-to-face assistance from the Government in attaining whichever eService they may require assistance with. Just for the sake of clarity, Mr Speaker, it is important to stress that the support office is solely for eServices. It is not possible to support Government Departments that do not yet have an online presence or which still deal with paper-driven processes and files at this time from these offices.

I should add that yesterday we issued a press release notifying of the availability of COVID-19 certificates issued by the GHA. Overnight, since that was launched yesterday, some 1,500 applications have been received – a huge number of these. If people require help from Government in filling these online, this unit in Main Street, which is already open, is available to them to get their support in helping them to process the very simple application that requires to be done.

Government Departments have embraced the effort to digitise our systems and services and I am grateful to Debbie Garcia and her team at the Employment Department, and John Lester and his team at the Income Tax Office. I welcome the interaction across all Government Departments in our work to digitise and share their desire to get these services out as soon as we are able.

Mr Speaker, I must especially thank Julian Baldachino and Karon Cano who are at the heart of all things digital. I could not have made the inroads I have referred to, and much more, without their total commitment. Heath Watson and Justin McNeice have also worked closely with us and I am sincerely grateful to them too.

Mr Speaker, the entire team at Digital Services who work closely with the team at ITLD and also the ITLD section in Treasury are all working closer than ever before, to deliver the ambition and the vision that we have set to deliver these services. I am grateful to each and every one of them for the work that they are doing under extreme pressure. When we went live on the administration system one of the members of staff whose name I have already mentioned, but I will not mention again so as not to embarrass him, spent the entire night in his office ensuring that the handover and the transition worked effectively. They are all remarkable individuals.

All that remains for me now, Mr Speaker, is to thank my team at my Ministry: Gareth, who always keeps me smiling and going at the darkest of times, (**A Member:** Hear, hear.) Karl, Lourdes and Karl and all the others for their continuous hard work and support. They are always there for me and available at any time to go the extra mile. My sincere thanks to them all.

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

Mr Speaker: The Hon. Vijay Daryanani.

Minister for Business, Tourism, Transport and the Port (Hon. V Daryanani): Mr Speaker, this is my first Budget address as Minister for Business, Tourism and the Port. (**A Member:** Hear, hear.) I feel immensely proud to deliver my maiden Budget address today and, in particular, it is a huge honour and privilege to be able to represent our fellow Gibraltarians in the affairs of Government.

Mr Speaker, the Hon. the Chief Minister appointed me as Minister for Business, Tourism and Transport after the October 2019 General Election. In August 2020, the Hon. the Chief Minister entrusted me with additional responsibilities for the Port and Commercial Aviation.

On 21st June this year, the Hon. the Chief Minister asked me to relinquish my responsibility as Minister for Transport and devote more time to marketing Gibraltar in both business and tourism as the world emerges from the shadow of the pandemic, at the same time attracting business and helping Gibraltarian business to grow. (*Interjection*)

Mr Speaker, I intend to set out the Government's various achievements since the General Election, as well as highlighting the projects which we intend to undertake during this financial year.

Mr Speaker, starting with tourism, I am very excited to be delivering my first speech on a subject about which I have always been passionate. As I took over as Minister for Tourism in 2019, Gibraltar was enjoying an excellent year and looking forward to an even better year in 2020. In 2019, the published figure for the total number of visitor arrivals, excluding non-Gibraltarian frontier workers, increased year-on-year by 3.1%. The number of visitor arrivals by land, excluding non-Gibraltarian frontier workers, grew by 4.1%. Visitor arrivals crossing by motor vehicle were up by 3.8% on 2019 and the number of pedestrians increased over the year by 4%. This was partially offset by a decrease in the number of visitors arriving in coaches, falling by 3.2%.

Arrivals by sea decreased by 18.6%. This was mainly due to a drop in the number of cruise ship passengers by 19.4%. Although the number of yachts fell by 10.3%, there was growth in the number of yacht crew arrivals by 5.3%. The reason for this increase is the growth in mega-yacht and super-yacht crew arrivals in 2019, up by 30.3% and 15.1% respectively over the year.

Tourist expenditure for 2019 has been estimated at a record £307.57 million, a year-on-year increase of 12.4%. The largest contribution to the increase came from excursionists from Spain, growing by £31.06 million, 16%, over the year from £193.86 million to £224.92 million. The numbers staying in supplementary accommodation grew by 21.5% according to the Tourist Survey data collected. Expenditure by this visitor grew by 33.6% up £4.65 million, from £13.82 million to £18.47 million in 2019. The Small Island Games and other sporting events will have contributed to this increase.

Spending by cruise excursionists fell by 9.9% over the period to £15.05 million due to the drop in arrivals. The average expenditure by this visitor actually increased by 11.8% in 2019, from £41.03 to £45.88 per person, and 2019 was a year where cruise companies were repositioning their ships. Some had been moved to the Caribbean from Europe; also, the uncertainty of Brexit was another reason for their approach in Europe, and Gibraltar suffered because of this uncertainty.

Hotel arrivals hit a record high for the fourth year in a row in 2019. The overall number of arrivals increased year-on-year by 8.9% from 85,050 to 92,657 in 2019. Tourist arrivals at hotels increased in 2019 by 8.5% compared to the previous year. Room nights offered increased by 6.7% compared with the previous year. This growth was mainly due to the opening of additional rooms offered at the Holiday Inn Express and Elliott Hotel following an extensive refurbishment.

Room occupancy increased to 69.4% in 2019 from 68.7% the previous year. Room occupancy rates varied throughout the year with the highest rate recorded in June at 81.7% and the lowest in the month in December at 46.0%. Average length of stay decreased marginally over the year from 3.1 days to 3 days.

Therefore, you can see, Mr Speaker, that the tourism policies of the GSLP/Liberal Government have produced results for all to see. Indeed, our results would have been even better had it not been for the global pandemic. At the start of 2020, we were forecasting more visitors by air and by sea than in the previous year. Our marketing campaigns in the UK would no doubt have also

driven more overnight leisure visitors than ever before. Having said that, Mr Speaker, I most certainly did not stop the momentum because of the pandemic of trying to keep as much interest in the destination going and doing as much preparation for the future.

The Tourist Board has been tireless in its efforts to ensure that virtual assets have been enhanced and the travel industry has been kept abreast of the great product Gibraltar has to offer. The Tourist Board is also very active on social media, posting several times daily to keep Gibraltar at the forefront of people's minds with high positive engagement, so that we are at the top of the agenda as travel restrictions ease.

Gibraltar's safety has always been an important attraction for our visitors. Now more than ever it is important that visitors feel secure with us, when they visit this magnificent destination. As a result of this energy and drive, we are seeing all our hotels full. I am delighted to report that we have had many days when every single hotel room has been full. I am extremely proud of this achievement, as I do not recall Gibraltar being in this situation before, resulting in having to turn business away.

Mr Speaker, there must be no doubt in anybody's mind now that this Government has done more to attract new airlines with new destinations to Gibraltar than ever before. Visitor arrivals by air in 2019 increased by 13.4% year-on-year. Visitors by air staying in Gibraltar grew by 16.1%. Visitors in transit by air increased by 11.3%. The percentage of total visitors by air staying in Gibraltar, however, continues to rise where it stood at 45% in 2019 compared to 44% in 2018.

In 2019 the number of seats used for scheduled arrivals increased by 10.1%. The number of seats offered also grew by 15.5%. The number of seats used for scheduled departures in 2019 increased by 11.8%. The number of scheduled flights increased by 15.9%.

In 2019 the total passenger movements for all types was up 11% on 2018. Passenger numbers were recovering after the collapse of Monarch Airlines in October 2017 and summer 2019 saw 43 flights per week. For obvious reasons, in 2020 total passenger movements all types were down by 62% on 2019. However, by way of comparison, Malaga was down 74% and Jerez 80%, according to AENA statistics.

A lifeline link to the UK was maintained during the entire pandemic, with British Airways operating services to London Heathrow. This proved essential for cargo, post, business traffic, medical needs and for students.

The number of planned summer weekly flights for 2020 was 40 per week: easyJet's Edinburgh route was planned to start on 31st March 2020 but was unable to start because of the pandemic. In the midst of the pandemic, this Government secured the restart of London Luton services, but this time by a new carrier to Gibraltar, Wizz Air, the fastest growing airline in Europe.

With the UK imposing a lockdown during the start of 2021, the early part of 2021 saw vital links to the UK continuing to operate. British Airways operated to London Heathrow, and easyJet continued operations to London Gatwick. With the lifting of restrictions on travel from the UK on 17th May this year, recovery is starting to show. London Luton services by Wizz Air restarted immediately on that date, and both easyJet and British Airways added additional flights to meet demand in May from London Heathrow, London Gatwick, Manchester and Bristol. As I said earlier, from June, Gibraltar saw more links to the UK than ever before, including its first link to Scotland. It has also seen an additional two new airlines operating services, Eastern Airways and BA CityFlyer.

Mr Speaker, more achievements by this Government: easyJet started services to Edinburgh on Saturday, 5th June, running twice-weekly on Tuesdays and Saturdays until the end of October; BA CityFlyer, a new carrier to Gibraltar, started operations to London City Airport, in the heart of London's Financial District on Friday 11th June, two weeks earlier than originally announced, to meet customer demand. Flights will operate twice a week on Mondays and Fridays until the end of September.

Another new airline, Eastern Airways, has also been welcomed to Gibraltar. Eastern is operating from not one but two UK regional airports: Southampton, the first time this airport has been served from Gibraltar; and Birmingham, bringing back this popular link to the Midlands that

was last operated by Monarch Airlines in 2017. Both routes are operating twice weekly and the initial plan is to operate all year round, also attracting tourism to Gibraltar away from the summer months and providing leisure opportunities for Gibraltar's population, as well as a vital link for Gibraltar's student population studying at or near these cities.

In summary, Gibraltar Airport will see 44 services per week to a record nine UK cities this summer. Given that we are hopefully on the back end of the pandemic, this is one additional service per week more than the Summer of 2019, four more than was planned for Summer 2020, and getting closer to Summer 2016 and Summer 2017 figures, which saw 48 services per week.

The opening-up of new catchment areas in the UK will lead to unprecedented opportunities for our tourism, leisure, retail and hospitality industry. Indeed the community as a whole will benefit, as the economic impact of this activity will benefit us all. Over the last two years, I have tirelessly engaged in one-to-one personal meetings with airline executives to achieve this. I will stop at nothing to ensure that we are better connected than ever before.

Mr Speaker, given what I have just said, the plain fact is that Gibraltar Airport will be served by more airlines to more destinations than ever before. This will bring in more passengers to Gibraltar by air than before. This is excellent news for our hotels, our tourism industry, our economy and for everyone. To recap, Gibraltar will be served by flights to London Heathrow, London Gatwick, London Luton, London City, Manchester, Southampton and Edinburgh, together with three new airlines – Wizz Air, Eastern Airways and BA CityFlyer.

Having said this, it is important we remain cautious and work hard on maintaining air capacity to Gibraltar. It has been an extremely difficult year for airlines, some reporting losses of between €500 million to €1 billion. All European destinations are suffering changes as airlines react to different COVID restrictions in different countries.

Gibraltar is no different and there will be a time that we will see change when an airline feels it can no longer sustain certain economic situations. The recent cancellation of flights in August by Wizz Air is proof of this. I know the opposition was delighted to see Gibraltar suffer this loss – so typical of them, Mr Speaker, as they undermine and damage every attempt by the Government to lead Gibraltar to economic recovery.

I will keep on trying my best, Mr Speaker, it cannot always be good news! People will recognise and judge for themselves the excellent work that the Government is doing to achieve unprecedented connectivity at Gibraltar International Airport. No amount of political posturing, negativity and desperate attempts to score cheap political points from the Members opposite, will deter nor discourage me from continuing to work as hard as possible to point Gibraltar in the direction of a successful return to our former levels of tourist activity. **(A Member: Hear, hear.)**

Mr Speaker, the Members opposite cause a lot of damage and prejudice Gibraltar's position and I have no doubt that our people will question their intentions. My vision for Gibraltar is clear: full hotels, a buzzing airport and successful businesses. It is not easy, Mr Speaker, but I intend to meet this challenge head on.

Mr Speaker, whilst unfortunately the cruise industry is not just yet recovered, the Port of Gibraltar has been very successful during the pandemic in providing a service to ships that not many other ports have. Following very strict protocols we have ensured that crew changes and the provision of supplies has continued. As far as the cruise industry is concerned Gibraltar is now seen in excellent light, and indeed these efforts were recognised by MedCruise during the second edition of the Association's awards, where Gibraltar was named as the 'Western Mediterranean MedCruise port showing the greatest commitment during the pandemic'.

I was pleased to announce recently that Gibraltar is now ready to welcome back cruise ships. Aside from many of the physical protocols that will remain in place, if passengers and crew have either a valid PCR or lateral flow test taken up to 72 hours before arrival, they will be able to disembark and visit Gibraltar. Unfortunately, it is early to say whether this will be a reality. The industry as a whole has done excellent work to ensure the protocols are in place for the safe return to the cruise industry. You will have seen recently that I went on board one of Viking's new ships and saw the excellent facilities that included a PCR-testing laboratory. This is something that most

cruise lines are investing in and will help us to ensure that not only are the passengers safe but also our community. The visit of the Viking included a meeting with the Chairman of the cruise company, who flew in to meet me to continue my conversation about them including Gibraltar in their future itineraries. I will carry on engaging with all the operators who visit and also those who have not in the past. This is a difficult process and it will take time.

One other very important aspect of the port and cruising, which must not go unnoticed, is that we are now able to supply LNG fuel to cruise ships. Many cruise ships are now LNG-powered and LNG bunkering is now in position, and this shows our commitment to a cleaner and more sustainable environment. These ships would have gone to other ports in the Mediterranean but now will be able to come to Gibraltar.

We continue to be prominent within the MedCruise Association and engage in all the Seatrade events, ensuring that Gibraltar remains at the forefront of the industry. This activity has continued in a virtual environment for the last year and, as always, Gibraltar retains its reputation as a very proactive destination. Gibraltar's place on the Board of Directors of MedCruise, representing large ports in the Western Mediterranean, also allows us access to the most up-to-date information for the sector. I also personally maintain regular meetings on a virtual platform with the top cruise line executives.

Our campaigns in the United Kingdom and Spain kicked off last year. The campaign in the United Kingdom is entitled 'Time to be Enlightened'. This was devised just before the Brexit scenario and continues reinforcing Gibraltar's product to the British market and our recently coined phrase, 'Your Great British Staycation in the Mediterranean'. We must not forget the attractiveness Gibraltar has for the British market, as one of the British Family of Nations. As destinations look to stimulate recovery by encouraging consumers to move locally, regionally, nationally and then internationally, Gibraltar's British-brand credentials will work well to feed a 'home-from-home' narrative which will encourage UK visitors to come to the Rock before other destinations. The campaign is once again being supported by an extensive online and offline media campaign in the UK.

Clearly, this year has posed many challenges in terms of attending trade fairs and promotional activities, particularly in our home market in the UK. However, this has not stopped us from taking part in many of these events online. It is unlikely that we will physically attend any major trade fairs this year, until global fluidity in terms of travel resumes. Before the start of the pandemic, we held very successful roadshows in Edinburgh, Bristol, Manchester and the London area and we attended FITUR in Madrid. The GTB also participated in the Meeting & Incentive Forum Europe in Tenerife.

At the start of 2020, I also held meetings in the UK with the main cruise operators. I attended the World Travel Market in 2019, where the Chief Minister made a much-welcome visit to the event. I look forward to him visiting again, providing his energetic approach to tourism in Gibraltar. I thank him for his continued support.

The GTB, at the start of this year, committed to attend a number of exhibitions in the UK across different sectors. Some of these are transferred to future dates and some will continue in an online format. One of the highlights of our events calendar has been the Gibunco Gibraltar International Literary Festival and whilst we may not have a fully-fledged event this year, I will try that next year we will be able to hold the event to the level of professionalism and prestige that it has now reached. We continue to thank Her Royal Highness the Princess Royal for her role as Patron of the Festival. These types of events offer great potential to increase social media reach and thereby increasing our consumer following for updated travel offers.

Mr Speaker, as we look forward to the future, you will know that the new Chief Executive of the Gibraltar Tourist Board is to be based in London. The short-sighted concerns raised by the Opposition to gain political points will no doubt fade into memory as the relocation of this task shows its advantages. The Government will take its time in making this appointment.

I will continue giving it my all as Minister for Tourism both here and in London when required. The GTB has an extremely well established and experienced team that looks after operations on

the ground and will continue to do so in a very professional manner. I have received extremely encouraging support from the industry for the relocation of the CEO to London and for our future vision. I communicated this recently in meetings held with the GFSB, the Chamber of Commerce and the hoteliers. We will no doubt be able to reach a larger tourism market for the trade and the consumer by having the CEO based in London rather than in Gibraltar. In these very complicated times, we need to be more ambitious and forward-thinking in trying our best to deliver for Gibraltar PLC in this extremely challenging industry.

May I remind all of us once again that it is the GSLP/Liberal Government that has taken steps to market Gibraltar, sell the destination and invest in the product in an unprecedented manner. As I have said before, we look forward to a recovery in the tourism industry following this pandemic and there will be no doubt in the minds of the industry and in our community that the Government has done everything possible to ensure future prosperity.

In addition to our campaigns in the UK, last year the Gibraltar Tourist Board launched a marketing campaign in Spain. This consisted of regional advertising in southern Spain on Cadena SER and Talk Radio Europe along with targeted Facebook campaigns. As a continuation of this, a dedicated radio programme on Cadena SER radio featuring Gibraltar will air soon. Television adverts also went out on regional television along with a dedicated television programme in Spain last August. We also saw the return of some very proactive bloggers from Spain.

Not only has the Government continued to promote the destination to ensure future business but we also supported the industry through the BEAT COVID-19 support packages. In addition, we have remained in constant contact with the industry and have worked on future strategies in consultation with all stakeholders. The Government has done everything possible under the circumstances to support the industry and will continue to do so as it goes down the path to recovery and growth.

To compete in the busy, challenging and competitive global marketplace we are invigorating confidence in Gibraltar as one of the safest places in Europe. This has been done by raising destination awareness and being ready for an anticipated high level of demand. Gibraltar's swift reaction to the crisis has kept its population safe and Government economic packages have kept us stable.

Thanks to the excellent support from the UK government, our population is fully vaccinated, making Gibraltar one of the safest places to visit in Europe today. Proof of this was that we were one of the first countries to be placed on the UK's green list and this has no doubt given us advantage, not only in the short term but for the medium and in the long term too.

I have engaged with the industry to remind all of the responsibility that we have as a destination to make true that wonderful Gibraltarian hospitality, for which we are known. The Gibraltar Tourist Board has continued to keep all lines of communication open with all its trade partners, overseas and Gibraltar based, with frequent updating. It continues to regularly communicate with UK homeworking travel agents and the travel agency network through its online Travel Training portal, www.gibraltarttraining.com, through which the GTB is able to release updates about Gibraltar's current position.

The GTB takes part constantly in industry forums for weekly crisis updates on how the UK and wider industry are reacting. Over the past year, the GTB has participated in webinars and virtual events through MedCruise and other entities. As part of my efforts with the UK travel sector the GTB is running online educational webinars through AITO, the Association of Independent Tour Operators and ANTOR, the Association of National Tourist Offices and Representatives.

Last year the GTB launched a virtual destination platform to highlight Gibraltar's attractions in a 360° format and a docu-series where Gibraltar experts are able to talk about the services they promote. These virtual assets were marketed through online tools and social media and used to drive viewers to sign up for regular newsletters, which in time will be able to promote specific offers to Gibraltar.

Clearly, the pandemic has changed the world and, in many ways, how we do business. Those in the tourism, leisure and hospitality sector will have to rethink how they provide their products

and services and whether or not the target market has changed. I am confident that, as always is the case in Gibraltar, businesses will adapt and respond proactively and innovatively to move forward. Recently we have added even further guides to the VisitGibraltar website, giving suggestions as to what to do in Gibraltar from between one and seven days. This has been done to reflect the expected demand for longer stays on the Rock this year due to our position as a green list country.

Mr Speaker, the media attention that I have personally worked so hard on to bring Gibraltar to the forefront of the industry has been unprecedented. Over the last year my teams and I have hosted prestigious journalists, particularly from the UK, that have been attracted by Gibraltar's marvellous handling of the Covid pandemic and our vaccination programme, but above all the excellent product that Gibraltar has in the tourism industry. We have been able to display our beautiful Rock with its unique attractions to a wider audience than ever before.

We were particularly honoured last year and once again this year to welcome Simon Calder, amongst other prestigious journalists, to the Rock. I intend to hold press events in London over the coming months, as I look to cement Gibraltar's position as a leading destination from the UK. Mr Speaker, I must also thank all those in the local tourism industry that have weathered the storm and have worked so hard under difficult conditions and who are now prepared to face a future with optimism.

I must also acknowledge the extremely hard work that the team at the Gibraltar Tourist Office has undertaken during these difficult times. Not only have they been able to continue undertaking some of these very important tasks but also they have, in the main, been redeployed to help the Gibraltar Health Authority and other bodies during both lockdowns. They have worked tirelessly for the benefit of our community. I applaud their efforts and I am very thankful for this. I must also thank our team in London for having worked remotely during these difficult times and kept the UK trade and consumers aware of all our activities.

Mr Speaker, I would like to give a special mention to Nicky Guerrero who retired on 30th June 2021 as the CEO of the Gibraltar Tourist Board. (*Banging on desks*) I wish him a long and happy retirement. Nicky has worked for 24 years at the GTB, his passion for tourism is evident and we will miss him.

I now move on to the Air Terminal. Mr Speaker, the Air Terminal played an important role in the response to the COVID-19 pandemic and continues to do so now as part of the efforts by Her Majesty's Government of Gibraltar (HMGOG) to bring about the economic recovery of Gibraltar. From providing lifeline flights to the United Kingdom, to assisting in the repatriation of our own residents back to Gibraltar and the many seafarers back to their countries of origin, the Air Terminal remained open and operational during the lockdown. We did not fare badly in aircraft movements compared to other airports, who unfortunately were forced to run down their operations considerably.

There were a total of 2,290 civilian aircraft movements in 2020 compared to 4,382 in 2019 that although showing a drop in approximately 50% of traffic, is still a respectable amount in comparison with other airports in the United Kingdom who dropped capacity tremendously. Of the 2,290 movements, 391 were private aircraft and charter traffic movements in comparison to 401 in 2019, which only shows a very slight drop.

The work done in ensuring that we had an air corridor open also assisted greatly with logistical concerns varying from the original testing of swabs and samples to the delivery of essential supplies, personnel and mail, and ensured that Gibraltar always had a means of physically connecting with the outside world. This was achieved in partnership with RAF Gibraltar, who ensured that the airfield stayed open for both military and civilian flights throughout the whole of the pandemic, and brought about many instances of mutual assistance and support.

The safety of passengers and staff has always, and will always, be the top priority of travelling through Gibraltar Airport, and a whole series of measures were implemented aimed at mitigating the risks of exposure to the virus, and these continue in selected areas. Careful planning, an extensive cleaning and disinfection programme, modification of work practices and the absolute

co-operation and commitment of all the members of staff from the different organisations that work together in the Air Terminal, ensured that at no time were there any interruptions to operations or service delivery.

With Gibraltar being listed as a green country by the United Kingdom, a substantial amount of work has been done to get ready for the expected increase in flights and passengers, which will keep the Air Terminal at the forefront of the economic recovery process. Testing facilities were also provided for passengers and these serve to add a layer of protection in order to further protect our population.

Mr Speaker, Her Majesty's Government of Gibraltar and the MOD work closely on a daily basis to ensure that Gibraltar Airport operates in a safe and secure environment for all of its users. The Air Terminal was also able to provide assistance to the MOD at short notice with the provision of optional parking for their transport aircraft during the pandemic when the North Dispersal, the aircraft parking area to the East of the Civilian Stands, was out of commission due to essential works. Co-operation continues on all fronts with the common aim of achieving efficient service delivery and remaining compliant as we progress in a post-COVID-19 environment towards the restoration of normality.

Mr Speaker, with regard to works at the Air Terminal, works on the relocation of the Handling Agent mechanics and the Airside Storage and Mess Room Unit were finalised during 2020. The workshops were finalised in February and the Airside Storage and Mess Room Unit in July, both providing facilities which are very much in demand. Mr Speaker, may I take this opportunity to thank the staff at the Air Terminal, led by Terence Lopez.

I now move on to the Port. Mr Speaker, before reporting on all matters relating to the Port during the last period it must be noted that the COVID-19 pandemic, whilst having a dramatic impact on all aspects of life, has not stopped the Port from being operational 24/7 since the pandemic started. I must commend all parties involved for their commitment and hard work during this difficult period.

Bunkering activities and other maritime services have been able to continue during the pandemic, but with additional strict measures being implemented to avoid transmission of the virus to the local population. Cruise ships have only been allowed to carry out technical calls and yachts have had to adhere to Public Health guidelines regarding crew movements while visiting Gibraltar, in the same way as all other vessels calling into our port. Mr Speaker, despite the pandemic, I am pleased to report the Port Authority has continued on its mission in promoting Gibraltar Port as a centre of maritime excellence, along with its partners and key stakeholders, and has received recognition for its proactive stance in offering the maritime industry options during the pandemic.

Whilst positive growth trends seen in previous years were starting to flatten somewhat due to changing global trends, overall port activity has remained reasonably stable over the last couple of years and we actually saw a small increase of 3.62% in the total number of vessels calling into Gibraltar for 2020 against the previous year. Bunkering volumes have reduced very slightly over the last period due to continuing downward global trends, as well as the effects that the pandemic has had on global shipping. However, I am pleased to report that Shell are now fully licensed to deliver LNG bunkering in Gibraltar and we are already seeing encouraging activity in this market. Gibraltar's position is one of leading the way in supporting the changeover to this fuel, which will significantly improve the environmental performance of shipping and is of paramount importance. The Government is delighted with the progress and the keen interest that this is generating for our Port.

Mr Speaker, we also continue to receive approaches from other external entities who are interested in setting up operations in Gibraltar and I believe this is an indication of the strong reputation and continuing solid fundamental strength that underpins the bunkering industry in our Port.

Mr Speaker, the cruise industry has been particularly badly affected by the pandemic – 2020 saw five passenger cruise calls before cruises were stopped from visiting Gibraltar. No passenger

1060 cruise calls have been recorded since the beginning of the pandemic but we have seen a sharp increase in technical calls for cruise ships, something that was very welcome by the cruise industry. As the cruise industry starts to find its feet again, it is expected that some cruise liners will start operating shortly. The Government will continue to talk with all the leaders in the cruise industry in its efforts to resume services to Gibraltar.

1065 Mr Speaker, unfortunately the Port's marketing strategy to engage directly with its partners and prospective clients has been curtailed by the pandemic, but the Port Authority has participated in various webinars and virtual events with key organisations, such as the International Association of Ports and Harbours, the International Bunkering Industry Association and MedCruise in its efforts to maintain Gibraltar's profile, albeit virtually. As with many industries, exhibitions and events have also been cancelled or postponed to later dates, but the Authority is ready to re-engage with those events as soon as they restart.

1070 Mr Speaker, earlier this week I announced that the Maritime Week Gibraltar event will take place between 8th and 12th November. This event is designed to showcase and promote Gibraltar's thriving maritime sector to a wider international audience with the aim of driving more maritime-related business into Gibraltar for the benefit of every stakeholder in Gibraltar, and will follow on from the very successful inaugural event in 2019.

1075 Mr Speaker, I now turn to the Port's finances and report that for the financial year 2019/2021 revenue received was £15,306,066.59 against the original budgeted figure of £15,144,000. The financial year was extended to include 2020/21 but the revenue figure remained unchanged. I am pleased to report that expenditure for the same period amounted to £13,465,031 allocated against a budget of £14,564,000 for the full period.

1080 As for Capital Expenditure, the Authority spent a total of £353,695 against an allocated figure of £380,000. It should be noted that some of the projects planned were not realised due to the pandemic. However, we were able to improve some of the port's infrastructure with spending on new security posts, cladding of the harbour office, improved CCTV capabilities, new Bay lighting and general refurbishment at the North Mole.

1085 Mr Speaker, both the senior management team and the Ministry for the Port continue to look at ways of increasing revenue streams further with a variety of proposals under consideration. There are also a number of projects which the Authority, and Government are engaged with in its efforts to improve and enhance existing infrastructure.

1090 Mr Speaker, this year the UK will be audited by the IMO under the IMO Member State Audit scheme (VIMSAS) for compliance of the IMO Instruments Implementation Code, which is known as the Triple I Code (III Code). Gibraltar, being part of the UK flag, had a mock audit of all three areas of responsibility, which are Flag State, Port State and Coastal State. Minor issues were identified and both the Gibraltar Port Authority and the Gibraltar Maritime Administration are now working to correct those.

1095 Mr Speaker, in mid-February this year, we experienced the first oil spill in Gibraltar in many years. I had the opportunity to go out to the Bay with the Captain of the Port to witness at first hand the clean-up operation being undertaken by the Port Authority and other agencies, and I was very impressed by the scale of the operation. Thankfully, this sort of incident does not occur often, but when it does it is reassuring to see that we have all the protocols and procedures in place to ensure a rapid response. I would like to take this opportunity to thank all those involved with the clean-up.

1100 Mr Speaker, a week after the oil spill, a Hong Kong-registered bulk carrier suffered an explosion aboard as the vessel entered British Gibraltar Territorial Waters in the Bay of Gibraltar. The explosion on board resulted in a total of four crew members being injured. Two crew members were treated aboard by paramedics from the GHA and the other two crew members were evacuated for urgent treatment at St Bernard's Hospital and subsequently transferred to Seville. I would also once again like to extend my gratitude to all agencies, authorities and individuals who assisted in dealing with this incident.

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Mr Speaker, the Port of Gibraltar has been and will continue to be one of the key pillars of the local economy and this is down to the hard work, dedication and willingness to do whatever it takes of the whole port community in Gibraltar. I would also like to take this opportunity to thank my team at the Port Authority led by Captain of the Port, Manolo Tirado and Deputy Captain of the Port, John Ghio for their determination to deliver, which makes my role as Minister for the Port a lot easier.

Mr. Speaker, I will now turn to the Gibraltar Maritime Administration. Once again, the Gibraltar Ship Register has retained its 'White List' status worldwide. This is reflected in the annual International Chamber of Shipping's (ICS's) 'Flag State Performance Table' for 2021.

The Gibraltar Ship Registry, administered by the Gibraltar Maritime Administration is rated in the table with positive performance indicators in every aspect reviewed by the ICS. Gibraltar ranks highly in its overall technical performance levels by the Paris MOU and Tokyo MoU ports and is recognised as a quality register by the United States Coastguard in their USCG Qualship 21 system.

Being inherently global in nature, the shipping industry and all those entities who operate within it have been impacted by the COVID 19 pandemic in some way. The GMA is no exception. The closing of borders and travel restrictions have meant, like the rest of the industry, the GMA has had to adapt to ensure the continued facilitation of trade for those vessels registered in Gibraltar. Despite the challenges, the GMA has continued to support the managers and seafarers serving on board the Gibraltar-registered fleet. Throughout the pandemic, the GMA has been liaising with all of the relevant organisations, agencies and governments and has remained unwavering in its support to its customers and the wider maritime community both in Gibraltar and abroad in tackling the effects of the virus. The GMA has continued to provide up-to-date information, guidance and recommendations to operators during these most challenging of times and importantly have, for the most, continued to provide the full range of registration services throughout the pandemic.

Mr Speaker, the GMA was subject to an IMO Instruments Implementation Code audit by the United Kingdom Maritime Coastguard Agency (MCA). Internal preparations for the audit took place over five days in February 2021. The preparatory work began in October 2019 and involved a significant process that encapsulated the implementation of the main international maritime conventions and their secondary frameworks. The work also included the enactment of legislation, internal systems and process to ensure compliance with Gibraltar's obligations as a flag and port state. The work undertaken by the GMA together with other stakeholders culminated in a successful audit.

The GMA also successfully completed several International Organization for Standardization (ISO) 9001:2015 Quality Management System audits since October 2019. The latest was a recertification audit in February 2021.

The loss of access to EU tax benefits and EU cabotage trade, as a result of Brexit and the ongoing uncertainties of the situation, has had an impact on new ship registrations. However, the Yacht Registers have remained unaffected by Brexit, whilst the Small Ship Registers have continued to grow.

The current ship fleet remains at 206 ships, 897 yachts and 281 small ships being registered in Gibraltar. The current combined ship and yacht fleet at the end of May 2021 stood at 1,103 and a total tonnage of 1.6 million gross tons. Gibraltar remains a Category 1 Red Ensign Group register and continues to offer other advantages. These benefits are now accessible to a wider pool of owners from around the world following recent changes in legislation expanding the ownership eligibility criteria. In addition, the number of responsibilities accepted by the GMA for seafarers serving on Gibraltar-registered vessels has expanded considerably, allowing greater flexibility to owners to recruit shipboard personnel.

In addition, the Department has undertaken a series of detailed studies focused on a post-Brexit and COVID scenario. As a result of the work done, the Administration has identified enhancements to the standard of service it provides, and new incentives. The majority of the groundwork has been undertaken and the aforementioned enhancements and new incentives are

expected to be rolled out throughout the year. These include enhanced online services, digital certification for ship and seafarer documentation, new incentives for yachts, a new website and simplified registration processes, all of which will make our registers more competitive.

The GMA is continually exploring new avenues to diversify its fleet by targeting ship owners in other regions, in close co-operation with local ship representatives. The GMA will be attending the London International Shipping Week in September and will also be attending the Monaco Yacht Show in September 2021 with other stakeholders – all this, COVID permitting.

The GMA will once again provide assistance with training to external entities with surveyors from Bermuda intending to visit Gibraltar this month to undertake Port State Control training. Furthermore, Mr. Speaker, the GMA's Seafarers' Division continues to issue a significant number of provisional and full-term certificates. Since January 2019 until 25th May 2021, the GMA has issued a total of 3,495 endorsements and 3,501 provisional certificates.

In relation to domestic operations, the GMA continues to provide technical support to the Gibraltar Port Authority, Gibraltar enforcement authorities via a framework in way of survey and certification. The Government's strategy for the GMA for the next few years is to continue maintaining its high level of quality service, increase the fleet size by bringing in business from new geographic areas and further develop its position as a training hub for Port State Control training for the Red Ensign Group.

The GMA can be the international maritime gateway for businesses into the Gibraltar market, and Gibraltar offers the full spectrum of maritime services from finance to insurance, crew certification to ship suppliers. Mr Speaker, I would like to express my gratitude to the team at the GMA.

Mr Speaker, I now intend to go over all the work that I led on over the last 20 months while I was Minister for Transport. I am going to list items that my colleague, Minister Balban, included in his speech and give details of others.

(1) Online DVLD services and applications via the new e-Government portal, 13 new services were introduced, Mr Speaker: apply for compulsory basic training; apply for an International Driving Permit; apply for a driving licence; apply for a learner's licence; book a driving test; book a driving theory test; book a roadworthiness test (MOT); buy or transfer a personalised registration number; change of address; change of vehicle ownership; disposal of a Motor Vehicle; duplicate logbook or road worthiness certificate; register a motor vehicle. I pushed for this during a difficult time at DVLD and I am delighted to see the results that I have achieved with our people now using these services with ease. I would like to thank my friend, the Minister for Digital Services, for assisting me on this.

(2) The introduction of the motor cycle compulsory basic training course for riders.

(3) The introduction of the latest equipment to test vehicle emissions.

(4) Stricter emissions check on the road for diesel vehicles.

(5) The introduction of training on the carriage of dangerous goods, which is now carried out by DVLD rather than outsourcing this function as was the case in the past. My intention was to keep on training our people on this so that we can keep our roads safe.

(6) Our transport inspectors, who always do a brilliant job, have in this instance excelled in ensuring that COVID measures were being respected on our public service vehicles.

Mr Speaker, even during lockdown, the DVLD was operating a temporary counter at the Royal Gibraltar Post Office (RGPO) at 104 Main Street to serve members of the public that required personal assistance. As Minister for Postal Services I was able to co-ordinate this with the staff at the Post Office. I am grateful to them for assisting. I am also happy to report that I commenced the works on providing four new counters at the Test Centre at Eastern Beach. I look forward to these opening soon so those who prefer not to, or cannot use our eServices can attend in person.

One of my main areas when I was Minister for Transport was my commitment on increasing safety on our roads and to this end, I have worked to introduce the point system on driving licences. I had consulted with the Commissioner of Police (COP) who is very much in favour of this.

The legislation is now ready and I am sure it will be brought to Parliament by my successor. The same goes for the legislation on e-scooters.

Finally, I would like to take this opportunity to thank the entire DVLD team for their hard work. A special mention to Mr Pepe Moreno, the acting Chief Examiner. Mr Moreno retired in April. He could have done so last year but stayed on at my request, I thank him for that and wish him an enjoyable retirement.

I now move on to the Sustainable Traffic, Transport and Parking Plan (STTPP). During the past 20 months I have launched several projects as part of the STTPP. I will list those that my colleague Minister Balban has gone over in his speech and give more detail of others.

(1) New Pay and Display at South Pavilion car park; (2) New School Bus Service, S2, and extended Route 7 service hours; (3) Old Street Signs, Phase 2; (4) New Pay & Display at Harbour Views Road; (5) Pay & Display, Ex-Queens Cinema; (6) Pay & Display, Coaling Island; (7) Changes to Zone 1, additional parking in Grand Parade; (8) New Automatic Security Bollards at Casemates Gates; (9) New Transport Advisory Committee: this Committee was launched by me on 25th June 2020. I have always thought it is important to involve as many people as possible in the decision-making of Government. The working group was chaired by me and its aim was to include representatives from different sectors of the community, relevant associations and the general public; (10) New parking for Sandy Bay Users, revised timings on Sir Herbert Miles Road, and new speed limit.

Civil works at Brian Navarro Way were completed on 24th June 2021 to allow for the demarcation of 22 new parking bays, and a new demarcated motorcycle bay on the site previously intended for unloading oil tankers. Beach users of Sandy Bay, which has been superbly restored by this Government, are now enjoying these new parking spaces, and are available to use between the months of April and September between the hours of 8 a.m. and 2 a.m. daily. Between the months of October and March, those parking bays will be for the use of Both Worlds' residents permit holders only, where demand for beach parking in this area is low. With this, we can efficiently use the available parking stock in the immediate area for all types of users of the area. More importantly, the residents can now utilise this parking area, which was previously demarcated for the bathing season only.

In addition to this, the timing of the summer season temporary parking arrangements along Sir Herbert Miles Road has now been extended, to allow for parking between the hours of 7 a.m. and 2 a.m. daily. This allows beach users to enjoy Sandy Bay for longer periods during the day and evening, and aid to reduce the speed of traffic in this area as the one-way traffic light system is operational up to 2 a.m. every day. Further new speed-calming measures have been implemented by way of introducing a 30 km/h-zone between Blackstrap Cove southbound, as from the exit of Dudley Ward Tunnel, northbound. I am extremely happy to have announced the reduction of the speed limit in this section of Sir Herbert Miles Road, which will go a long way to ensure the safety of pedestrians, cyclists and traffic alike, especially during the summer months where this area is frequently used by many families.

(11) Additional trial bus routes A, B and C. The launch of a trial of new bus routes in Gibraltar commenced on Monday 6th July 2020 and ran through up to mid-September 2020. The key features of this trial were to provide an addition to the full existing schedule of bus routes. At a time that we were operating at 50% capacity due to COVID, this was a great help for the community who wanted to use public transport.

New Route A ran from the Trafalgar Cemetery via Line Wall Road to the Sun Dial roundabout and return in a continuous loop. This service saw two buses running from 8 a.m. until 1.15 p.m. Monday to Friday, providing further capacity for those seeking access to or wishing to cross the city centre via Line Wall Road. This service did not operate on weekends.

New Route B ran from Trafalgar Cemetery via Queensway and the Europort area, on to the beaches, and then returned via the same route. This service was operated by four buses that ran from 1 p.m. to 7 p.m. daily, with weekend services covered by six buses running from 11 a.m. to 8 p.m.

New Route C, a circular route that serviced town and the West side/Europort area on a loop from Trafalgar Cemetery via Line Wall Road, Corral Road, Waterport, returning via Bishop Caruana Road and Queensway back to the Trafalgar Cemetery. This route operated by two buses from 8 a.m. until 1.15 p.m. Monday to Friday, and from 8 a.m. to 2 p.m. on Saturday and Sunday.

1270 (12) New bicycle racks at 10 locations in Gibraltar. The roll-out of new bicycle racks at 10 locations throughout Gibraltar, providing an increase of 70 cycle spaces complementing the existing bicycle parking facilities at key locations within the City Centre and other leisure areas. The new locations are British War Memorial, St. Anne's School, Referendum Gates, Rosia Ramp, Casemates, John Mackintosh Hall, Glacis Road, Laguna Youth Club, Plater Youth Club and John
1275 Mackintosh Square. These locations coincide with existing bicycle parking at Europort Road, Little Bay, Waterport Road and North Mole Road, to name a few.

Mr Speaker, I now move on to the Gibraltar Bus Company, which I dealt with during my time in the Transport Ministry. In early 2020 the Ministry of Business, Tourism and Transport in conjunction with GibSams announced the roll-out of an awareness campaign by way of
1280 informational posters throughout bus shelters and bus stop signposts, as well as on the Gibraltar Bus Company fleet buses. Mr Speaker, the hon. Members will recall during the height of the COVID-19 pandemic normal route bus services were temporarily suspended and only operated a dedicated school service for children.

Towards the end of 2020, various fully electric buses were tested on our roads to ascertain
1285 their performance given the technical and geographical constraints in Gibraltar's road networks.

Mr Speaker, in line with Public Health guidelines, capacity on Gibraltar's buses reverted to 100% on 24th June 2021. The night bus service resumed on 4th June 2021 and will be offered for the summer months. This service was resumed despite a very limited use when it was last offered. An additional stop on Reclamation Road exit of Chatham Counterguard was introduced to attempt
1290 to increase uptake of the service.

Finally, I am grateful to all those at the Bus Company, and in particular the manner in which we were able to maintain a reduced service during the pandemic.

Mr Speaker, the transport portfolio is a difficult one. Every decision I took over the 20 months was taken with good intentions for our community; with the health of our people in mind; with
1295 the environment of our country in mind; and with the long-term future of our children in mind.

The Opposition are experts at 'bandwagoneering', that is their style of politics, Mr Speaker, but we will continue doing our best for our people as always. *(Interjections)*

Mr Speaker, I turn now to the Office of Fair Trading. During these past two years the OFT's role as a business regulator has continued to develop while adapting to the challenges that COVID-19
1300 has presented. I am happy to report that despite lockdown, social distancing measures and the redeployment of staff for extended periods to other Government Departments, the OFT has remained fully operational throughout. It is also worth noting, Mr Speaker, that the OFT was also the first Government Office to reopen its counters to the public after the second lockdown.

The office has continued to receive business licence applications throughout these past two
1305 years despite the disruption the business community has faced. Since June 2019 the OFT received approximately 1,400 business licence applications. Incredibly, these figures cover both lockdowns and show that business licence applications were received every single week. This, Mr Speaker, demonstrates Gibraltar business's resilience in adversity. In fact, a whopping 32 applications were commenced in a single week at the height of the second wave. The figures show that there have
1310 been approximately three applications received by the Business Licensing team every single day. This is a great indicator that the business community in Gibraltar is flourishing despite the adversity created by the pandemic.

Mr Speaker, the OFT's Consumer Protection team has during this period also had to adapt to the numerous consumer complaints which are directly related to COVID-19, particularly in relation
1315 to cancelled travel arrangements in the immediate wake of the outbreak. Additionally, at the height of the first lockdown when Personal Protective Equipment (PPE) was in short supply, the OFT team also proactively assisted the GHA with the identification of fit-for-purpose PPE and

testing thereof abroad. Furthermore, it also monitored excessive pricing of essential high-demand supplies such as hand sanitiser and masks, to avoid abusive profiteering by local businesses.

1320 In 2021 the OFT launched its consumer awareness programme which seeks to educate local consumers about their consumer rights in various transactions. To date, the programme has raised awareness on multiple subjects including cancelled travel arrangements, travelling in the 'new normal' and distance contracts which have increased significantly in Gibraltar as COVID-19 forced many of us to purchase goods and services online during lockdowns. The OFT has also reached
1325 out to relevant business sectors so that they too may understand their rights and responsibilities.

Mr Speaker, in relation to the OFT's third major responsibility, the office has continued to develop its anti-money laundering and counter-terrorism financing role by implementing new procedures to adequately supervise the real estate agent and high value good dealer sectors. It has also issued 12 new or updated guidance and forms since January 2019 to support businesses
1330 to achieve compliance. The office has in particular dedicated significant effort to the follow-up to Moneyval's follow-up assessment and report on Gibraltar's anti-money laundering and counter-terrorism financing roles, the effectiveness of which will be discussed in Moneyval's upcoming plenary at the Council of Europe in December 2021.

Mr Speaker, I am happy to have continued the excellent work of my ministerial colleague and
1335 friend, Albert Isola, to create a more appropriate and mature framework within which the OFT can operate. I have therefore worked with the OFT on the Fair Trading Bill 2020 to create a revised version of this significant new piece of legislation, which is now practically in final form. This has been done in consultation with the Gibraltar Federation of Small Businesses and the Chamber of Commerce to ensure that it will support the business community in Gibraltar.

1340 The Bill will make the establishment of new businesses easier and quicker by simplifying the business licensing process. This will include the introduction of a new database for the OFT and a new online application process which shall drastically improve the manner in which the OFT can provide its services to the public. At the same time the new Bill will protect consumers in Gibraltar as the new legislative framework shall allow the OFT to set trading standards for businesses
1345 operating in Gibraltar and encourage a level playing field.

Finally, Mr Speaker, the OFT has proactively made the most of the closure of public counters during lockdown to make small but effective changes to its offices in Europort, with no disruption to the public. As a result, the office has doubled its counter space while creating a more usable office space for OFT staff. Mr Speaker, I would like to thank all the staff at the OFT.

1350 I now turn to other business-related matters. Mr Speaker, in November 2019, I launched the Small Business Board the aim of which is to assist and foster positive development of businesses locally. The board consists of representatives of the Gibraltar Chamber of Commerce, the Gibraltar Federation of Small Businesses, in addition to a cross-section of local businessmen and women. The board has met on several occasions.

1355 Mr Speaker, the Government fully supported the launch of the Business Improvement District (BID) for Main Street and surrounding streets. Hon. Members will recall that Parliament recently approved the Business Improvement Districts Act and the preparations are under way for this first ballot to take place. I am really looking forward to this project, as it will inject some much-needed sparkle to our town centre and its businesses.

1360 Also Mr Speaker, I announced early on this year the launch of the Business Liaison Unit at the Ministry of Business, as a one-stop shop for business start-ups. The primary aim of the one-stop shop is to assist members of the public with the formalities of setting up a new business in Gibraltar thus ensuring that the process is hassle-free for the individual. The Business Liaison Team assist with all the required documentation that needs to be submitted, and liaise with the relevant
1365 Government Departments to ensure everything is processed in a timely manner.

Mr Speaker, I now turn to my responsibilities as Minister for Postal Services. I would like to commence by saying how proud I am that the replacement of all Royal Gibraltar Post Office vehicles to brand new electric vehicles, in line with the manifesto commitment for a Green Gibraltar, was completed. This makes the Royal Gibraltar Post Office the first public postal service

1370 in the world to have a fully electric fleet of delivery vehicles. The all-electric postal vans were rolled out in December last year and now deliver mail across all areas of Gibraltar. The electric vehicles will allow the postal service to deliver letters and parcels safely and efficiently in the most environmentally friendly way possible and help preserve the beauty of Gibraltar, both in terms of carbon emission and noise.

1375 Although the top motivation to go electric is the environment, the second biggest driver is the lower total cost of ownership when you factor in both direct and indirect costs and the savings over the life of the vehicle. The electricity charge is around one-fifth as much per kilometre as buying petrol. The saving on fuel on the average usage of the fleet will therefore partly pay for the leasing cost. At the same time financially, the Government has not had to pay for the vehicles
1380 upfront and this leasing arrangement will allow us to continue having the most up-to-date vehicles and to have them properly maintained and serviced. I am delighted to have delivered on this manifesto commitment.

Most importantly, despite all the flight and transport disruptions worldwide and the many logistical problems faced during COVID-19 by postal operations, the Royal Gibraltar Post Office
1385 was able to provide a continuous non-interrupted service to the community throughout the pandemic, connecting Gibraltar to 192 countries worldwide. Not only did they deliver our mail and parcels, they also worked closely with other Government Departments, for example, with the delivery of pensions, medical items and food to the over-70s, and people with underlying medical conditions. This really was a team effort.

1390 Mr Speaker, there is no question that technology reduces the use of letter mail and that online purchasing has significantly increased the volumes of parcels. We have worked hard to adapt and made changes on how we operate and serve the public's needs with the use of new technology. Throughout the last year, there have been improvements made to the online services provided by the Post Office. A new website was launched with improved tracking options, postage stamps
1395 can now be ordered online and PO Box renters can pay their annual rental fees online, thus avoiding having to visit the Main Street Post Office counters. Over 600 PO Box renters, just under 50% paid online this last financial year. The EPOST system now has 4,500 registered customers who receive all their parcel notifications electronically. This reduces the amount of notification cards printed and speeds up the delivery process as the email is sent automatically within two
1400 hours of the parcel being registered in the system instead of the recipient having to wait for a notification card to arrive home.

However, the Post Office is not only about new technology, it is part of our heritage and British identity. Seven new red pillar boxes were introduced in various key locations around Gibraltar to make the postal service more accessible to the community. Furthermore, all 34 red historic pillar
1405 boxes in Gibraltar were refurbished and these are now being maintained, as they are also a key part of our tourist product. In my capacity as Minister for Tourism, I am looking forward to seeing tourists take photos beside our iconic red post box situated outside our Main Street Post Office, which is probably one of the most photographed locations.

Mr Speaker, since 2013, the Royal Gibraltar Post Office has co-ordinated a local Letter-Writing
1410 Competition with the Department of Education. Each year, the winning letter is forwarded to the UN UPU International Letter-Writing Competition. In 2020, local pupil Alana Sacarello aged 10 at the time, was the winner of the Gibraltar competition and finished second worldwide in the United Nations Universal Postal Union Letter-Writing Competition. Alana became the first Gibraltarian to reach the top three out of 980,000 applicants, for which I presented her with
1415 various prizes donated by the UPU. A remarkable achievement indeed.

During 2021 and 2022, the Royal Gibraltar Post Office will have the opportunity to focus on the future as we return to a new normal. A number of new express and insured mail services are planned, plus the installation of electronic parcel lockers in key locations around Gibraltar is under consideration.

1420 Finally, I want to take this opportunity to publicly thank the Post Office staff for the sterling job they did during these very challenging times.

Mr Speaker, it has been a baptism of fire for me. The last 21 months have taught me a lot of different things. I have given it my all and tried my best always to have time for our people, because politicians are nothing without the people. Every single morning since I became a Minister I have looked forward to going to work, so that I can improve things and to help our community. We all have petty differences, but what unites us is the love for our Gibraltar.

Since I was 17 years of age I used to sit in the public gallery and hope that one day I would be given the opportunity to do my little bit. It has been an absolute honour to discharge my responsibilities for our people. We are a close-knit community, we are a family and we should all work together more often to improve our beloved Gibraltar. **(A Member: Hear, hear.)** Unfortunately, all I have seen this week during my first Budget debate is a venomous and destructive opposition. **(Member: That is right!)** I was not expecting anything different.

Mr Speaker, I would like to end by thanking the people who have helped me during the last 21 months. Firstly, my friends the Hon. the Chief Minister and the Hon. the Deputy Chief Minister. From day one, 25th September 2019, when I signed up to contest the elections, during times when they have been tied down with Brexit negotiations and at the height of the COVID pandemic, they have always been there for me. I will never forget their support.

My cabinet colleagues, who have welcomed me with open arms, there are some who I have more dealings with and with some I have less, but we all work together as a team for the good of our Gibraltar.

My excellent Ministry staff, led by Gerard Teuma and John Reyes. From the first day that I walked into my offices at Europort, they have stood by me and supported me. Replying to my WhatsApps and emails at odd hours and weekends. During some difficult times their words of encouragement have made the difference. I will always remain grateful to them; they all know what they mean to me. Also the Civil Service as a whole, I have met many good people, all who have welcomed me as the new Minister, with a smile and an eagerness to assist. And, of course, I would like to thank Mr Speaker and all the Parliament staff for the sterling job that they do for us. A special mention for the Clerk, Mr Paul Martinez, I would like to wish him an enjoyable retirement.

Thank you, Mr Speaker. *[Banging on desks]*

Hon. Chief Minister: Well, Mr Speaker, after that magnificent maiden contribution, and with the Minister Daryanani a 'Budget virgin' no more, I propose that we should break for lunch and return at 4.15 p.m. this afternoon.

The Speaker: The House will recess until 4.15 p.m. this afternoon.

The House adjourned at 1.17 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 4.15 p.m. – 7.57 p.m.

Gibraltar, Thursday, 22nd July 2021

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The Gibraltar Parliament

The Parliament met at 4.15 p.m. – 7.57 p.m.

[MR SPEAKER: Hon. M L Farrell BEM GMD RD JP *in the Chair*]

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

Appropriation Bill 2021 – Second Reading – Debate continued

Mr Speaker: The Hon. Damon Bossino.

Hon. D J Bossino: In the ordinary course of events our now, what has been termed the traditional ‘State of the Nation’ addresses during this Appropriation Bill debate, we would have had the session about eight months after the October 2019 election. Unfortunately, as a result of the lockdowns, we were not able to do so – and many Members have mentioned this. But just dwelling on that election for a minute I think it is an interesting fact, that dawned on me when I was preparing for this, that all Members elected to this Chamber as a result of that election are repeat Members. We were all re-elected.

Some of us had been Members of the parliamentary session just before and some of us have had more historic ties for this august Chamber, other than one exception. I think that this fact alone has stood us in good stead. We faced, as a society, the double threat that continues to be Brexit and of course continues to be the COVID-19 pandemic. There clearly exists a dividing line between the approach adopted by Members opposite in relation to these aspects, as indeed there is with the approaches that we would have adopted. But what *can* be said is that it was handled by both sides of this House, by experienced individuals.

In a recent interview I gave to a Dutch publication called *Jyllands-Posten* which was reporting particularly on how Gibraltar had dealt with the pandemic, I emphasised two points. The first is the obvious and undeniable assistance that we received from the UK government in relation not only to the number of vaccines that were provided, but that they were actually provided free of charge. Secondly, that we all joined together in fighting this dreaded and invisible threat.

That unity was particularly expressed by hon. Members. I think we were able to share our intellectual resources in the shape, particularly on this side of the House, by the Leader of the Opposition and Mr Clinton, for really ultimately the survival of this place – that is what we were facing as a people and as a place which we all hold so very dear. I think it is also fair to say that we proved to be a shining example when compared to other jurisdictions, notably across the border where political posturing and bickering was the order of the day, when you had autonomous jurisdictions and regions raising political issues around what was such a very serious threat – to them as well.

It is right and proper that questions should be asked, and we welcome and look forward to the promised inquiry when it comes, when questions will be asked and we hope that open and transparent answers will be provided. But there is a time and a place for that and whilst we were going through this struggle it was not the time or the place to have done so.

When I was given by the Hon. the Leader of the Opposition after the election, the responsibilities of Tourism and the Port, of course I had some opposition – at least experience, not governmental experience, but certainly opposition experience, in respect of both of those responsibilities. They were also given to me by Sir Peter Caruana, and then by Mr Feetham in the Parliaments in which I served. The usual budgetary focus would have been expected to have been the usual debates about figures – hotel occupancy figures, airline arrival figures, etc. And there would have been the usual point-scoring, ‘We did better than you’ etc.

It was not to be and it is not the case on this occasion, in my respectful view, because little did one expect that there would be a complete and utter shutdown of this particular area of economic activity which fundamental relies on the principle of free movement of people. Without movement of people, you simply do not have a tourist industry to talk about.

The various reports which were laid before the House on Tuesday are a testament to that same point and I think that is again an undeniable fact. What I would say as an aside in relation to that, is that this is a matter of procedure and it is a criticism by definition of hon. Members opposite, but it also applies to previous administrations in that these reports I think are put before this House too late in the day – it is literally on the day that the debate on the Appropriation Bill commences. So it gives hon. Members, particularly on this side of the House who have not been involved in the preparation of it, very little time to fully digest them. I think it is a matter of procedure which we need to reconsider and amend if possible.

But what the latest published figures, and I emphasise the word ‘latest’ because the Hon. the Minister for Tourism, this morning – and I understand why he does it – was making a comparison between the 2019 figures and the previous year. But what the latest figures show, the table which deals with Visitor Arrivals in Gibraltar, is that we have suffered a 52% decrease, which is huge by any estimation, in Hotel Occupancy terms, in airline figures. I can go through the details but there have been drops, and drops, and drops.

This was recognised, as indeed it has to be recognised, by the Chief Minister himself when he referred us to the fact in his address that we had still not seen the return of day-trippers by coach or by cruise liner in particular. I think the numbers as far as cruise liner arrivals is concerned has been zero since this thing started. The Hon. the Minister for Economic Development also said, and I quote: ‘The fall in numbers is quite dramatic’. And these are all obvious points to make.

The stark reality has of course been recognised and acknowledged by this side of the House. But as explained earlier we have, to the best of our ability, made our own contribution especially in the early part of the pandemic to assist, for example, in relation to the BEAT proposals, and we hope that contribution has served Gibraltar well. We put our political differences to one side and our collective shoulders were firmly and resolutely placed on the wheel. But, as happens in our Westminster-style democracy, it is what it is. It is adversarial by its very nature and there was a time to part ways.

In relation to this, I wish to dwell on one particular aspect, which is Line Wall Road. I must say that nothing of what the hon. Member, Mr Isola, the Minister for Financial Services has said, assists Minister Daryanani. It was an obvious, as I would term it, a defence in anticipation – and he was right to refer to it – of what I was going to say. We have seen it in this House in the past where the Chief Minister also at every possible opportunity rises to defend the Hon. the Minister for Tourism, but clearly he requires that defence.

In relation to what Mr Isola said and his contribution, let me say that there are various explanations for this. One of them is actually that he could be postulating himself as a potential future leader of the GSLP. That is fair enough. You. Yes. That is a possibility (*Interjections*) because I did not quite understand it, Mr Speaker, because he did not keep to (*Interjections*) his usual ministerial responsibilities which I daresay were the more boring aspects – but nevertheless important – of his delivery. I found his delivery very enjoyable, I must say.

The other thing is, the other possible explanation is, that if one looks at the order, the itinerary that we have set out, we have Mr Isola, then we have some of us speaking, and Mr Feetham who

is on my left will be the final GSD contributor. Then we will have Mr Licudi as the hon. the backbencher who has no ministerial responsibilities. We will see what he has to say and then obviously the Hon. the Chief Minister will treat us to his usual reply, which I look forward to. But the other explanation is that we basically have these three bites of the cherry. We are going to have, in effect, three sweepers on behalf of the Government. It could be a concern, dare I say, that they are concerned and worried about what we have been saying on this side of the House.

But dealing with this, the debunked Line Wall Road closure proposal, not an area of my responsibility, *(Interjection)* no, but I think it is important to set it out as a backdrop on what the Hon. Minister's *modus operandi* is. Here we have a case of the newest Member of this House, as I said at the beginning, I was friends with him, he was the exception that broke the rule, trying to prove his worth. Presumably also, and I dare say, I think I am still his friend, I do not know. But I would advise him that he should not continue along this route, because obviously what he wants to do – and he must be obsessed by this – is to improve his electoral ratings, because he came last of his particular team. **(A Member: Aahh.)** So he came up with this great initiative, *(Interjection)* an initiative which entailed the closure of one of our main two remaining arteries which takes us north-south and south-north in this very small peninsular.

No one doubts, and no one doubted at the time that one of the few benefits of the lockdown, if I may say so, the silver lining I suppose that is in every cloud, is that we had less traffic – yes – and therefore less pollution. Those of us who run did not have to do it early in the morning, *(Interjection)* because we were not suffering the traffic chaos that we normally have to endure! Those of us who ride bicycles were freer to do so, of course, and may have seen the attractiveness of closing one ...

But did he not realise that this was going to cause a huge amount of traffic chaos? Was he incapable, as he clearly was, of seeing the immediate challenge that closure of a major thoroughfare in this small space of ours would have? He clearly did not, because he pressed ahead with this pilot scheme. The Hon. the Chief Minister laughs, but that is exactly what it is. *(Interjections)* The reality on the ground was that there was traffic chaos and havoc, and he disdainfully dismissed this, as he said on a GBC interview: 'Oh, it is the usual traffic that we see at nine o'clock in the morning.' Not seeing the reality of the effects of this policy initiative, of one of his brainwaves – and there are more to come and to deal with in this contribution – and after spending a lot of valuable pennies on fancy designs.

So, despite the furore that his initiative caused, he continued to insist on pressing ahead. I think it was outside No. 6 he gave a GBC interview and he said that 'Line Wall Road will go ahead'. Only for a few months later for it to be completely debunked by his political leader to his left – well, he is at left, the other one. *(Interjections)* And that individual, the Leader of the House, obviously has a much keener eye on political ratings and his own political survival. He knew that was a *supremely* unpopular idea, and I am surprised they did not see it from the word 'go', and abandoned it.

If that particular episode was not enough, little did we know that it was an expression of this individual's *modus operandi*. But maybe we should have, because people will recall – and if they do not, we will continue to remind them – how his usual attention-grabbing, headline-grabbing, self-centred style took the better of him when he announced with the supposed arrival of the Volotea flights from Bilbao, a new route, the first flights to Spain. This is all the result of all the many new routes that we are going to have all across the European Union as a result of the framework agreement. This was hailed with the usual bluster that he spouts when he wishes to impart good news.

At least today, I must say, we have seen the possibility of a change in the hon. Member where he, I think as the result of raw experience, acknowledges and sees that sometimes he is not the deliverer always of good news. That is the type of humility I would like to see him impart once in a while. Maybe it is just his political immaturity that has led him down this road, because he makes us want to believe that he is the greatest and most effective Tourism Minister not just of this, but

of every single Government, including theirs! That is what his statements belie, but then of course Volotea was not to be.

Shortly thereafter I think it was a GBC report which said Volotea, the Gibraltar flights, were not available on the website. We investigated it and it was true, and I could not believe my eyes! I took the hon. Gentleman at his word, I could not believe my eyes when I was reading that this was not going to happen, because they did not have the required licences.

Borrowing the Hon. Sir Joe Bossano's words the other day – I think it was yesterday, you lose track of time in this place – you could not make it up! But again, as with Line Wall Road, his bluster and hype came shattering down in a very public and embarrassing way.

But what did we have? Some suggesting a resignation. I think what I said was that in a bigger parliament that may have happened, but as a minimum we should have had just a basic apology – 'This is not going to happen', or whatever. But, no, he continued ... I do not know how many press releases we exchanged on the matter, but I was not going to let it go. I was *not* going to let it go.

I do not know if it was ten or more press releases on the matter, because he was not admitting his error and the error of his ways, his mistake. Again, lack of humility and what we were subjected to was the most blatant handwashing and using, in biblical terms, since Pontius Pilate possibly. *(Laughter)* So, Mr Speaker, with this gentleman the words, 'Success has many fathers, but failure is an orphan' really do come to life.

Let's go to the next example, because the boasting continued, the boasting was relentless, this man had just arrived, he was going to do wonderful things – but I see a change in him, so I am hopeful ... I pray that will change. So we have seen him once again, frantically associating himself with another new route, as he does with each and every announcement. That he should be happy – or they have something to say about that as well, whether it is him or not – that he has managed to secure new airlines and new routes. It is something which I accept, and it is something which he should do, and I do not criticise him for that. But what I do criticise is his not having an eye on reality as to what we are facing here.

Or, does he really expect us to believe that his charm, his intellect and his industry are what has attracted these routes? That these are three attributes and qualities and adjectives which cannot be applied to *all* previous Ministers for Tourism? Does he really expect us to believe that? No Horace Zammit from the ACR? Joe Pilcher from the first years of the administrations? Joe Holliday from the first GSD administrations? And the Hon. Mr Neil Costa when he was in this House? He has beaten them all! *(Interjections)* Without wishing to spoil his day or rain on his parade, *(Interjection)* I tell him that the possible answer is likely to reside elsewhere.

The reality is, if you speak to anybody who has some knowledge of this industry, that planes need to be in the air. And Gibraltar? The other reality is it was one of the few European destinations which were green-lighted, so it became an attractive place for the UK to send airlines to. That is why the opposite is also true, why in relation to Wizz Air we saw the cancellation of the flights through August. He has admitted so himself to the public broadcaster, but again he brushes that off when I said that is not the way he announced the arrival of that new route. No, he talked about how great it was going to be and how we hoped to have a long-term relationship with them –

A Member: Are you happy?

Hon. D J Bossino: Of course I am happy, but I am telling him that he needs to change his chip and he needs to change his tune because it has not happened ... August has been cancelled and as I understand it the mid-week July flights are also a cause for concern.

Of course I would be happy if this carried on, we want new routes to come here, it is good for this place. But he needs to admit that the recent spate of announcements has less to do with the hon. Member's supposed magic wand and more with the odd circumstances we are currently in. *That* is the serious point, because the big question is whether Gibraltar will be able to continue to

be a substantive and permanent destination for these airlines and routes, or whether Gibraltar has been used as a convenient stopgap to deal with the pressing commercial needs of these particular airlines. We sincerely hope that it is the former and not the latter.

190 The recent confirmation by the Government by way of their press release of 7th July not to increase the Upper Rock entrance fees is, of course, welcome. And, although the press release was an odd press release, because it was not drafted in terms of a response to the one that we issued on the back of reports that we had heard that the increase was imminent, it is still to be welcome. What I find odd about the Hon. Minister Isola's comment this morning is that he seems to imply in response I think to a comment that my hon. Friend Mr Clinton made, that the increase
195 will not happen. That is what he seems to imply. (*Interjection*) No, no, no, he said it was not going to happen, that is the position as it is now, we do not know when it is going to happen in the future but the reality as it stands now the increase is not going to happen, and that is a wise decision. It is a wise decision because that would have been completely the wrong time to have done so at this stage of the game.

200 Tour operators book tours in advance, as do cruise liners, sometimes a couple of years in advance and to have done so now would have had as we feared, and some operators feared, a significant negative effect. It is also welcome that the press release suggested that there will be discussions with the interested parties before they do so and I certainly recommend the Government to do so, because I think it is something, it is an initiative, and the pennies do count.
205 And, as the Hon. Minister Isola said, that requires proper consultation.

Before I move on to other areas of my responsibility, I wish to highlight two points. One is a question of recognition, and it was alluded to by the Hon. Minister Daryanani earlier this morning. From my own discussions with the Port and hoteliers, the commercial benefit that has been derived by the Port, in particular as a result of crew changes, has been a lifeline during the
210 pandemic when basically there were zero visitors coming to Gibraltar. The crew changes continued afoot with all the required COVID-19 restrictions, etc., and that is something which came as a bloodline really in many respects during the horrific months of lockdown. That reality brings into sharp focus the importance that the Port has as an area of economic activity.

One issue is – and it is going to be one issue of many, many others clearly – a question mark remains, and perhaps the Hon. Chief Minister *may* want to, but if he does not want to, that is fine. But in the context of the negotiations in relation to the EU, how the efficiency with which we can conduct these operations here may be impacted by the immigration elements, which will also be impacted by the possible negotiations with the EU because it is cause for concern, and I am sure he knows that as well as I do
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220 The other small point relates to Airbnbs. I am told, and I am sure many hon. Members know, that this is a new form of accommodation which is provided here. The issue there is that it results in rather unfair competition with established hotels, and there are other jurisdictions which would somehow regulate this. I know it must be very difficult to regulate and it must be very difficult to enforce, but that is an issue which I would like to flag in the context of this contribution. It is not
225 all negative.

Moving on to the CEO of the Gibraltar Tourist Board. Before I embark on this aspect, I simply want to make the point and associate myself with the comments of the Minister for Tourism in relation to Mr Guerrero, and on this side of the House we all wish him a happy retirement. He has done sterling work, I think, in this sphere. (**A Member:** Hear, hear.)

230 I think he has been employed, we were discussing earlier, for about 25 years, and I also think that he was in fact employed by us in our first administration. But the idea of moving that role – as he has confirmed earlier today – that pivotal, important leadership role from Gibraltar to London, for us simply does not have any legs. We have exchanged press releases on the matter, we have exchanged views on the matter, but we simply do not follow the logic of it at this
235 particular time. Again, as we have seen on other occasions, and as is usual with his thinking, he comes up with these bright ideas – and we have confirmation from the Hon. Chief Minister that

the idea came from the Hon. Minister for Tourism, he said it in one of his replies – it is devoid of wider thinking, is my respectful view to him and to the House.

240 Doing that move as Mr Guerrero retires, and not replacing that position here does not make sense. Moving it to London is the answer that the Hon. Minister is going to have more of a hands-on approach to it. I think that is wrong, the Minister should be there to guide policy and for civil servants or public servants to carry that out. We think it presents a detachment and a separation which simply makes no sense to us.

245 The fact is that carrying out this move now, you are doing it at simply the wrong time. A rudder should be attached to the vessel, as I said in one press release, and not 1,500 miles away in London. So we think it is misguided and ill-thought out. But we now await with bated breath what the financial cost – because he has had to recruit London agents and all the rest of it – of this other Daryanani special is going to be to this community.

250 Financial services is one of those other areas of political and economic activity which, quite properly, is not normally the subject of political and heated adversarial debate as I think has been acknowledged by the hon. Member opposite, who has ministerial responsibility for this area.

I think we all recognise this is one of those main areas of economic activity which produce the goods, and long may that remain to be the case. I heard what he had to say this morning and it is very welcome to hear him speak about the very positive news that he was able to deliver to this
255 House this morning in relation to the various areas of DLT, Insurance – although I think it requires probably greater analysis, and no doubt my hon. Friend, Mr Clinton will do so – and also the figures that he produced in the context of the Gibraltar International Bank. But on the face of it, and subject to that caveat, it is all very good and very positive and we all do welcome that on this side of the House.

260 I had prepared an element of this segment on the Tax Treaty and I will deal with it. But then, I am afraid, the Hon. the Minister for Economic Development is the cause for making my submission slightly longer because certain things he said need to be responded to, in all fairness. (*Interjection*)

265 This is one of those exceptions broadly within this area, where there has not been a meeting, given that we were talking, starting to get worried about looking each other in the eye, where we have not seen eye-to-eye. Each side of this House has expressed its view in public and we expressed it as a result of the motion presented by my hon. learned Friend, the Leader of the Opposition, we have opposing views on that matter. And it is respectful, and we have exercised political judgement in relation to that and we have expressed it.

270 We had a debate and they won, as usual, because they have the inbuilt Government majority. The fact is that we now have a new International Tax Treaty with Spain. Time will tell. Let's leave it at that, that is what I had written. Time will tell whether the effect is going to be neutral, positive or negative. And I take great comfort from what the Hon. the Chief Minister said that, and I quote him: 'This is a success story in the making.'

275 I also quote my much-maligned and misquoted article in the *Gibraltar Chronicle* by the Hon. Minister Sir Joe Bossano – incidentally, the contents by which I still stand, because they represented my own impressions of what I saw before my very eyes as to the opposite views which were being expressed. But a bit more of that later ... Because it is interesting just to flag up at this stage how the Hon. Sir Joe yesterday was only keen to deal with those aspects of the article which are critical of him, not of the Government, and you see more and more of that each time.
280 (*Interjection*) He talks about willing to continue to be in politics beyond his original retirement date of 90, because of course he is the one who decides when it is time to go – and I do not mean retirement.

285 **Chief Minister (Hon. F R Picardo):** He is the successor. (*Interjections*)

Hon. D J Bossino: So this is what I had to say in the article:

I hope that it will usher in the bounty that some think it will bring in its wake, with the possibility of making possible the dream of an end to three hundred years of abnormal relations.

Maybe that is a bit too *palomo* for him, I do not know. We sincerely hope that is going to be the case as Gibraltarians, quite frankly. But the reality is that, I do not know, his performance yesterday really, it saddens me, honestly it does, because this is a gentleman who has been knighted by the Queen, he has served in this House for ... I cannot forget, because it coincides with the year that both the Hon. the Chief Minister and I were born, in 1972, so 49 years. And that he should stoop so low, to be honest, was unbecoming of him, that is the reality of it.

In many respects it was sad – (*Interjection*) Yes, I know that the hon. Member, as my hon. Friend here was telling me earlier, no doubt he will reply to what I am saying now in a year's time. But that he should quite frankly attack me, because in some respects he was insulting when he was talking about that I should see a psychologist. Nowadays, dare I say, in this new culture that we live in, that he may even be politically incorrect. I do not know, maybe. Because he said that my wits were lost, or something like that, but he then has no compunction in referring ...

I am not suggesting it was a conversation in confidence, but there was a casual conversation. I think he had just come out of the lavatory and I happened to be there, and he had been having a tea ... He was there! Well, he walked that way ... And all I say about that is, this serves as a public health warning to anybody who is listening that, each time they have a conversation with the hon. Gentleman they should either take a full note after doing so or try and agree with him – I am sure he would respect it, I hope he would respect it – that it is going to be on a 'without prejudice' basis, of whatever you talk about ... sadly, if it is political, because he will throw it again at you.

Then he makes, quite frankly – but I need to respond to it – the childish point on about three occasions that the hon. Member is not in the Chamber, and that is why I cannot look him in the eye, making a reference to something I had said which actually I think was probably in my last debate on GBC in 2016, straight after the Brexit vote, that I would not, in the Chamber ... Quite apart from the fact that it hurts me in the sense that I am here, and effectively we were having this conversation – and I will not snitch on them with some Members opposite – how it is actually discourteous not to listen to other hon. Members, irrespective of which side of the House you are in. That is the system we have here. (*Interjection*) I was not here.

But I think it is discourteous not to do so. I start from that premise, okay? I try and avoid looking at my mobile, as most people do when they are looking at their mobile, I try and listen – it actually makes the time go by a bit quicker. To be criticised for that reason, when I was attending to something personal, and coming from the hon. Member who left straight after – I suppose he asked him to stay, at least for him – *straight after* the Hon. Chief Minister finished his address. He did not even have the courtesy of listening to the Leader of the Opposition. Of course, he went off to prepare his speech, and then came when he had to deliver his address, and I do not think he was seen after that, until now. So at least we can look at each other straight in the eye across the floor of the House.

So, I do not know, Mr Speaker. Then he makes a reference – and I know, he couched it in terms respectfully, we live in a tolerant society – but he talks about my pious and traditional Christian views, which I hold, and I am open about it. But why did he have to mention it in this context? Why? Where was that relevant? I think, basically, it was in for a dig and demeaning of the hon. Gentleman, (*Interjection*) and it saddens me.

I made the point earlier about misquoting my article, and he did, even though he was supposedly reading from it, I could not believe it! But he then makes a reference later on when he is talking about, 'I am not against this co-operation, as the Hon. Mr Bossino had said'. I never said that! I have been following politics since I was 14 or 15, as most of us geeks here have, and I remember when he went to ... I think he also went to Seville if I am not mistaken, as part of the same process. I think he also did. I have followed all his interviews, etc.

But to say that I had said he was against co-operation, that is not true. I had said, in the context of his lack of hawkishness during the course of that debate – which really left me gobsmacked and

I wish we had not had that exchange, because apparently it was my exchange which was the catalyst for him intervening – is that he had said, ‘No. No. No’ *à la* Margaret Thatcher in relation to the Strasbourg process of the late 1970s, in relation to the Lisbon Agreement, again I think in the late 1970s or early 1980s, and in relation to the Airport Agreement of 1984. We have all followed that, and that was the order, ‘No. No. No.’ And then eventually the Airport Agreement as well. That is the point I had made, not that he does not want co-operation.

But I would much rather dwell on the very last bits of his address when he was talking about Gibraltar’s potential economic development and his new economic plan, than all the negative stuff and, quite frankly, rather infantile stuff, that I feel that I had to respond to. Because I really do hope and wish that what he is talking about in terms of the possible new ventures that could happen by us, looking north to the UK and south to Morocco, may indeed happen.

In relation to the corporate tax increase it is the same as my position, our position, in relation to the Tax Treaty, which is that it has the potential at first blush – the increase from 10% to 12.5% – of making us less competitive. I think, again, that is an obvious point to make.

It will, for example, put us at the same level, as I understand the Republic of Ireland has the same tax rate. But it is understood – and the Chief Minister took us through at great length – this is as a result of the OECD initiatives in this sphere and that has to be given due weight, and we are conscious and allied to the macro considerations. So *there* is something else I suppose we would rather not do, but we take an overview and I think on balance the Government has taken the view that it is better for this jurisdiction to be seen as a compliant territory, rather than the two or three I think he mentioned which are still outside of the sphere. Eight, is it? But there are 139 I think who are in, or thereabouts. (*Interjection by the Hon. Chief Minister*) Okay, 131 in, eight out, for the sake of the *Hansard*, as he has said across the floor of the House.

The Minister Isola made a reference and thanked his staff and other associations who have helped in relation to the other pieces of legislation. I think it was also accurate to say about the vaccines on *Hansard*, as acknowledged, the assistance that we have provided in the context of some of the legislation that he referred to earlier. I talk about the Limited Partnership Act, the Protected Cell Limited Partnerships Act and the mouthful that is the Proceeds of Crime (Miscellaneous Amendments) Act. I discussed a lot of the detail with him in draft form, we exchanged a draft in preparation for the debates, I think it was back in February, because many people do not realise, actually, that there is a lot of work that happens which is outside the adversarial sphere, so to speak. There is a lot of work that happens conjointly and there is some work which happens, on occasions, outside of the House. My view is that, given the way we currently run our affairs here, it makes sense that if there is the possibility of reaching a common consensus view on legislation to make a better law, to try and agree as much as possible with the relevant Minister opposite, and then to come as far as possible, subject to recording what has been agreed in *Hansard*, with a joint approach. That is exactly what we did in relation to those three pieces of legislation that we talked about.

In relation to the Proceeds of Crime (Miscellaneous Amendments) Act 2021 that was a particularly important Bill for this jurisdiction, it was a particularly heavy one as well, and as the Hon. the Minister mentions in the course of the reading of the Bill, and I quote him, ‘It was in order to address the technical deficiencies which arose as a result of the Moneyval Report.’ We sincerely hope on this side of the House that the result of those legislative changes, and other initiatives which have to happen in this jurisdiction, we will get a much better rating next time.

As for the other two, as again I quote him, ‘It is hoped that it will place Gibraltar’s funds industry in a strong position for many years to come.’ We hope certainly that is the case, because it is not just a question of how people who deal in these particular areas will benefit from it, but obviously it has a positive effect in terms of the other areas of our economy.

On the appointment of the Financial Services Ombudsman, which was not touched upon by the Member opposite, we have had a difference of view. It took us by surprise, I think, when it was raised – just so people can remind themselves – in the context of the debate on the motion

to appoint Dr Coram as the Public Services Ombudsman. Then, as an aside, we heard that the policy intention of the Government is to also appoint him as the Financial Services Ombudsman – we had an exchange there, and then I have asked him questions in relation to that.

390 Whilst there is a superficial attractiveness to that initiative, I think on further scratching and further consideration we think it is the wrong move. With all due respect to Dr Coram, I think he would agree so himself. We know his track record, it was reported to us by the mover of the Bill, the Chief Minister, that that is not his area; and it is acknowledged that is the case, because the hon. Member has said that he would be relying on advice.

395 You can be an expert, but you are not an expert in everything. So what we would expect is that individual to have the required skill set, and then on occasions he may require some legal or accounting or banking advice, for which he will have to pay professional fees, presumably. But, to have an individual who has *absolutely no experience* in that, clearly the effect of that is going to be that the advice is going to be quite onerous. We still do not know because we have not seen it
400 work in practice, but I understand that quite a lot of complaints are received in this sphere; and there is a potential, as I think I mentioned in one of the press releases, that there is a risk, there is a potential for further complaints in relation to this area, financial services, etc., in the context of an economic downturn.

So our view is that it would be much better for all concerned if we had somebody with the correct and required skill set to be able to discharge that role properly, rather than to have to rely heavily on outside advice. Actually, I think it is also unfair on Dr Coram himself. It would seem to be an extra burden.

Planning and heritage go together, especially in a small place. We have identified, after some consideration, that there are long-standing seemingly impossible problems which besiege
410 planning and heritage, but we are confident that it is possible to address these. I will highlight three aspects: one is the workings of the DPC; urban decay in the Old Town; and the general quality of life in an increasingly cramped Gibraltar. All these issues are clearly interconnected as we are dealing with buildings.

We believe that there should be further reform of the DPC. There *could* be; we do not know.
415 I anticipate a possible reply from the Chief Minister that they have reformed it. I think it has to be acknowledged of the time of the Hon. Leader of the Opposition when he was in Government, I think we introduced the town planning legislation, the new one. So it has to be acknowledged that over a period of 20 or 30 years there has been development. But I think now there is time, and certainly the policy decision that we have adopted – and it is very clearly set out in our manifesto –
420 had we won Government last time we would have reformed it. One of the ways we would have reformed it is actually by divorcing from the DPC process any ministerial direct intervention.

I think there is also a requirement to have a more open and streamlined appeals process which, at the moment, is too antiquated and complex. But I think a further wider point to make in this context is that we need a new Gibraltar Development Plan – and, if I am not mistaken, indeed the
425 Development Plan is from 1981. Time flies by when you are having a good time, it is 20 years ago. (*Interjection*) The Government promised it but has not yet delivered. We need one which is fit for our requirements now, not 20 years ago.

But when it comes, I sincerely do hope there has to be the Government's policy – an approach, rather than a policy – to respect it, not just the spirit or to use it as a guideline, but to respect it to
430 the letter and not to have it ignored. And if we have been guilty of misdemeanours when we were on that side of the House, fine, so be it. But looking forward we need to stop this for the sake of our children and our grandchildren, and so forth.

The second point that I mentioned is urban decay. Some of the housing that has been reported on GBC, so we all know about it, is more akin to the Dickens period than it is to the Gibraltar that
435 we live in now. The malaise we suffer with pre-war rents over decades, where basically what happens is you end up with a landlord unable ... It is the vicious circle. Tenants quite rightly complain and landlords then complain because they do not make enough income from it and they

cannot fix the dwellings, the buildings; and then what happens is you end up in the usual situation where the building is suffering from such decay that you lose the fantastic gems that we have lost.

440 I mention one example, which is the Risso Bakery in Engineer Lane; and I think further down the line we have the Rialto Cinema, which I hear is also the subject of some risk. I think it is a pity to lose those gems, because these things happen piecemeal, and then you look back in 10 or 20 years' time and think ...

445 Gibraltar has changed, and we need to do much more to stop unwarranted demolition. I think what we would do is have a swift, open and wide-ranging policy consultation with all the interested parties and people who rent – landlords, Action for Housing, and all the rest of it – and come up with a policy. I know it is not easy, but it is something which we need to think about in terms of where we are in terms of our planning. You cannot have a narrow view in relation to these things.

450 I know, in the context of what we have heard over the last couple of days – and what I am going to say now is going to sound bizarre, but I would just raise it there as a possible flag. I am not coming out with a possible issue, I am not coming out with the specific details but talking about heritage grants, tax breaks and rent-zoning, and all that, the important point that I make is to ensure that the vernacular architecture, which is so very much Gibraltarian, is maintained and
455 protected.

In that context, no rent payer should have to live in substandard accommodation. But also landlords who are seen as the villains in this context, it has to be recognised are also the victims, because of the point that I made earlier. In relation to quality of life, again over the last decades – I will say 'the decade' because that is the time that the hon. Members were in office. In the last
460 decades, we have seen a change in Gibraltar where a lot of it is encased in glass, more concrete, and cement and steel.

Some people applaud this modernity. I for one do not. I think many people also do not. What we are seeing is that Gibraltar is becoming – and people have been saying it for years – an increasing concrete jungle, where we have congested streets and ever-decreasing availability of
465 places for our children to play in. It also has the risk of diluting what is our uniqueness. Interestingly it also has an impact – and all these things are linked together – on the other area of responsibility which is where I started in relation to tourism. Because if you render everything nondescript and anonymous, then Gibraltar just becomes an uglier place to come to, and certainly something to live in; and certainly it could also have an impact on our social fabric.

470 All these things are actually very important and I do not think that we have had a proper political debate about these things. Many people complain about the four-year cycles, and then we are all wanting the votes, and we present snazzy manifestos – and the expectation is that the next manifestos are not going to be as snazzy in terms of the projects, etc. But we need to think about this a bit more seriously and have a proper political debate.

475 Devil's Tower Road, for example, you are seeing it, there is no obvious architectural plan, you are just seeing higher and higher buildings. As I said in my prepared speech, bleak towers encased in ever-longer shadows and howling winds. We are not against affordable housing, if that is the retort of the Hon. Chief Minister when he replies; we are not against luxury apartments. Obviously I know it is a very difficult balance to exercise, but other places have done it and there is no reason
480 why this cannot be achieved with greater thought, in order to preserve and enhance our uniqueness and beauty.

We must build better, moulding new development through planning and mitigation. It is not too late to temper new buildings with aesthetics through proper planning and architecture inspired by all that makes Gibraltar unique and beautiful. But we are 'uglifying' the place, in my
485 view, bit by bit; and I think we owe it to ourselves to be much better than this. A Gibraltar in which our forebears would be proud to see if they came to life, to see how far we have progressed; and Gibraltar's sons and daughters will aspire to live in it.

Now, Mr Speaker, I would like to touch upon an area, finally, which is outside my area of responsibility from a technical, political level – but not from a domestic basis – which is special needs. I feel I have to, and I have discussed it with my hon. Friend, Mr Edwin Reyes, and he has agreed that I could raise this issue. I speak from a very personal perspective but I think that I feel duty-bound to do so. In that sense, I appreciate that it is left field but we have heard a lot of wonderful things being announced and reported on by the Members opposite, but that type of supposed utopia is not what many families are experiencing on the ground. Let me tell them that.

There are many issues and really on a very broad-brush basis, whether it is in relation to occupational therapy where I know that children do not have the proper access to it, and that is super-important for children with special needs. Speech therapy as well, again, there have been wonderful people who have been available – one of them, in particular, I think has already retired. But I think we need to either reorganise or provide more.

I think very importantly also in respect of the psychological and the psychiatric aspects of this, because this does not affect just the child who is affected by it ... It happens to the best of us ... I will get through it.

There are families who feel abandoned and are at their wits' end – I had better read it – when the behaviour of their children ... (*Banging on desks*) is so extreme and constant that it does have a psychological strain, and it does lead – thankfully not in my case – to marriage breakdowns which adds another strain. This affects, as I said earlier, not just the child but it affects the families, particularly the siblings who tend to be more or less their age, and then it does have an effect on them.

I have spoken about this in Gib Talks, and I am afraid I also broke down, but it is something which is very raw for me. But this is a real situation of extreme stress and it is almost like ... I do not know how you achieve this, but it is almost like you need to treat this as if there was an A&E situation. When you have a situation like this and you have had a bad day, or whatever, you need somebody to talk to, somebody professional on the other end of the line who can deal with the medication that is required; who can, I do not know, give you a shoulder to cry on ...

I look, thankfully, in terms of my finances, I have other possibilities and connections as well, but it should not be like that because I speak on behalf of many families as well. Please do not take this as something which is being used for political advantage, honestly, but it is something which needs to be addressed. I say this with all due respect to the hon. Members opposite, I find it very annoying when they go through their box-ticking, checklist exercise ...

I was having this conversation with somebody this morning who deals with kids of this nature, and he was saying 'Oh, I hear the hon. Gentleman opposite, the Government Minister, saying all the wonderful things' ... And they *have*, but they need to understand what happens on the ground. It is not the utopia that they set out. It is not. There are huge failings and it is the role of politicians to empathise, and I am sure many of them think they do, but until ... You need to endure this to really understand this, but by that I am not disqualifying them ...

But this aspect, I do unashamedly flag as an issue which has to be dealt with. It would be remiss of me not to acknowledge the fact that we have a new St Martin's School, but again in relation to that ... Maybe Ministers are not aware of this but was there proper consultation, or exchange of views? I am sure he would say yes, but I am not sure that is the case in relation to the layout and stuff like that ... Or the fact that Hon. Prof. says in his report that he talks to St Martin's School parents, and the special needs, and that is true. But again, I am repeating myself, it is not the utopia that was set out for us yesterday.

Families need immediate help and they need it in real time, and the system is simply not currently working.

Simply to end, Mr Speaker, to acknowledge the help and assistance which the hon. Clerk has provided to me, and I think to all individuals on this side of the House. (**A Member:** Hear, hear.) He is always available at the other end of a WhatsApp, and as I say he has always been very helpful during my time when I was here before, and indeed yourself when you were a Clerk, Mr Speaker.

I would just take this opportunity to wish him and his wife – I am not sure whether she is going to be very happy – a happy retirement. (*Banging on desks*)

Mr Speaker: The Hon. Steven Linares.

Minister for Housing, Youth and Sport (Hon. S E Linares): Mr Speaker, this is my 21st Budget speech and my ninth as a Government Minister.

Before I carry on with my prepared speech, I would like to say that apart from the last part that the hon. Member said, all the other things that have been said here are shallow. I have never in the 21 years that I have been here heard from the other side – because I used to take a lot of time preparing my Budget speech – how shallow they are. But I will not get into them at all, because I think the Chief Minister will actually finish off the Budget speech himself. (*Interjection by the Hon. Chief Minister*) (*Laughter*) Okay.

I will start my speech by giving a synopsis of what has been achieved over the last two years despite the COVID-19 pandemic. This has not only changed our lives but has changed many working practices and we have had to adapt to the situation to the best of our ability.

My current responsibilities are Housing, Employment, Youth and Sport. I will therefore start with Housing. Since I was given the honour of becoming Minister for Housing one of my main goals has been to review all Policies, Schemes and Agreements, including the whole of the Housing Act. There I pause again away from the script, because the hon. Member just mentioned the fact that we do not consult and we do not go into looking at how people live, and the landlords. We do not consult that. Well I can tell you that I have, extensively, when I have been doing the Housing Act – but I will mention that a little bit later.

So I am happy to say that we have made considerable progress on this front. So much so that I intend to start publishing the new documents in the autumn.

One of the main functions of the Housing Department is that of collection of rental payments. For this, there are numerous methods available and the Department is actively contacting customers to get them to subscribe to one of these methods, which are: deduction at source from wages or salaries or occupational pensions; standing order from the client's bank account; online via the eGov portal; and telephone payments. We are working on having a Direct Debit system in place soon and we will be calling on all our clients to ask them to subscribe to this method of payment.

As from 14th July 2020 the Housing Department has been providing scheduled appointments to tenants that could only pay via cash. Counters are opened twice a week for the scheduled payments. This happens in keeping with the social-distancing measures set out by Public Health Gibraltar. Expanding the options available through which to make payments of rent gives tenants the flexibility to be able to choose a payment method.

The Department has ensured that the correct systems are in place to deal with the non-payment of rent. Notifications are now issued automatically to alert the Department of any tenant who commences to default on their rent. This process enables the Department to contact the tenant far sooner than ever before in order to engage with them at an early stage before debts begin to build up.

The Housing Department continues to assist tenants to arrange payment plans and to adjust an existing repayment plan, to meet both *their* needs and ours. These meetings are very useful as it allows the Department to identify those tenants who have *genuine* hardships and are unable to pay their rents. All such situations are looked at on a case-by-case basis. Careful consideration is given to those who may have real social and medical issues. This helps the Department determine those who *genuinely* cannot pay and those who simply do not want to pay.

There are a total of 587 tenants with arrears agreements. A total of nearly £2 million has been secured via such agreements, representing 42% of the overall arrear figures. The continuation of the concerted effort to have rent payments deducted at source continues to be our top priority.

I have already stated it is Government's policy that all Civil and Public Servants who are Housing Department tenants, should have their rent payments deducted from their salaries automatically. This is more convenient for the tenant and at the same time it ensures that none of them default or fall behind in their payments.

I am pleased to say that 65% of rents are now collected via such secure methods like standing orders and deductions at source, etc. Despite having all these facilities available to them, there are still, regrettably, a minority of tenants who *can* pay but who do not *want* to pay. This category of tenants have no social or economic hardship. They do not qualify for rent relief and yet they continue to default. In such cases, the Housing Department has no other option but to commence legal action, or use any other legal means to recover unpaid debts.

Hon. Members will understand that the Housing Department has taken a very proactive approach to the question of rent payment and rent arrears. The problem is being tackled at its roots. This is by ensuring that tenants do not fall behind in their payments in the first place. Having said this, I must sincerely thank the *vast majority* of people who *do* pay their rents diligently on a monthly basis. These make up over 90% of housing tenants. The message to them is to continue to pay on time and to rest assured that this Government will tackle those who do not pay.

Mr Speaker, on 1st July 2020 we announced the introduction of the new Enforcement and Compliance section in the Housing Department. This section is tasked with the Department's litigation processes: anti-social behaviour, in-house complaints procedures, claims, Ombudsman's queries and the recovery of arrears among other enforceable actions required in accordance with the Housing Act. Our review of the whole of the Housing Act will go a long way in dealing with these complex issues.

Another important part of the Housing Department is the Allocation Unit. A total of 387 housing allocations have been made since 1st April 2019 to the end of June 2021. The Housing Department works closely with ERS and others in order to recover the properties of those tenants who have either passed away, been admitted to ERS, or have chosen to move to private accommodation. Those flats are immediately identified for applicants on the waiting list. I remind the House that the review of all tenancies continues to be undertaken and all records are being updated in order to provide a more efficient service.

Mr Speaker, the Housing Allocation Committee continues to provide valuable advice to the Housing Authority. This comprises two independent members, a registered Medical Practitioner, an Occupational Therapist and a social worker. The Housing Manager continues to meet with them on a monthly basis.

Mr Speaker, on many occasions there are housing issues which cut across the work of other Departments and authorities. A considerable effort has been made to improve co-ordination and working practices. All Departments now have a designated contact person. This has smoothed out the communication channels and has minimised the time taken to undertake tasks.

The Senior Management of the Housing Department are full members of the Multi-Agency Forum. This multi-agency forum was created precisely in order to deal with issues of the Elderly Care, Mental Health, Child Protection, Social Care, and others. The forum reflects the commitment to work together and provides a framework in which this can happen.

The main Departments that Housing has worked with are the Department of Equality, DSS, the CSRO, RGP, Social Services, GHA, Prison Service, ETB, Drugs Rehabilitation Services, the Fire and Rescue Service, the Central Arrears Unit and Car Parks Ltd. The Housing Department also works closely with the Town Planning and Building Control Department. Housing is linked to them via the applications received through the e-Planning Project Programme.

Mr Speaker, it is important to note that once the review of all the Policies, Schemes, Agreements, etc., has concluded, many practices will change in order to safeguard our tenants. One of these will cover the strict implementation of alterations of flats. Although we have had a system in place, many tenants over the years have made alterations to their flats without permission. This sometimes has had a negative impact on other tenants. Appropriate paperwork

such as plans, drawings, photographs and specifications will now have to be submitted to, and then approved by, the Land Works Panel. If approved by the Land Works Panel, tenants are also required to obtain planning permission from DPC prior to undertaking works.

Mr Speaker, the COVID-19 pandemic has led to the digitisation of all Housing application forms. This has enabled our tenants and applicants generally to complete, attach documents and send these to the Housing Department electronically, thereby avoiding foot traffic at our counters. This has been achieved by working closely with the digitisation team in order to have all application forms available online. The Housing Department will continue to pursue this and enhance its facilities further with the introduction of its own website in order to be able to offer current up-to-date information and services.

Mr Speaker, as Minister for Housing, I like to remain in close contact with our tenants. I have been able to do so via the relevant Tenants Associations. I have already met up with most if not all of the constituted associations. I have also taken time to walk about the estates with members of the Tenants Associations who have highlighted the issues that concern them. The message to them is that we will work in partnership and co-ordinate in order to receive any issues that they may have. Matters like maintenance, anti-social behaviour, parking and general concerns have already been discussed.

The feedback received from the Tenants Associations is generally positive. In this context I would encourage those tenants residing in housing estates to establish a committee which aims to benefit and enhance the living environment of the estate, in collaboration with Housing Department officials. This will provide them with a collective forum to discuss matters relating to their estates.

The rapport that the Department, as well as the Housing Works Agency, have now established with tenants via their association is a positive two-way process which benefits everyone. The Government remains committed to tackle anti-social behaviour. The Housing Department has signed an MOU with the RGP which allows us to work together to stamp it out. We will not allow a few troublemakers to make a misery of the lives of the majority of law-abiding citizens.

I am therefore pleased that the RGP has initiated neighbourhood policing in close consultation with the Housing Authorities. I am also pleased to say that I have met with the NGO Action for Housing seven times since October 2019, despite the pandemic, and my officials have met with them 17 times in the same period. This makes a total of 24 meetings in the space of 19 months.

In relation to the review of the Housing Act, we have had both written representations and meetings with representatives of tenants and landlords. Their views are being taken into consideration in our review of the Act. The Housing Works Agency is a key component in all this. The Housing Works Agency personnel provided assistance to the pensioner blocks during the lockdown and at the height of the pandemic, as follows: staff were stationed by the entrance to the pensioner blocks to facilitate the delivery of food, medicines, etc., to the tenants; staff implemented all procedures as instructed by the Civil Contingency Department; staff delivered the *Gibraltar Chronicle* and *Panorama* to all tenants on a daily basis; staff disposed of household rubbish on a daily basis; staff assisted in contributing and collecting all medical forms as required, and liaised with the GPS as necessary.

The Housing Works Agency staff tailor-made a significant number of bed dividers for the Nightingale wing. They also assisted in laying flooring and performed other ancillary works. I wish to place on record my gratitude and that of my Government for all this. The staff of the Housing Works Agency undertook their duties with a sense of responsibility and an awareness of the situation that deserves praise. Many thanks to them all.

In addition to the above, the Housing Works Agency staff have been instrumental in co-ordinating and/or actioning 15,000 Works Orders. This included 221 Occupational Therapy Works carried out at the cost of £321,000; there were 107 flat refurbishments at the cost of £1.45 million; and 1,772 emergency works at the cost of £236,000, together with many other proactive works.

Mr Speaker, the general public and, more specifically, certain housing tenants need to understand that what is on offer is Government Housing, and not Social Housing. The vast majority of tenants are not social cases. In fact, there are some tenants who can easily afford to buy a flat in one of our affordable housing projects. There are some tenants who can afford to drive luxury, flashy cars and go on annual cruises. Yet they can be, at the same time, the most demanding tenants. This narrow category of tenant wants everything done for them and complains about everything all the time, including about the small 3% rent increase. They make up some of the cases with rent arrears, even though they are people who can afford to pay. That is why the Housing Act is being reviewed. We intend to take legal action to get them to pay. There are obviously others who are suffering genuine hardship and in genuine cases we will continue to help as much as possible.

Mr Speaker, the House knows that Government rents are, and have always been, well below the market value. Government rental accommodation is therefore heavily subsidised by the taxpayer. Let me illustrate the point. In monetary terms, the provision of rental housing costs is in the region of £17 million and the amount we collect from rent, even if we include all those arrears, is approximately £5 million. Therefore, the deficit is £12 million per annum. This does not include the £114 million that has been spent on upgrading, beautifying and refurbishing numerous housing estates all over Gibraltar.

This programme has clearly shown our commitment towards our tenants and our people. The taxpayer has the right to ask certain people that they pay their rents. The taxpayer also has the right to ask tenants for help in looking after the area that they live in.

Mr Speaker, I move on now from Housing to Employment. Despite the fact that I have only been Minister for Employment for a few months, I have been able to appreciate the work that has been carried out during very challenging times. The Department of Employment has not only had to adapt to COVID-19 but also to Brexit, which has added enormous pressure on them. It is therefore a credit to all the officers of this Ministry, together with those at the Ministry for Digital & Financial Services to have developed the new fully digitised interactive Government eServices for its business users. They have been able to change practices and to respond to the demands of Brexit negotiations and related contingency preparations in the area of employment and, more specifically, workers' rights.

Simultaneously, the Department has been maintaining its full offering to the general public and business alike by adapting ways of engaging where necessary, and running multiple systems in parallel, and testing the new digital systems. I am very pleased to say that currently all these new systems are already being rolled out publicly to local employers. During the pandemic the Employment Department has been a fundamental entity – and the hon. Member said that *they* were fundamental, as well, in this help – ensuring that the BEAT support measures were administered correctly and thereby a deliverable reality as well as a total success.

The Employment Department has been instrumental in managing the thousands of applications and direct enquiries in our Government's monumental effort to support local businesses and their workforce during these unprecedented and difficult times. The Department of Employment has waived fees as a way of providing additional support to local employers who have been impacted by the COVID-19 pandemic.

The Government's BEAT measures have shown to have reduced the number of possible redundancies, maintained static the level of unemployment and thereby protected much of our economy that could have otherwise suffered directly as a result of the pandemic. Now, as we hopefully continue to move through unlocking and on the other side, we hope, of the pandemic – let's keep our fingers crossed, because lately that might not be the case – we see even in these most difficult times that unemployment, although unavoidably affected, has remained stable and Gibraltar continues to boast low unemployment levels.

Mr Speaker, the following statistics were mentioned by the Chief Minister in his speech but I am happy and proud to repeat them again because of how good and positive they are. As at

October 2020, the total number of employee jobs in Gibraltar has decreased by 1,087, a small 3.6% drop from 30,603 in 2019 to 29,516 in 2020. Average gross earnings is £32,625.26, another record high with an increase of 2.7%. The private sector has recorded a decrease in jobs of 1,214, from 24,001 to 22,787 in October 2020. The public sector and the MOD have seen an increase of 1.9% and 2.1% respectively to 6,232 and 497 when compared to October 2019.

The model of success in stabilising the number of persons unemployed year by year reflects the excellent work undertaken by the service. This has been developed and established by long-term, close-working relationships with our local employers and the business community, understanding their needs as well as understanding the specific individual needs of those persons registered who are either unemployed or looking for alternative employment. With this, the Employment Service, despite ongoing pressures, continues to see our dedicated Employment Team working tirelessly to provide the best possible support and advice to service users.

Mr Speaker, under this Government, despite external events and due to all our efforts, we continue to see record low unemployment. In 2020, with Brexit looming over us, and a year of pandemic, the yearly average was a record low of 21. So our current unemployment level is 0.07%. This is a 95% reduction in unemployment since 2011.

In the last quarter of 2020, as we battled to support the return to normal business operations, we again achieved a low figure. The last quarter average of unemployment, at 23, is the lowest level ever recorded in unemployment history since records began. In 2021, we have continued to maintain low unemployment levels with the 2021 second quarter average of unemployment again at 23. Mr Speaker, now more than ever this is proof that this Government's system works and it continues to work well even under the testing times that we are living in.

The Labour Inspectorate's strategy and programme of inspections across the various industries, although delayed during the worst impact of the pandemic, now continues to operate diligently and effectively. This Government reiterates its commitment to the eradication of illegal labour by ensuring that all businesses are compliant within the Employment Regulations. The Labour Inspectorate remains, as always, available to provide information, guidance and advice to both employers and employees.

In the same way the Health & Safety Inspectorate continues to provide excellent levels of service. They continue to deal with all matters, especially issues related to contractors and developers. The Health & Safety Inspectorate also remains available to anyone that requires best practice guidance and advice in respect of Health & Safety issues at work. Gibraltar is pleased not to have seen a fatality at work for over 10 years now. Finally, the Department of Employment, despite all these challenges, continues to advance towards meeting the Government's commitment on eServices and being the first Department to be fully interactive digitally.

Mr Speaker, I now move on to the Youth Service. As the Minister for Youth, I am happy to say that the Youth Service opened its doors as soon as the civil contingency rules allowed. It has created and developed programmes that have reached more young people than ever. In these difficult times, where many young people have suffered lockdown and have been confined to their homes, the Youth Service within the limits of the COVID-19 pandemic has become a vital part for relieving the stress and anxieties created by the pandemic.

The Youth Service deals with young people from the ages of 12 to 25. The programmes that they develop have concentrated on increasing their social networking through activities such as baking, going to local restaurants, teambuilding games and group discussions that develop their understanding on different types of friendships, relationships and boundaries. They have further been able to develop their life skills in areas such as social etiquette, managing money, arranging their own outings, as well as attending GYS sessions and events.

Obviously, some of these programmes have been interrupted by the pandemic but as soon as it has been possible they have restarted. The Youth Service was able to run some programmes during July and August 2019 when the schools were closed. They have also put together a choir called Joyful Riots and they have been invited to perform for local charities, which have included

the Happiness Foundation at the Convent and for GibSams at the Sunborn. This same group has created an urban garden using recyclable materials, in the Youth Centre patio, showing their commitment to the environment.

The Youth Production Team, in March 2020, were able to go to a residential in Seville in order to work at exploring cultural differences through photography. The Youth Service was involved with the Island Games event by having a Youth Café open every evening welcoming visitors from across the Islands. Mr Speaker, other programmes have concentrated on highlighting career paths that may be available to them. This has been achieved by reaching out to Government Departments and local businesses in order to facilitate insight experiences for young people on what it might be like to work in these different areas.

A total of six insight visits to various establishments have taken place including the Royal Gibraltar Police, Classic Cuts, the Fire Brigade, and Nursing. All these programmes have been delivered at the Laguna, Dolphin and Plater Youth Clubs. Each club has offered programmes that have involved travelling to different places. The Dolphin Youth Club have been able to travel to Krakow in Poland where they visited Birkenau and Auschwitz concentration camps and the famous salt mines, as well as other historical sites. Young people from the Laguna Youth Club enjoyed day trips to Costa Jump, Aventura Amazonia high ropes course, a trip to Puerto Santa Maria, a visit to the Second World War Command Centre and a visit to the cinema.

At the Plater Youth Club, a unique opportunity to visit London was planned and delivered during this period involving several of Plater's older members who have shown commitment and positive participation over a long period of time. At Plater, the focus has been in catering for the young people's personal and social development. All the Clubs have enjoyed organising and having summer barbecues and Xmas parties, and other outings.

Mr Speaker, just to say off script as well that we might underestimate the importance of these programmes, but in this day and age when children have been shut in at home for so many hours, in which school has had to be cancelled, these programmes are vital for the mental health of these children. I invite more children and more young people, if they want to make themselves available for these, to go to the Youth Club. It is a place where they can feel safe, where they can learn a lot and they can communicate with other people. Communication is vital in this day and age.

These events have been a great form of release for young people in troubled times. The Gibraltar Youth Service continues to form part and contribute to various multi-agency forums. These include the Child Protection committee, Sub-Training committee, Drugs Advisory Council, Youth Advisory Council and CHAMPS – which is Children, Healthy and Active! Multi-Agency Programme initiative.

Mr Speaker, I want to thank the Youth and Community workers for their continued positive engagement with young people at a time when the world is encountering very many challenging issues. (A Member: Hear, hear.) I have also been able to meet regularly with the Voice of Young People. This is a group of youngsters who bring to my attention any issues that concern them, and I am pleased to say that we have managed to discuss and resolve many of those issues. Some of the time they simply want to be directed to the right person or place.

One of the highlights of the Youth Service is Youth Day. This is done in conjunction with GCS. This year a Youth Day Committee was formed comprising of young people representing various youth organisations. The committee had the opportunity to debate and decide on all matters concerning Youth Day. Their responsibilities for delivering Youth Day ranged from choosing the day, the venue, email administration, promotion of the event, as well as manning the event.

Mr Speaker, I will now turn to my responsibility as Minister for Leisure. The King's Bastion Leisure Centre has never looked back since our Government implemented a series of reforms after we won the Election of 2011. From an expenditure of £2.6 million per annum and a revenue of a mere £50,000, it now has an expenditure of £1.6 million and the revenue was nearly £800,000 in 2018. Unfortunately in 2019, due to the pandemic, revenue has obviously decreased.

845 Last year, due to the COVID-19 pandemic, the Leisure Centre had to close down from 15th March to 30th June 2020, and from 23rd December to the end of January 2021. Even when the facilities resumed operation after the initial lockdown, attendance was considerably down due to the various restrictions that were in place to control the spread of the infection, and obviously people were also very reluctant to go there.

850 It was during the March 2020 closure that the issues with the Ice Rink came to light. One of the determining issues was that the cooling system was running on an old gas system that was out of date. We had to decide whether it was worth procuring a new system. This would have cost the centre approximately £500,000. The fact was that the Ice Rink cost – *only* on electricity – nearly £10,000 per month. There were only about 20 members of GISA using the rink and only a few from the general public; and, to boot, there were constant leaks since the Ice Rink should never have been built on a second floor. The leaking water was also damaging the brand new Bowling Alley below that we had bought for the Island Games. So, although it was a hard decision, we decided in September 2020 to decommission the Ice Rink.

860 So during lockdown LMS started to work on their next big project, which was the conversion of the Ice Rink into a boulder park. I am pleased to say that the Boulder Park is now up and running. We are already saving £10,000 on the electricity, have saved ourselves the cost of half a million on the new cooling system and we no longer have any problems with the leaking ceiling. The materials for the construction of the Boulder Park cost £120,000, which was paid for by using part of the Capital Expenditure Allowance that LMS had left over from various years' savings. We expect that this new first-class facility will prove very popular with the local community and we will encourage adventure sport seekers to take up this challenging activity. The rest of the Capital Expenditure Allowance was used to purchase two new pinball machines for the Amusement Arcade.

870 In addition to the facilities that LMS operates, i.e. the King's Bowl, the Fitness Gym and the Amusement Arcade, in 2020 they added the Cannonball Store. This was due to open in April but was delayed and it eventually opened on 1st July 2020. The net income for the first six months was over £10,000 but they expect this to be much higher in 2021, as they have extended the range of stock and their customer base keeps on growing. All in all, I am convinced that King's Bastion Leisure Centre will continue to improve. Despite the fact that revenue has decreased during the pandemic, it is still a far cry from what we inherited in 2011.

875 On a final note I would like to mention that, during the lockdown, members of LMS staff assisted at the Nightingale Hospital, at the Call Centre, and helped with the distribution of groceries to the homes of the elderly. All staff costs associated with this were paid by LMS, who also covered the full salary costs of all its staff members during the closure via the set annual fee services that they get from Government.

880 Mr Speaker, I will now continue with the next area of my responsibility, which is the Ministry of Sports. Whilst it has become a distant memory we must not forget that, because of the extended nature of the extraordinary financial year that was 2019-2021, we cannot reflect on all that was done from a sporting perspective without starting with Gibraltar's biggest sporting event ever.

885 The 2019 Island Games were an unbridled success that saw 23 member Islands descending on Gibraltar. The week of 6th to 12th July 2019 lay witness to a fantastic sporting festival which had 1,624 athletes and 944 officials participating. In addition, 151 media representatives, most of whom travelled from participating Islands, gave the Games and Gibraltar fantastic international exposure. We cannot forget the team of 574 volunteers; without them the Games would have simply not happened. The Games were held within budget and also registered direct revenues of £712,000. However, the wider economic impact of the Games was very noticeable as our restaurants, bars, shops and tourist sites were enjoyed by all those who attended, as well as their families. This gave rise to an increase in economic activity during the week of the competition and beyond.

The Sunshine Games of 1995 were always revered by member-Islands as one of the best. The 2019 Organising Committee, led by Linda Alvarez, who I must once again thank publicly, rose to the challenge and put together another wonderful sporting experience. The Island Games have developed both in size and in the quality of competition, venues, etc. These improvements bring challenges, particularly in smaller members like ours, but the smooth and seamless running of the events are a testament to the months and years of hard work and planning. This work provided a week that will live long in the memory of those who were involved, participated or simply enjoyed the sporting action as spectators.

Finally, Mr Speaker, legacy is a term bandied about all too often without substance, but the Games have left a tangible and lasting legacy in terms of infrastructure. We will soon have a full 52 m pool with our local swimmers and water polo players making use of them; a full 400 m running track; and an AstroTurf football pitch at Lathbury. The Games have left us a world-class shooting range at the North Mole and the target shooting range at Europa Advance Road. A Special Olympics Complex is also in place for use by our Special Olympians and others in our community. At Europa Point, we can already see the benefits of the Rugby Pitch, the use of the first-class Squash Courts and soon the use of the Cricket Pitch. The pitch was also used for one of the largest-ever multi-music and cultural festivals. The GMF, Monkey Rocks and the Bocelli Concert all took place at this new venue.

The Multi-Purpose Hall, already in its short time in existence, has been used by badminton in the Island Games and as our last GMF Second Stage. It was also a venue for the World Junior Darts competition. It became the Nightingale Hospital during the lockdown; and it was the scene of the World Title Fight between Dillian Whyte and Povetkin. *(Interjection)* Last but not least, it was the venue for the elevation of Mark Miles as Papal Nuncio and Archbishop. Mr Speaker, no one can argue that this is not a multi-purpose hall!

Furthermore, the Games have also left a legacy in sporting equipment and in sporting development. Even though halted temporarily because of the pandemic, we will soon start reaping the rewards. The Island Games was, however, not the only event hosted during the past financial year. COVID-19 ensured that, for obvious reasons, the period post-March 2020 was very quiet and practically stagnant in terms of International hosting. However, prior to this Gibraltar continued to host world-class events. These included, but are not limited to: the International Gibraltar Chess Open; Junior Chess Open; European Backgammon Championships; International Squash Open; Gibraltar Darts Trophy; World Pool Masters; World Snooker Masters; Euro Hockey Nations Championships Men's; Junior Darts Co-operation World Championships; Rock Masters Ten-Pin Bowling, and several UEFA Champions League and Europa League qualifiers

All the above were held under the banner of 'event-led tourism' and brought many visitors to Gibraltar. Our international reputation has grown and we are now considered an extremely popular choice for international federations. The importance of this cannot be underestimated, more so in the current climate. Our local associations also continue to participate in international competitions representing Gibraltar proudly and admirably. Sports Development projects, including coach training and mentoring also took place with the Gibraltar Sports Advisory Council considering applications from all of the local registered governing bodies of sport. In summary, the levels of financial support for sports grants has been a total of £610,113.43.

Locally, competitions and development programmes were held as usual, with one main difference being the addition of new sporting venues including the fantastic sporting facilities at both comprehensive schools. The use of these went a long way to address many of the shortages in terms of indoor facilities, and will no doubt prove crucial in a post-COVID-19 environment by providing the sporting fraternity with the tools to continue developing. The GSLA will continue to administer the use of these and provide a community use programme to all registered governing bodies who require use of one of those facilities. We are working closely with the Department of Education in order to facilitate all these to our community. So thanks to the Department for their co-operation in this. **(A Member: You are very welcome.)**

As if summer 2019 had not been busy enough, the GSLA also had to run its now-established Summer Sports and Stay and Play programmes. The Summer Sports programme celebrated its 20th anniversary and a celebratory evening was held to mark the occasion. It was great to see past leaders and many who have contributed to the success of the programme reminiscing about what has been achieved in 20 years from very humble beginnings. The Summer Sports Programme once again reported an extremely high attendance rate with 318 children registered on the programme. This figure not only accounts for those attending activities at the Bayside Sports Centre and organised directly by the GSLA – 846 other children attended the numerous sessions and satellite activities held around Gibraltar, but were still an integral part of the programme.

Unfortunately, as with many activities the Sports Programme fell foul to COVID-19 and was not held in 2020. It was, however, felt that the Stay and Play Programme had to continue given its importance to the service users. The 2019 Stay and Play Programme for children with disabilities was also a great success and catered for 31 children who enjoyed a summer full of fun and educational activities. But 2020 did, however, prove to be a pivotal time for the Stay and Play Programme. COVID-19, whilst tragic in many respects, has made many reinvent themselves in relation to how services are delivered with the restrictions and challenges that we faced.

The team at the GSLA Sports Development Unit restructured the programme, creating bubbles and working in different sites in order to be able to address COVID-19 concerns. What they found was that those who attended – in that case it was 26 children – found the programme even more welcoming, and the creation of smaller groups allowed for more meaningful interaction between leaders and children. Such was the success of the new set-up that it will now become the *modus operandi* moving forward.

Mr Speaker, sports unfortunately were not immune from the impact of COVID-19 and sporting venues were one of the first to shut down and close their doors in March 2019. While the negative effects of inactivity are well documented, they become magnified in a community like ours which has the highest participation rates *per capita* that I have ever seen. In fact, I challenge anyone to provide evidence that there is a more active country than Gibraltar.

The enforced hiatus affected many sports but I must congratulate and thank all the local entities who worked very closely with the GSLA to ensure that the return of sports was done in a safe and logical manner as part of the Unlock the Rock roadmap. This happened the first time around and then after the second lockdown at the end of the year. Many had to re-invent themselves and look at alternative ways in which they could continue to provide their members, and in particular the junior elements of the associations, with activities within the restrictions. Many have thankfully been able to complete their domestic seasons, with some of them preparing for upcoming international events. It is once again fantastic to feel the buzz return to our sporting facilities.

Mr Speaker, I would like to end my contribution on sports by thanking all the staff of the Gibraltar Sports and Leisure Authority. As one of the first Departments to feel the full impact of the COVID-19 closures, the staff of the GSLA were immediately deployed to assist the community's wider efforts. Some were stationed at the Primary Care Clinic, others at the Contact Tracing and the 111 Call Centres, respectively. The role of the GSLA also included the manning of the Golden Hour venues, as well as delivering food and other essential items to the vulnerable in our community, including those living in HMGoG elderly residences. Those few left behind faced the daunting task of having to assist with the setting-up of the temporary morgue inside the newly converted Multi-Use Games Area.

The covering of the area, which has effectively become another sports hall, cost £528,116, but no one could have imagined that its first use would be to house refrigerated trailers and a second CT scanner for digital autopsies. Notwithstanding all that they were asked to do, the staff at the GSLA undertook their duties with a responsibility and an awareness of the situation that deserves praise. The really humbling thing to consider is that, when they were asked to do it all again in

995 early 2020, their approach was just as positive. As with many others in our community, Gibraltar owes them a debt of gratitude.

Mr Speaker, in the past 10 years in Government I have been responsible for 15 different portfolios. I can safely say that I would not have been able to do any of them without the support and professionalism of those in my Ministry who have followed me wherever I have been assigned
1000 to, past and present. For this, I am eternally grateful. They steer me on a day-to-day basis, running all my responsibilities. They have helped by getting involved in *all* my portfolios I have been given. Without them, I would not have been able to implement all the positive policies and manifesto commitments which I am involved in. They are definitely my right hand, who have steered me and helped me to deliver.

1005 Mr Speaker, last but not least, I would like to thank you and your staff; and I would like to congratulate Mr Martinez, and I hope he has an excellent retirement, which I am sure he will be enjoying.

Thank you, Mr Speaker, the Clerk, and all the staff of the Parliament. Therefore, I commend the Bill to the House. (*Banging on desks*)

1010 **Chief Minister (Hon. F R Picardo):** Mr Speaker, given that it is already quarter past six and we have been at it already for two hours, and the Deputy Chief Minister and I need to attend to some Government business, I wonder whether the House could now adjourn for 25 minutes or half an hour, to quarter to seven?

1015 Thank you.

Mr Speaker: The House will now recess until quarter to seven.

The House recessed at 6.15 p.m. and resumed at 6.45 p.m.

**Appropriation Bill 2021 –
Second Reading –
Debate continued**

Mr Speaker: The Hon. Edwin Reyes.

1020 **Hon. E J Reyes:** Mr Speaker, this is my 13th address to this House in what is known as the Budget Debate, and I also happen to be the 13th Member to add a contribution after the presentation of the Bill by the Hon. the Chief Minister and Leader of the House. (*Interjection*)

So, Mr Speaker, I wish to commence my contribution with sports-related matters and once again I add that I am a firm believer in unity, where possible, for the benefit of Gibraltar's greater
1025 sporting interests. Therefore, I am glad to see that Government continues with the long-existing policy to assist all local sporting bodies to overcome any foreign government's politically inspired attempts to block our membership of international sporting bodies. The antics and, yes, shameful actions taken by our neighbours to the north are wearing even thinner as each year flies past and I hope that, slowly but surely, international sports governing bodies will judge Gibraltar's
1030 membership applications on their own merit, and not shamefully allow themselves to be coerced by our neighbour's unjustified and often totally unscrupulous arguments.

In recent days, we have had sporting events cancelled with only a few hours' notice due to what it seems are political interferences, which resulted in potential visiting sportsmen having to withdraw from much-anticipated events. Therefore, Mr Speaker, Gibraltar's long-standing and
1035 cross-party policy of assisting sporting associations will certainly continue to receive the Opposition's wholehearted support, and I sincerely wish sporting associations all the very best in

their continuing battles to obtain their respective international memberships, which are rightfully and legitimately theirs. (**A Member:** Hear, hear.) (*Banging on desks*)

Mr Speaker, the GSD Opposition wishes, in particular, the Gibraltar Football Association all the very best in their ongoing refurbishment and upgrading of its own national stadium. It is particularly gratifying to see the Victoria Stadium almost full to capacity whenever our national team play a home game. What is now their home venue, that is the Victoria Stadium, was the location first promoted by the GSD. It seems that where there is a will there is a way and, therefore, the GSD has proved it was not wrong from the outset in choosing the Victoria Stadium location as the best site for a UEFA and FIFA fully approved facility. It is indeed a far more viable and attractive option for local sports lovers to attend and even patriotically support our teams, who have already commenced playing their qualifying home matches for the 2021-22 season in respect of the European Champions League and Europa Conference League qualifications. I am sure this House is unanimous in wishing our still-remaining team participating within the European Champions League all the best in their forthcoming return leg game. (**A Member:** Hear, hear.) Lincoln Red Imps FC have everything to play for in their next game in order to obtain qualification on to the next stage of the International European Competition.

Mr Speaker, the forthcoming developments at Victoria Stadium should result in an improvement to football facilities in Gibraltar. However, despite this fantastic and ambitious project to be undertaken by the GFA, there is still a great need for further training facilities if our future generations are to aspire to improving their overall standards. It continues to break my heart to see so many Gibraltar-registered football teams having to go across the border in order to train in preparation for local and international matches. Indeed, more facilities are very much needed if we are to continue to aspire to progressing beyond the qualification stages in respect of international competitions.

We believe that alongside the refurbished facilities which will hopefully soon be enjoyed by our football fraternity, there is still a great need for extensive training facilities in Gibraltar to cater for our ever-increasing number of participants in numerous sports. These facilities should ensure that the introduction and development of our youngsters into the world of sports, very often arising from our schools' sports curriculum and sporting clubs' commitments, are equally catered for. It is the duty of the Gibraltar Sports and Leisure Authority to make these facilities available for our general public at large who wish to participate in *any* sporting activity.

The new facilities which were constructed in connection with the Island Games should have been completed two years ago and, beyond the Games, they were meant to enable Gibraltarian sports participants to continue to produce their best results as possible and, with an increase of facilities, our sportsmen may develop their wide-ranging sporting talents. We have heard in this House of a range of excuses as to why our new facilities are still not fully completed, but our local sporting fraternity fear that alongside the unfortunate COVID-19 pandemic there could be a certain element of managerial inefficiency and bad workmanship contributing to the now two-years' delay, in what was hailed as a sporting showcase of facilities.

It is totally unacceptable that with the month of July now near its end the Gibraltar Cricket Association still has no availability of outdoor facilities in which to play any of its competitions. I look forward to the answer and explanations of why these facilities are still not available. We have quite often, Mr Speaker, obtained results in numerous sporting disciplines which make our neighbours and sporting opponents in official competitions envious of our good and consistent performances. I sincerely hope that the new sports facilities, when eventually completed, will meet local requirements not only for today's needs but for generations to come.

I am sure I speak for the whole House as we offer our collective best wishes to all forthcoming participants who, through their committed efforts, will hopefully yet again make Gibraltar proud of our sporting achievements in the season which is about to commence in just a few weeks' time, and which hopefully will not be subject to further major disruptions due to international travel restrictions such as those recently experienced due to the COVID pandemic.

Mr Speaker, unfortunately, I must repeat the offer I made at our last Budget Debate, as well as the year before, and the year before that. Although I am a firm believer that individual sports governing bodies should be allowed to manage their own affairs with no external interference, I once again urge the Minister for Sports, more so in his capacity as Chairman of the Sports and Leisure Authority, to take a particular interest and where necessary appropriate action, to ensure that publicly owned facilities are used in a fair manner for the benefit of all sports lovers. There is both a duty and an obligation for the Sports Authority to ensure that, where desired by a club or individual citizen, membership in their relevant local governing body and use of sporting facilities are available and open to all in an equal and fair manner.

Not only do we still have unresolved disputes pending now for a few years but, most unfortunately, new disputes have arisen in other sports and these matters cannot simply be ignored. Publicly owned facilities, built and maintained with taxpayers' money, should be available for use by *all* citizens. If a sports governing body must take some type of disciplinary action and impose sanctions upon a club or individual, then it should account for its decisions to a superior local governing body such as the Gibraltar Sports and Leisure Authority. If an individual association is not held to account then decisions taken – some of which at times may be seen to be based upon personal vendettas against individuals – could simply be judged by the community as a whole as actually being condoned and approved by authorities such as the GSLA. The GSLA is the ultimate landlord of sporting facilities that are used by our wide range of sportsmen.

I yet again offer myself to sit down and discuss with the Minister for Sports possible avenues which may be looked into in order to set up a special independent body tasked with matters pertaining to, and requiring possible arbitration, in relation to local sports issues. Some disputes have been dragging on for far too long and I am still hopeful that by working together with all affected parties, proper solutions can and should be found.

Mr Speaker, it is very gratifying to see that the Summer Sports Programme continues to be a very popular facility which is enjoyed by a large number of youngsters during the schools' summer holidays. This original GSD programme had small beginnings and then expanded into equally successful provisions such as the introduction of what is known as 'Stay and Play' which caters for potential participants who, for a variety of reasons, cannot fully enjoy the mainstream programmes on offer. However, I believe the time has now come for a further review of programmes being offered and we should seriously consider the introduction of bespoke activities for those youngsters who have special needs which neither fit into the mainstream or the Stay and Play facilities. If we conduct a review or audit of what is currently available using the premise of 'Sports for All' it could well be that other programmes need and should be introduced for the future.

Mr Speaker, I wish to reaffirm my personal convictions that through the collective celebration of social events, participating Gibraltarians contribute towards reinforcing our identity, our culture and our history as a people and as a community. Both the performing and fine arts fraternities have always proved themselves to be very proactive within their own specialised areas, and I take this opportunity to congratulate all the groups and individuals who have done Gibraltar extremely proud through their international participations and, in many cases, even gaining top awards. It is always a personal and collective pleasure to be able to say how proud we are of the international achievements of our fellow Gibraltarians.

During their last term in office, Government purchased both the Queen's Cinema and Queen's Hotel sites for the development of a theatre and related activities. Government announced through its Election Manifesto that a lot of progress on the design of the new Queen's National Theatre had been made in order to make the old Queen's Cinema a venue for touring productions. They went on to say that now that preliminary land use designs had been finalised, they would continue to work with the committee of local drama experts in order to finalise the internal designs and facilities required. All this, alongside exploring the possibility of commercial use of the theatre complex facilities.

1140 This year's estimates show a token provision of simply £1,000 under the Improvement and
Development Fund Expenditure, set aside under Head 102 – Other Projects, Subhead 4 – ZZJ,
entitled 'Theatre'. Furthermore, it is now public knowledge that the Queen's National Theatre will
not see the light of day and instead a new project has been announced which will see an enlarged
theatre created within the John Mackintosh Hall. This theatre will be built with funds provided by
1145 public subscriptions, and therefore it does not say much for Government's personal commitment
to see through their original plans pertaining to theatrical facilities which they pledged were going
to be provided. (*Banging on desk*)

The new theatre, Mr Speaker, will replace the existing John Mackintosh Hall facilities which
currently has just over 200 seating capacity, but which is always in great demand for use by local
schools and dance groups for their productions. It now leaves the question of where exactly
1150 traditional users of the existing Hall will be able to stage their shows. With the refurbishment of
John Mackintosh Hall facilities we are actually not providing much-needed additional facilities. It
boils down to an exchange of a small facility for a much larger one, which would not necessarily
cater for ever-increasing demands of theatre facilities. The new, larger theatre might be good
news for some, but it has also resulted in sad news for others like local educational schools and
1155 dance groups for whom the size was just right. I wish the traditional users of the hereto existing
Mackintosh Hall facilities the best of luck in finding alternative venues which cater for their specific
needs.

Local performers may often be heard to say that if we can afford £5,850,00 on a two-day Mega
Concert, plus £62,000 for a Jazz Festival, with an additional £80,000 in respect of a World Music
1160 Festival, then surely our local performers, entertainers and audiences are entitled to ask for a
theatre which is fit for purpose and available throughout for 365 days a year, without them having
to raise the funds themselves.

Mr Speaker, moving on now to educational matters, I wish to start by citing once again from a
passage I have used before in this House. It says: 'Children must be able to play, study and grow
1165 in a peaceful environment. Woe to anyone who stifles their joyful impulse to hope!'

With this in mind, I cannot stress enough the need to ensure we get it absolutely right when
planning and building facilities which will serve our children's educational purposes in preparation
for adult life. Much has been said in respect of Government's recently completed educational
programmes that catered for the re-provision and expansion of our schools. For our pupils' benefit
1170 I sincerely hope that decisions to be taken in respect of future projects will be based above all
upon feedback received from the professionals in the field – namely, from school teachers
themselves. Unfortunately, the Gibraltar Teachers' Association feel that on occasions they are
ignored and not consulted on a number of educational reforms that the Department of Education
had, or are about to embark upon.

1175 As both a teacher and a past president of the Gibraltar Teachers' Association, and someone
who still has educational matters extremely close to his heart, I extend a recommendation to the
Minister for Education to listen and continue to work as closely as possible with classroom
teachers – albeit alongside his senior management teams. Classroom teachers *want* to be part of
any process that improves our educational system and want to be involved in meaningful
1180 consultation before final decisions are taken. Surely, the way forward proposed by these
professionals can only but contribute to the wellbeing and best possible future of our children.
This is something that I hope we can all agree is paramount.

I would like to take this opportunity to also recommend to the Minister that in their plans for
resourcing of our schools, careful consideration be given to the current trends in respect of
1185 developments in schools' curriculums. Likewise, Mr Speaker, the GSD have raised the concept of
modern apprenticeships in the past and we still believe we need to offer more in this field than
we currently provide. Those pupils who do not wish to pursue an academic future need to be
provided with the opportunity of a modern apprenticeship programme which, if properly
structured, has the same standing as higher education. We need to create a gold standard for an

1190 apprenticeship programme so that employers have confidence in the system. The time for investment is now, Mr Speaker, not just in formal academic education heading towards entry into higher education, but also in the co-ordination of training and skills through properly structured vocational courses that carry international accreditation.

1195 We must not forget the ultimate aim of providing education for our future generations: it is our duty to ensure all pupils always achieve their maximum potential. The school leaving age in the United Kingdom, upon which we base our educational models, is set at age 16 if students then embark upon an apprenticeship or training-type of employment until at least attaining the age of 18. I believe it is high time we reviewed our local school leaving age. For a pupil to leave schooling in Gibraltar at age 15 and not embark upon an approved training programme is certainly not an investment in respect of the future employability prospects of that youngster. We are now in the third decade of the 21st century and decisive action is therefore long overdue.

1200 Whilst desiring only all the very best in respect of whatever educational reforms may be required over the next few years, I cannot but end by reinforcing that the views of the professionals in this field must be heard and acted upon. There is no better formula for success than to cultivate a sense of ownership amongst all professionals tasked with the education of our children. Furthermore, the GSD believes that schoolteachers are a priority that is both needed, and from which society will receive huge benefits. The job that they do benefits everyone. Teachers are not a group who are prone to industrial action or making a fuss about nothing, they do not crow the loudest. However, they are a key contributory factor towards the success of our future adults and their aspirations in the adult world. To all those teachers, Mr Speaker, who go the extra mile I thank you on behalf of all parents for assisting and, thus, enabling our youngsters to attain even greater successes than past generations have done.

1205 No one has been more critical of Government spending than the GSD have been over the last few years. We have advocated prudence and pointed to the dangers of uncontrolled spending. This does not, however, amount to austerity. It is about prioritising Government's spending in areas where it is needed or where, as a society, we are going to get the greatest benefit; and I firmly believe Education is certainly one of those areas.

1210 To round up on education matters, Mr Speaker, I would like to say that given that our schools are currently in recess during these summer months, I respectfully suggest that a sensible and working traffic plan for the drop-off and collection of pupils be worked upon and put in place before the schools reopen this coming September. Many families depend on relatives, often elderly, to assist in the school runs; and, on behalf of the many called upon to do so, I beg for a bit of common sense to prevail and thus assist in the lowering of blood pressure among those who unfortunately are already on medication for this condition.

1225 Moving on to Housing matters, Mr Speaker, I must remind Government of their 2011 Manifesto promises where they pledged that everybody on the pre-list and housing list as at December 2011 would be given a home within a four-year period. It is unacceptable that, 10 years later, there are still people waiting to be allocated a home. Ten years ago there was no BREXIT or pandemic so, therefore, the electorate continues to be let down in this matter.

1230 Government may attempt to blame all previous administrations but the reality today is that there is a need for housing and it is the most vulnerable in Gibraltar who are suffering the worst. Most of the meetings I hold with constituents are about housing matters and I thank pressure groups like Action for Housing for the sterling work they do in making the general public aware of the desperate housing needs of, unfortunately, so many in our community. **(Several Members: Hear, hear.) (Banging on desks)**

1235 Mr Speaker, the rental market from private landlords is outside the reach of an average family, but when you hear the landlords' side of the story it leads us to conclude that the present Housing Act is certainly in urgent need of review; and this exercise should not end up penalising just the landlords when it comes to social housing for Gibraltarians.

1240 I would welcome today, Mr Speaker, an update on the current sales of affordable homes inclusive of updated estimated completion dates. Many purchasers are young couples who are facing financial difficulties due to having to make monthly payments towards the purchase of their homes, which are still being built, and still having to pay rents of over £1,000 per month in many cases until their new affordable homes are ready to be moved into. The next problem they will face in the future is the shortage in availability of mortgage lending institutions, as lenders will only give out loans to a certain percentage of homes within a project. Perhaps the Chief Minister in his reply can offer some advice to those who will require to take on mortgages, on how best to go about securing their soon mortgage needs.

1250 We have also spoken in the past about the availability of homes for the exclusive allocation and use by senior citizens. There are already certain provisions for those within the Government Rental Homes set-up but, unfortunately, the demand still remains greater than the number of units available. I have exchanged views with many who bought their homes some 30 years ago when the affordable homes schemes were first introduced. Those purchasers were once young, Mr Speaker, and in receipt of average salaries which made their purchases possible. However, 1255 30 years later they have now become pensioners and subsequently have less of a monthly income from their pension fund. A common concern is that the private estates in which they live require them to pay service charges and these inevitably go up every year. The reality is that, despite having paid off their mortgages, these pensioners are still required to pay community charges which on a monthly basis on average are higher than the rent for a Government flat.

1260 Furthermore, because they once upon a time committed themselves into purchasing their homes, they are now ineligible to apply for a home which has been purposely built for and caters for the needs of senior citizens. In recent difficult times, such as the lockdown suffered due to the COVID-19 pandemic, our senior citizens residing in senior citizens' homes enjoyed great support and assistance from the relevant official Departments. However, those senior citizens who for 1265 years went through the financial expenses of purchasing their own homes found themselves abandoned, so to say, simply because they are residing in a non-Government-owned home.

Mr Speaker, I think the time is now to put our thinking caps on and look into possible provisions for senior citizens to be able to move into purpose-built homes commensurate with their present needs. The gripe these senior citizens have is that in the past they had to sacrifice holidays and small luxuries in order to purchase their own homes and now they are being somewhat discriminated upon when compared to their contemporaries who have always benefited from heavily-subsidised Government rental homes.

1275 I trust that the Minister for Housing and the Minister for the Elderly will be able to jointly look into this matter and discuss current concerns directly with the representative bodies who look after the interests of our senior citizens. Where there is a will there is way. Alas, what there is not, is too much time left for our senior citizens, therefore action must be taken now.

Mr Speaker, before I sit down, I must take this opportunity to once again thank you and all your staff at Parliament for the patient and professional manner in which you have all, both collectively and individually, dealt with us Members. I know that you personally have always strived to lead by example when dealing with Members on both sides of the House.

1280 And now, with your leave, Mr Speaker, sir, I would like to wish a very happy retirement to our Clerk but not before posing the important question which perhaps he can answer. The question is: *who* will take on the task of ensuring that sufficient tea and coffee – alongside biscuits – are always in stock behind the Speaker's Chair for hungry Members? *(Laughter) (Banging on desks)*

1285 Thank you, Mr Speaker.

Mr Speaker: The Hon. Daniel Feetham. (*Interjections*)

Hon. D A Feetham: Exactly, exactly, exactly.

Mr Speaker, today I have been asked by the Leader of the Opposition to draw together some of the themes that we have highlighted in this year's debate (*Interjections*) and indeed – the sweeper, of course, the sweeper, and I am certainly going to respond to you, that is for sure – (*Interjections and banging on desks*) to respond where relevant to some of the speeches from the Government side. And, of course, because the Government knew that I was going to be responding to what they were saying, Mr Speaker – the Government, who controls the timetable, has ensured that I have the black hole slot in this debate. Not even my Mother, out of deep love and affection, is listening to what I have to say today! (*Interjections*) Well, indeed it is the only reason you have ensured that I am speaking at this time.

The English broadcaster, Mark Steel, once said:

The annoying thing about being an atheist is that you'll never have the satisfaction of saying to believers, 'I told you so'.

This is not friendly fire, I can tell you. I am not an atheist, Mr Speaker, and it is perhaps not elegant in politics to say, 'I told you so'. But, if the roles had been reversed, I suppose the Father of the House, who is not here to listen to my speech today, would have said, 'If you want elegance, go to a fashion show.' And that is precisely what I say to the hon. Gentleman, or to anybody who thinks that my intervention today will not be elegant, because they are certainly not going to like it. (*Interjections*)

Mr Speaker, the fact is that on the effects of public debt and unrestrained public spending; on the unsustainable increases in departmental expenditure, and the public sector in general; on the way we warned that our size and economic model made us more vulnerable to international downturns than much larger, more diversified economies; on the way, in particular, Mr Speaker, that this was all creating a culture of expectation which was unsustainable and, indeed, socially insidiously damaging to this community ... We told you so, we told you so, and we told you so. (**A Member:** Hear, hear.)

There is no point in the Government coming to this House and saying, 'The age of entitlement is over; the age of responsibility is here', when they themselves have been more irresponsible than anyone, and they are the ones who have created the illness for which they now claim to have the cure, Mr Speaker. (**A Member:** Hear, hear.)

Where were hon. Members opposite when I and my colleagues were being *lambasted* as the architects of austerity (*Interjection*) when we were telling them all the things that they have told the House needed to happen over the course of this week? It was like listening to Opposition speeches over the last seven years, Mr Speaker! Keeping to governmental budgets; prudence; responsibility; not being all things to all men.

Where was the Hon. Mr Isola? Where was the Hon. Mr Isola's mantra, 'Every penny counts'? – when they were spending £14 million on the GMF? Where was he, Mr Speaker? (*Banging on desks, interjections and laughter*) Indeed!

Talk about contradictions, he lambasted the former GSD Government for PFI arrangements in relation to the Hospital – (**A Member:** No.) Yes, you did; yes, you did ... (*Interjections*) And indeed from page 220 of the estimates the Government is paying Europort, in respect of the Europort paediatric centre, half a million quid as projected for 2021-22; and for the Europort primary care centre, £780,000!

Now, Mr Speaker, who is the owner of the Europort? (*Interjection*) Well, people in glass houses should not be throwing stones. (**A Member:** Hear, hear.) That is the reality of this. (*Interjections*)

Of course, no one on this side of the House is saying that if they had been prudent with the people's money over the last 10 years we could have avoided a £157 million deficit which is, of course, COVID-related. No one could have predicted the pandemic, but we certainly would have

been in a better position – that is the point – to deal with this crisis; and we did consistently warn them about the potential, but extremely serious, curves up ahead.

In 2015, Mr Speaker, the GSD team would go around the estates in hustings, telling people: ‘*Agarense ustedes que vienen curvas*’. (*Interjections*) And our warnings were ignored.

Since at least 2017, those justified criticisms from this side of the House of the Government’s handling of the public finances has turned out to be the biggest, ‘We told you so’, in the political history of these debates. That is the reality, Mr Speaker.

Chief Minister (Hon. F R Picardo): Do you feel vindicated?

Hon. D A Feetham: COVID has undoubtedly been devastating, that is true. (*Interjection*) But the seeds of our economic problems and the undoubted social issues we warned were being created by the ‘all things to all men’ policy of the Government run much deeper, are more complex and lie principally at the door of hon. Members opposite.

It is not as if they were not warned. Not only by us, principally so, but also at least by one Member on the Government’s benches, the Minister for Economic Development, who has been so exasperated by the situation that it has prompted him to make some astonishing public statements in this House and outside this House over the years. Some of which I am going to be referring to during the course of my intervention today. (*Interjection*)

It is in the management of the public finances that differences between the Government and the Opposition have been most apparent over the last 10 years. And, Mr Speaker, those differences have not just, as the Leader of the Opposition emphasised during the course of his intervention, been about transparency and accountability. In all the Budget speeches that we have delivered over that time, we have always been at pains to emphasise that the systematic dismantling by the Government of our ability to properly scrutinise the public’s finances, also interfered with our – and anybody interested in the democracy of Gibraltar – ability to identify the true extent of any present and future financial problems. And that was phenomenally dangerous, Mr Speaker. Phenomenally dangerous.

As the Hon. the Leader of the Opposition has emphasised, in his eloquent and articulate exposure of the Government’s deception, in June 2011, when hon. Members sat on this side of the House and we were debating the last Budget of the last GSD Government, direct public debt reflected and accounted for in these estimates of revenue and expenditure, stood at £480 million; and the debt in Government-owned companies stood at £20 million. The total was £500 million.

Today, direct gross public debt stands at £677.7 million; expected to rise, as the Hon. Mr Clinton has said, to £747.7 million next year. Let that sink in, Mr Speaker. But, more importantly, the debt in Government-owned companies has gone up from £20 million in 2011 to £959 million today, Mr Speaker! From £20 million to £959 million. There is more debt in Government-owned companies than there is debt directly owed by the Government; and, more importantly, we do not know how much of that has been spent. We do not even know how much interest is being paid on some of those loans, as Mr Clinton pointed out, or how they will be repaid when they mature.

If our warnings of the way the Government was increasing debt, increasing spending and, in particular, recurrent expenditure had been heeded we would have been in a far better position to overcome the current crisis than we are today. Instead, the Government has been *intoxicated* by the desire to pile on the votes at general elections, and that has had *huge* repercussions and has caused huge social damage to this community.

Mr Speaker, when I say that, I know I can say that authoritatively, like I could say yes; like I could speak of nothing else. (*Interjection*) Why? Because I was the Grinch of Gibraltar politics for many years, warning about the direction of travel and the effect Government policy was not only having on our finances (*Interjection*) but on social attitudes, not only now but for the future.

1385 Actually, the genesis of why we are where we are today can be found as far back as the
2011 Election when Members opposite made promises which could only have been kept at the
expense of the systematic dismantling of parliamentary democracy with respect to our public
finances. That is very simply because they promised at the 2011 Election to spend £750 million in
capital projects and to then donate every last single penny of Government surpluses – in other
words, the profit the Government makes – to Community Care. And, to boot, they also promised
1390 to reduce gross public debt.

Mr Speaker, it does not take a rocket scientist ... that that is an impossibility without political
shenanigans. That is the reality! Of course, on top of all that, in December 2011 the whole of
Gibraltar had their popcorn out – we *all* had our popcorn out – when he comes out on public
television putting on his most serious face, as only he can, and telling the people of Gibraltar, a
1395 month after the general election, ‘My fellow Gibraltarians, we have found a £100 million black
hole behind an impenetrable curtain.’ (*Interjection by the Hon. Chief Minister*)

For one moment he had me with visions of being in a six-by-six cell at Windmill Hill and not
knowing what I was going to say to my mother, Mr Speaker! (*Laughter*) Such was the potency of
the hon. Gentleman’s performance. (*Interjection by the Hon. Chief Minister*) And it was Oscar-
1400 worthy, Mr Speaker But I knew there was something not quite right when he started to burn
money as if there was no tomorrow. Barely a year later, and following the announcement of yet
another multi-million pound project, Christine Vasquez asked him, ‘How can you afford all this
when less than a year ago you said there was a £100 million black hole?’ And he said, as Gibraltar
reached again for its popcorn, ‘I have cured the problem.’

1405 Of course, on this side of the House we knew that promising to spend £750 million, whilst at
the same time gifting your profits to a charity and reducing public debt, did not stack up. That is
why as early as the debate in 2013, a few months after that interview, we said this, Mr Speaker,
in this debate – and I set it out because I feel immensely proud of the job that the Opposition has
done in these debates going back to 2012. My quote:

Mr Speaker, if your cash reserves are down, you will not borrow [directly] because you do not want to increase net
public debt ... you also promise to donate every single last penny [of surplus] to Community Care, how on earth do
they expect to fund £750 million in Government projects ...?

1410 I then answered that rhetorical question, quote:

Or does the Government intend to use, for example, deposits in the Gibraltar Savings Bank – which have shot up
spectacularly – to fund those projects? Of course, Mr Speaker, the Gibraltar Savings Bank debt securities do not
appear in the Estimates as public debt because it is strictly a debt of the bank, not the Government ... Mr Speaker,
I have been observing the Hon. Minister responsible for the Gibraltar Savings Bank ...

– that is Sir Joe –

... for a very long time indeed. I may not always agree with him, but he has never done anything without a reason. I
hope, Mr Speaker, that I am wrong and that the Government is not contemplating using that money to fund its
capital projects or Government-owned company expenditure simply because it is committed not to borrow or
donate Government surpluses to Community Care, or because its projections of rising revenue and expenditure are
out of kilter. The consequences for these annual debates and the transparency of Government finances would be
considerable because it would blow a massive hole in the Government’s duty to account to this House at Budget
time for expenditure because, as we all know, the Gibraltar Savings Bank expenditure is not reflected in the
Estimates.

End quote. That was in 2013, Mr Speaker.

1415 Shortly before that, and unbeknown to us, the Government had already started shifting monies
from the Gibraltar Savings Bank to Gibraltar Investment (Holdings) Limited – that is the company
that stands at the top of the pyramid of Government-owned companies where Government have
traditionally injected money, and it cascades down to all the other Government-owned

companies. Indeed, within a year, they poured £300 million, rising to £400 million, into Credit Finance Company Limited.

1420 Despite the considerable difficulties placed in our path, we on this side of the House predicted precisely how it was to be done and the implications that it will all have for these annual debates. The Government kept its promise to spend £750 million in capital projects, but we were proved right as to how they would fund it. Of course, we all know that the Government could never have borrowed that amount of money directly because of the statutory debt limits, ironically
1425 introduced to ensure that Governments do not spend on behalf of a community in a manner that is unaffordable. That is precisely why the Hon. the Chief Minister on Tuesday during the course of his intervention, as highlighted by the Leader of the Opposition and by Mr Clinton, admitted that they would plough all these hundreds of millions of pounds into Government-owned companies, precisely to circumvent the legal borrowing limits.

1430 Mr Speaker, they have done some good things. I accept that. They have done. You do not win three elections in a row if you do not do some good things, Mr Speaker. But the way they have managed the public finances has been reckless and, indeed, politically dishonest.

It is not right to say that the GSD Government did the same. The *only* reason why any of this became possible was because they changed the law. They, in 2012, came to this House and
1435 changed the Gibraltar Savings Bank Act, because when we were in Government the Gibraltar Savings Bank Act provided that the proceeds of debentures could only be invested in cash or cash equivalents – very safe forms of investment. They came to this House in 2012 and they changed the law in order to allow the Gibraltar Savings Bank to invest in anything and everything, Mr Speaker.

1440 On Tuesday, we heard that recurrent revenue is no longer covering recurrent expenditure and that we are now borrowing to cover recurrent expenditure. Of course, you cannot ignore the realities of the pandemic and Brexit, but we have been warning about the rise of recurrent expenditure since at least 2013. Some of the rises in departmental expenditure were causing the Minister for Economic Development as much discomfort as it was causing *us*. It was all terribly
1445 confusing. The GSD defending the prudent fiscal core values with which the hon. Member, the Minister for Economic Development had been associated all his life, whilst his *own party* was ignoring these core values. Hon. Members will recall that when asked by Jonathan Scott of GBC whether the rise in departmental expenditure accorded with his core values the Minister, Sir Joe, said that consultants were brainwashing Government Ministers to spend without guilt,
1450 Mr Speaker! That is what he said on public television. And therefore, whilst undoubtedly the current predicament is COVID-based, the clear trend and clear concern was already there prior to COVID.

In 2019, pre-COVID, the Minister for Economic Development gave a health warning on public television about the amounts of money that his own Government was spending by way of
1455 recurrent expenditure. That was the warning that *he* gave. We had been warning about it since 2013-14 and referring to the experiences of other small jurisdictions like Bermuda, where governments there changed the borrowing limits – as they have done – and ended up borrowing to pay recurrent expenditure. And they have come to this House to talk about the age of responsibility? Are we real, Mr Speaker?

1460 Our philosophy has been a strong economy, sound public finances, money in the bank to see us through difficult times – (*Interjection*) Those are the true foundations of a successful society. That is the way to protect the Gibraltarian way of life, our public services and ordinary working-class people, not spending £14 million on a concert – all of which, Mr Speaker, has been threatened by their management of the public finances. Now, in our time of need, we are in a
1465 worse position that we would have been to weather this storm.

We were never a party of austerity, despite the scandalous attempts by some then members of Unite, including a UK official, attempting during a general election to paint us as such – no doubt, Mr Speaker, to please *them*. If the Government had listened to us and their own Minister

for Economic Development all those years ago, and reined in Government expenditure, we would have undoubtedly – and I repeat, and I *will* repeat – been in a better position to deal with the current crisis.

In the meantime, not only has overall debt, direct and indirect, risen from £500 million to £1.7 billion today, but the Government has mortgaged Government housing estates to secure and procure part of that borrowing. All pre-COVID, Mr Speaker. Indeed, instead of heeding our warnings about huge increases in debt, they legislated in 2016 to change the amounts the Government could borrow, despite the fact that we had fought the 2015 Election on debt and spending; and at no stage did Members opposite say that they would be changing the debt limit to borrow even more. They did not do that. Just as they did not say to the electorate in 2011, ‘We are going to be changing the Gibraltar Savings Bank Act, because the way that we are going to be paying for the £750 million is through the Gibraltar Savings Bank debentures.’

Mr Speaker, we accept that every country borrows and that, when used correctly, public debt improves the standard of living of a country. We accept all that. But debt can also be a millstone that impacts, not only on today’s generation of taxpayers, but it can also affect future generations in a small community. If you are not careful, as again we warned, debt becomes deferred taxation; and we are now seeing that in increases in social security payments and also in corporate tax.

It is true that our small size makes us agile and responsive, but there are structural issues in our economy which have always made us vulnerable: import duty revenues, largely derived from tobacco revenue; a dependency on the Gaming sector; and a public service-dominated economy.

I also want to say this, Mr Speaker: yes, there must be a collective change of chip. I have said that on many, many occasions. I agree with the hon Gentleman opposite when he says, ‘We cannot continue to behave like the spoilt child of Europe.’ But every parent will tell you that the best way to prevent that is by not giving a child everything it wants. *They* are the ones that have spoilt the child, despite our warnings about the insipid social effects of their uncontrolled spending and promises.

For many years, people did not care about public debt or the amount of money the Government was spending. As long as they had money in their pocket and their two cars in the garage, they did not care. The moment there are difficult times and either the public service expansion is frozen, or someone is refused a request, however unreasonable – *se an gastao mucho dinero*, spent too much money. When the Government was spending and borrowing as if there was no tomorrow, but things were okay – *el GSD no se calla*, the GSD does not keep quiet. There is no point in complaining after the horse has bolted. We have all got to do our bit, and in fairness that has been our message over the last 10 years. All of us, politicians and the electorate.

If we continue to turn elections into souks and the public continues to judge politicians by the promises they make, however unreasonable and unaffordable, we will not prosper in the way that we have in the past. Or worse, Mr Speaker, we have voices which have never been heard in Gibraltar, that we need to do a deal with Spain, however unpalatable and however unacceptable. **(A Member: Never!)** No. No. No. But that is why we have spent so much time from this side of the House on politically unattractive arguments about debt and public spending.

Mr Speaker, when I say ‘No. No. No.’ – in this I do trust that the Government will not agree to the total capitulation that is represented by the EU negotiating mandate, neither the Chief Minister, nor the Deputy Chief Minister, nor any of the Members opposite will agree to that. That is why we welcomed the intervention of the Deputy Chief Minister on Tuesday and his very clear commitment to this House, together with a very clear commitment of the Government subsequent to that.

Indeed, Mr Speaker, before I turn to the contributions of some of the other Members opposite, and I will not take very long, I just want to say something about those negotiations. We were concerned by the in-principle agreement when it was announced. The Government has dealt with some of those concerns by promising that there will be no Spanish police boots on the ground at the Airport or at the Port. That was a major concern for us, and we welcome that promise. It is

1520 not a secret – and I speak only personally, I do not speak for anybody when I say this – that perhaps I would have seen Brexit as an opportunity to secure closer constitutional links with the United Kingdom. But that is neither the policy of the Government nor, indeed, is it the policy of the Opposition. There is, therefore, only one horse in this race and for the sake of everyone it must be given the maximum opportunity to succeed.

1525 The Leader of the Opposition has rightly emphasised that, whatever our reservations, the Government must be given an opportunity to agree a deal that eliminates the frontier – I am talking physically, I am talking as a political pressure point, and we agree that that is going to involve a level of political compromise. Compromise yes, Mr Speaker; but capitulation, no. (A Member: Never!) We need to go into this process with an open mind, but firm in what we can and cannot agree. In the Brexit Select Committee and in this House in 2017-18, I told the
1530 Government on various occasions that it had a duty to explore some type of customs union application to Gibraltar, *provided* we could safeguard businesses. I was assured that studies had been undertaken by the Government, and the Government was confident that a balance could be maintained.

1535 On this side of the House we wish the Government well in attempting to strike that balance and the Leader of the Opposition has asked me to convey the fact that we are here – as indeed he was, personally – to assist the Government wherever we can. To Spain, I have this message: our overwhelming market in Financial Services and Gaming is the UK. The Father of this House said during the course of his intervention that in 2019 our trade with the UK was worth £4.6 billion, up
1540 from £1.6 billion in 2011. The deep economic links and indeed economic integration with the UK is there for all to see, accelerated by Brexit. If these negotiations fail because of shenanigans, either from Europe or Spain, those links will only increase, Mr Speaker. (*Banging on desk*) Inevitably, a large part of our economic offering will need to focus on the UK's plans *vis* trade deals and we will then have to determine what we can offer to get a slice of that action.

1545 Mr Speaker, at the moment, UK trade deals with third parties do not automatically extend to Gibraltar and the time may come when we want to reverse that and they should automatically apply unless we suggest otherwise. Either way, Gibraltar will not be EU-facing despite our geographic position and despite our wish to be European-facing, Mr Speaker. That can have potential future political and constitutional implications. Our children speak less Spanish today
1550 than they have ever done. I do not personally welcome that, but if the EU and Spain want Gibraltar to look elsewhere for its economic future, the negotiating mandate actually does that.

I want to turn to some of the comments made by the Father of the House in his very interesting, if lengthy, historical lesson on Community Care yesterday. He used phrases like, quote: 'They have legitimised what we have spent 34 years defending against' – end quote. He said that the
1555 participation by Members on this side of the House in a demonstration some weeks ago represented support for, and I quote: 'a level of insanity without parallel'. Mr Speaker, the majority of those participating were GSLP activists, in that demonstration.

But the only person that I have ever heard in my time in this House drawing a link between Government control and Community Care was the hon. Member the Minister for Economic
1560 Development in his intervention yesterday, when he referred to internal and confidential Government memoranda. No one has ever drawn that link. It was one of the most dangerous speeches we have heard on the subject. And whilst we associate ourselves from this side of the House with much of what the Hon. Minister said yesterday on departmental expenditure and the culture of entitlement – which we have been saying for many years – we completely disassociate
1565 ourselves from the link that he drew between Government influence and Community Care, and we invite the Government to do likewise, Mr Speaker. (*Interjection*)

The GSD will not stop the funding of Community Care, which is the maximum extent of Government influence on the charity. No one on this side signed the petition. The sole point that we have made is that the sudden 17th February 2020 removal of payments, without consultation,

1570 seemed arbitrary and unfair. There should be a moratorium and new arrangements discussed and transitioned, with full consultation. Full stop. That is the extent of what we have said. *(Interjection)*

As for the old-age pension, we are going to have to deal with this, Mr Speaker. We cannot stick our heads in the sand. It is unconstitutional. It is clear discrimination on grounds of sex. The Government may wish to consider setting up a committee along the lines of the Canepa Committee on Democratic Reform, composed of a cross-section of the community to advise the Government and make recommendations on how this is to be dealt with. But dealt with it has to be, Mr Speaker.

Samantha Sacramento – of course, I associate myself entirely with the speech of my learned and hon. Friend Mr Phillips, the fire he shows in his belly is an essential component of successful Opposition politics, and no one has shown more fire in his belly since the election than Mr Phillips. I congratulate him for that. *(Banging on desks)* Now of course I am getting on a bit *(Interjections)* the fire does not shine as brightly and, despite my best efforts, the belly is not what it used to be. *(Interjection)* Well, yes, *(Laughter)* I am not sure I want to associate myself with the hon. Gentleman on that one! No, no, I do not, I do not!

1585 But, Mr Speaker, I do want to congratulate the hon Lady, who is not here to hear my congratulations, on her handling of the COVID crisis. *(Banging on desks)* The vaccination programme and the way testing is done in particular, has been absolutely nothing short of brilliant. The Airport testing facility, with which I am most familiar, is a credit to her and the rest of Gibraltar. I speak as someone who has had numerous tests in the UK this year and they do not come anywhere near the level of organisation and customer service of our facility in Gibraltar. *(A Member: Hear, hear.)*

Mr Speaker, I had some further points to make, but I think it is late. So I want to end by giving the Chief Minister a gift. He may recall that he gave me once a gift during the course of these debates – *(Interjection by the Hon. Chief Minister)* No, no, no, wait for it! Do not try and steal the punchline! *(Laughter and interjection)* He gave me a calculator – *(Interjections by the Hon. Chief Minister)*

Mr Speaker, I have in my possession one of my most prized political treasures. It is an annual, it is dated 2001 and it is by ‘Peter the Python’ –

1600 **Hon. Chief Minister:** Ah, excellent!

Hon. D A Feetham: Mr Speaker, Peter the Python was somebody who would write in the *New People*, and this is a compilation of all the articles that appeared by Peter the Python in 2001 in the *New People*. *(Interjection)* Of course, it was a parody of Peter Caruana at the time ... Obviously anonymous, Peter the Python. It is dedicated to the editor of the *New People*, Clive Golt, and it is original. *(Interjection by the Hon. Chief Minister)*

It says: ‘To my dear Editor, thank you for the chance to put my views. You discover another of my hidden talents. All the best for 2002, the Python.’ *(Interjection by the Hon. Chief Minister)* Of course, we all know who the Python was, Mr Speaker. It was the hon. Gentleman.

1610 The political point – *(Interjection)* I was a socialist worker and there are probably –

Hon. Chief Minister: Take the credit that you deserve!

Hon. D A Feetham: I am, yes! But the political point of this gift is – *(Interjection by the Hon. Chief Minister)* that during the course of this reply, when he accuses us of being anti-Gibraltarian, or conducting the terrible politics of doing Gibraltar down, *(Interjection by the Hon. Chief Minister)* he should remember some of the stuff that he wrote at the time, Mr Speaker.

I just have some of my favourites: ‘Talk Dirty’ and it has got a photograph of Clive Golt, ‘Hawk excluded by Python’.

1620 Then it has another photograph of a couple of doves and it says: *'The Python's first political party.'* (Interjection by the Hon. Chief Minister) And there is a photograph of my hon. and learned Friend, Mr Azopardi, *'Secret deal, how do you feel?'* *Sin ve to, ves tu and el palomo welder Madrid* – and that is a picture of the greatest Gibraltarian of our time, (Interjections) with a caption underneath *Doveish trip*.

1625 But my personal favourite is, *'Peter the Python's Flying Circus, he has all his balls in the air'*, and I think it says, *'Yours in a vice'*, Mr Speaker. (Laughter)(Interjections by the Hon. Chief Minister) If you do not want it, give it back to me because it is one of my most treasured possessions! (Interjections) No, no, I am inviting it.

1630 Mr Speaker, I too want to thank all members of Mr Speaker's staff, and I too add my voice to the many voices during the course of this debate offering Mr Martinez the best of retirements.

Thank you very much, Mr Speaker, for your patience. (Banging on desks and interjections)

Hon. Chief Minister: Mr Speaker, before I am able to reply to the hon. Gentleman and refresh his memory about the *'Planet of the Tapes'*, or the *'Cuban Missives Crisis'*, to which he contributed
1635 a huge amount of inspiration, and some of the other great moments like *'Wallace and Mr Python'*, I shall ask the House to adjourn to quell the fire that he has lit so that we can come back tomorrow to listen to the hon. Lady and the hon. backbencher.

Before I reply on Monday, something which I know he will now be particularly looking forward to – although I promise, Mr Speaker, that although he has revealed who Peter the Python was,
1640 I will not go back to dwell on the revelation about who wrote Michael Baines' social media posts.

I propose, Mr Speaker, that we should return tomorrow at 4.15 p.m. for that purpose. Prime time. (Laughter and interjections)

Mr Speaker: I now propose the question, which is that this House do now adjourn to Friday,
1645 23rd July at 4.15 p.m.

I now put the question, which is that this House do now adjourn to Friday, 23rd July at 4.15 p.m. Those in favour; those against. Passed.

The House will now adjourn to Friday, 23rd July at 4.15 p.m.

The House adjourned at 7.57 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 4.15 p.m. – 6.01 p.m.

Gibraltar, Friday, 23rd July 2021

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The Gibraltar Parliament

The Parliament met at 4.15 p.m.

[MR SPEAKER: Hon. M L Farrell BEM GMD RD JP *in the Chair*]

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

Appropriation Bill 2021 – Second Reading – Debate continued

Clerk: Meeting of Parliament, Friday, 23rd July 2021.
We continue with the debate on the Appropriation Bill.

5 **Mr Speaker:** The Hon. Marlene Hassan Nahon. (**Several Members:** Hear, hear.)

Hon. Ms M D Hassan Nahon: Mr Speaker, thank you.

I would like to start today by expressing just how grateful I am to the outgoing Clerk of the House, Mr Paul Martinez, on the eve of his retirement, for his years of service in this place and particularly for always being there for me. In my solitary position in this House it is not always easy to know exactly how things go or how things should be done. Paul has always been a solid steer to me, someone I could always count on for advice, direction and mentorship, and so for my part he will be sorely missed and whoever takes on his position will have very big shoes to fill. (*Banging on desks*) I take this opportunity to wish him a very happy and well-deserved retirement. I would also like to take this opportunity once again to thank him, the referendum team from Parliament and ITLD for their sterling work during the recent referendum and the previous same referendum barely a year ago, which was postponed at the last minute due to COVID. Two referendums in the space of a year, as well as two election campaigns, the Brexit referendum, two European elections, and so much more. Paul has always been there for all of us, and for that I thank him again, and the Parliament team – Kevin, Danny, Simon and Daniel, and of course your good self, Mr Speaker.

I would also like to thank our media, our national broadcaster GBC, for diligently and consistently reporting on the COVID crisis as it unfolded and ensuring that this community was regularly informed and updated despite all the challenges that meant for every individual and their families while members of the media braved this unknown pandemic from the frontline to give us visibility and information throughout the lockdown and beyond. Of course, similarly we are also indebted eternally to our nurses, doctors and healthcare workers who risked their own lives and those of their families to be there for ours during the pandemic, and the same goes for our law enforcement and essential services: thank you.

Despite the policy differences between me and the Members opposite, on a one-to-one level I would like to extend my thanks to the hon. Members Samantha Sacramento and John Cortes for always being available to assist with the representations I bring to them from my constituents. The same goes for the Hon. Vijay Daryanani, my good friend, who despite comments from this side of the House works so hard and in my view really does not deserve to bear the brunt of much of what he gets because of cancellations and closures from entities associated with his portfolio, which are happening because of the times we live in and not because of his approach or his efforts.

(Banging on desks) I find this quite ungenerous most of the time, infantile and unnecessary, and it wastes parliamentary and people's time, Mr Speaker. **(Several Members: Hear, hear.)**

I also wish to thank the Deputy Chief Minister and the Chief Minister himself for being ready to discuss issues pertaining to constituents who reach out to me and require help. Day to day, these Members opposite are always ready to assist me when I give them a shout, and for that I am very grateful. The same goes for Mrs Denise Ghio at No. 6, to whom the Chief Minister has often delegated my constituent cases to help out with and who never fails to listen and help me wherever she can when I am referred to her.

Mr Speaker, turning to the Budget, the Budget speech will be remembered by all of us for years to come. It will go down in history as the first Budget after the COVID pandemic and after two years of fear, isolation and uncertainty. In some ways it will be the Budget of hope, not because of its content, which is worrying for the future of our community, but because it marks another step in our return to normality, a normality that I am optimistic will come if we are patient, act responsibly and let science lead the way.

Unfortunately this Budget will also be known as the moment of reckoning for the GSLP administration of the Chief Minister, the Hon. Mr Fabian Picardo. The Hon. Leader of the Opposition referred to it as a Budget without hope, the Hon. Mr Roy Clinton called it a beggar's bowl Budget, and the Chief Minister himself, in his hyperbolic style, coined the catchphrase 'the hardest Budget in history'. To me, this is yet another Budget of anger and frustration, another façade of a Budget, a Budget script with the latest performance of a very gifted actor in a second-rate play, a Budget fiction novel with clever prose but a completely unbelievable plot. To me, this is the Budget of decay, and I will explain what I mean in due course.

Gibraltar has had enormous competitive advantages for a long time, what Mr Picardo described as the goose that laid the golden egg, but its leaders have not had the foresight to use the wealth generated by industries that were doomed to veer away from these industries into more robust, sustainable and forward-looking ones that would guarantee our long-term prosperity. They did not have the foresight either, despite what you might have heard from Members opposite, to spend prudently and responsibly in anticipation of a rainy day that was always going to come sooner or later. And they were warned, Mr Speaker, by me particularly but also by other Members of this House. My party, Together Gibraltar, and I have said many times that Gibraltar needs profound structural changes, that it had to be weaned off the tobacco trade – some of which tolerated illicit trade – that it had to move away from fossil fuel bunkering and that it had to move away from fiscal dumping and opaque finances because sooner or later it was clear that these industries would come into direct conflict with an evolving world, a world in which public coffers cannot afford any more tax avoidance, where the planet cannot take any more carbon pollution and where tobacco and other unhealthy demons are being slowly exorcised from our lives.

And these are not the only changes. As noted by many of my fellow MPs on both sides of the House, many global paradigms have changed in these two years. We have lost friends and family members, we have tasted isolation and withdrawal, we have become much more in touch with our fear and vulnerability and we have been reminded of the importance of the institutions that represent the common good. Throughout the COVID pandemic the daily briefings at No. 6 provided us with much needed calm and reassurance. We also followed other global leaders and the struggle of other nations, applauded our public healthcare workers, and many of us – not all, but many – felt the financial support of the state when we needed it most. This pandemic has reminded us of the value of the state as the only instrument capable of navigating profound crises and, in the midst of these, being the custodian of order and the protector of the greater good.

It is from this perspective that it becomes particularly tragic to analyse the obliteration of our country's public finances at the hands of this administration in a world threatened by climate change and the many challenges of globalisation. What will happen next time we need a helping hand from the state? Can we promise our children that they will be protected from chaos if they have the misfortune that we have had these past years? We certainly cannot. In fact, as raised by

the Hon. Mr Roy Clinton to my right, this Government cannot even tell us how it intends to face its debt commitments for the next three years, let alone beyond.

This redefinition of the role of the state into a more interventionist, paternalistic entity ready to step in with great might when things get tough has to also bring a redefinition of the role of private enterprise and capital. What we cannot continue to have is the kind of breach of the social contract that the 2008 financial crisis brought, in which decades of neo-liberal policies, low taxation and financial malpractice gave way to public bailouts for the banks and led to austerity for the people. The damage this political response had on people's faith in the system was truly devastating and the consequences of this can still be felt today. It is my belief and that of my party that if we respond to the needs of our badly wounded public finances in a way that is unfair or that does not make the most fortunate pay their fair share of the cost of recovery, we will also be partaking in the weakening of our democracy and institutions. If we now apply austerity to those who need it the most, we will destroy what is left of the social fabric of the people of Gibraltar, a close-knit fabric that has been the key to the resilience of our people.

As a side note, Mr Speaker, I would like to share a very personal experience. Through the COVID pandemic I was forced to spend time away from my ageing mother, as so many people were, due to fear of contagion. She suffers from dementia, and at the time her condition was not great but she was still there; there were still sparks of her feisty, powerful former self. After the lockdown was over and the vaccines were delivered I was allowed to spend time with her again, but something had changed. The isolation had caused a sharper decline than we thought was possible. This has made me realise the suffering of those who experience loneliness and involuntary solitude, an ongoing pandemic that plagues many elderly members of our community even when social distance is not forced upon us. Let this be a gentle reminder that we have to find a way to tackle this as a community. Visit the elderly, spend time with them, love and care, soothe and heal, because isolation and loneliness kill.

On this note, I would like to start my analysis by giving you my take on the COVID response of this Government, although it may be fairer to say that this response was a cross-party affair between the GSLP and the GSD, their presence in every discussion and briefing surely a testament to the Official Opposition's endorsement of said response, Mr Speaker. When the Hon. the Leader of the Opposition says that there was unity in the response, I guess he makes the same mistake that he and so many other in this Chamber make all too often: he forgets that this is not just a boys' game and that there is another significant presence in this Parliament. I am talking, of course, about the presence of this hon. Lady, the woman who does not understand politics, the woman who does not write her own speeches, the woman who has crazy views. I get all of this in this House, the full spectrum of male chauvinism, the mansplaining, the patronising and the gas-lighting to boot – and little Marlene Hassan and her party cannot be taken seriously, despite having a fair few votes more than other hon. Members who do get to sit at the table with the big boys. There was no unity in the COVID response, because I and Together Gibraltar were left out of the discussions of the COVID response team. And why? Because I had the audacity to point out that our then Health Minister had been posting wanderlust pictures in Tarifa while we were all scared to death and trying to get people to adhere to public health advice urgently. For this I was insulted and later marginalised from doing my job as the leader of a party with over 20% of the votes at the last election.

Unfortunately for Government, we used this episode to reclaim our place as the only independent free-thinking voice at a time in which there were none, and health policy had to be taken to task. We constantly advocated for more prudent management of the pandemic from a public health point of view. We advocated for greater mask use and harsher enforcement of healthcare protocols. We called out the lack of example of Mr Picardo and some of his Ministers, who went around hospitals getting photos taken of themselves unmasked with big groups of people. We put pressure on more and faster testing. We called out the leniency of Government regarding Christmas celebrations, and particularly we criticised the Government-endorsed culture of recklessness that seemed to take over Gibraltar after the miraculously benign first wave.

Unfortunately, what came after the Christmas *comelonas* is one of the darkest chapters of our history, if not the darkest: 94 lives lost; a total number of over 4,600 cases; a proportion of cases and deaths in our Elderly Residential Services that far outnumbers even the countries worst hit by the pandemic; double the deaths per capita of La Linea or Algeciras; almost three times the number of deaths per capita of the province of Andalusia. We cannot participate in the self-congratulatory fanfare over the pandemic response from a public health policy point of view. We could have done better. Lives could have been saved with a more cautious and coherent approach. We believe that an inquiry into the handling of the second COVID wave in the ERS is absolutely necessary, and we hope it will allow us to understand what exactly happened and, if necessary, assign culpability. This is the only way to learn from our mistakes, however painful and traumatic this episode may be.

What we can say, and we do so with great pride, despite the also massive number of cases we have had in our community, which were, in our opinion, exacerbated by the culture of recklessness and the incoherence of Government messaging ... Does anybody remember the press conference in which we were treated to a long list of *Star Wars* puns and jokes? Was that just me, or was that not just plain disrespectful? We do say with great pride that our healthcare professionals fared very well in comparison to our European counterparts and did a heroic and outstanding job saving many lives and helping our community through these terrifying and extraordinarily hard times. I think that it would be an apt homage to them and the lives lost to COVID if we agreed on a date in the calendar year and created our own national public health day, on which we could all go out to our balconies to clap and give thanks to our healthcare professionals, as well as remember our loved ones lost to the pandemic.

And remember, the pandemic is not over. Just as we did back then, I say to the people of Gibraltar now: exercise great caution, use masks indoors when you can outside of social bubbles, wash your hands and avoid large crowds. The number of cases is growing again at an alarming rate, and so is, albeit slowly, the number of hospitalisations. Let's do our bit to curb the spread and thus the mutation of the virus. We are over the worst of the pandemic, but we still need a last push to see it through. Let's give this last push together, in real unity.

Now I will concentrate on the economy, Mr Speaker, and the issues pertaining to the letter – or should I say number – of this Budget. The Budget of decay, as I mentioned earlier, begins with a remarkable story of unprecedented success and unparalleled governance that has finally delivered the elusive socialist utopia. Of course, little if anything at all of that narrative is true. I will therefore try to establish some differences between what life looks like on planet Picardo and what it looks like here on Earth for us mere mortals.

On planet Picardo we are the spoilt child of Europe. We have it better than ever before. In fact, we have had it too well: '*Viviendo por encima de nuestras posibilidades*', as Rajoy's PP government used to say across the Frontier. The Chief Minister is telling us, 'You are so lucky, don't complain – your lives could not possibly be better, you are richer than the Germans,' and being better and richer than the Germans always sounds very impressive. But in the real world things are pretty different. Perhaps here it would be the fair thing to do to differentiate between the two castes in Gibraltar, particularly when referring to the lower end of the earning spectrum – private sector workers and civil servants, with the latter enjoying very generous conditions and the former suffering from pretty dire ones. In the real world, statistics of average earnings are, like the Hon. Mr Clinton said, completely meaningless. They are distorted by high earners, which amount to a disproportionate number of people, due to our economic model so generous with the wealthy. Our pensions are squalid, our unemployment benefits practically non-existent. Statutory protections in the private sector are crippling. Parental leave and pay are laughable. Too many of our citizens live in housing squalor, unable to enter a completely manic property ladder while wasting away on a never-ending housing list. There is a lot of substandard housing in both the public and private markets, and inside them dwell the most unfortunate and needy of our people.

None of that matters, because 'you are spoilt'. Therefore, I ask myself who spoilt us: is it the fault of the child that he or she has been spoilt, or is it the fault of the parents who are responsible

for the child's education? The culture of entitlement has not emerged spontaneously from within. Surely the people responsible for the culture of entitlement are those who have been promising more and more to our people in successive manifestos. Also, it has to be said that unless we believe that the culture of entitlement only started 10 years ago and is a decade old, surely the GSD has had a part to play in the establishment of such a culture. We have said it before and we say it again now: to suggest that the problem is a culture of entitlement is to avoid responsibility and engage in an exercise of victim blaming. The problem is not a culture of entitlement, but a culture of irresponsible governance and reckless political campaigning, of giving people freebies and raises before election day in order to get re-elected, of sending letters promising everything to every single person and organisation before they win, of trying to out-promise each other party in every election. In our first and only election Together Gibraltar was coherent with this. We presented a modest and costed manifesto that promised to bring an end to any capital projects that did not meet urgent housing demands. We were prudent and promised more in the way of changes of governance and culture than tangible, costly assets. Our policy pillars were equality, environmental protection and the fight against corruption, and our star policies were bicycle lanes, better parental leave provisions and more independent scrutiny of public spending. No, Mr Speaker, we are not responsible for this culture and neither is the general public; our leaders are, past and present, and to have the cheek to point their fingers at the people of Gibraltar and scold them for it is simply outrageous.

On the issue of debt, we are also a million miles away from planet Picardo. This Budget shows a contraction of our economy of 4.9%, less than half of that of the worst hit economies in Europe. We have racked up a £158 million deficit between spending and loss of revenue, and £50 million more is predicted from now to the financial year's end. However, according to the Chief Minister, after achieving record-breaking economic results year after year for a decade, our net debt now stands at some £720 million.

In the real world nobody believes this narrative anymore. In fact, the Chief Minister does not believe it himself. He said it clearly in his speech that if he had not hidden away debt in Government-owned companies, he would have had to report to Parliament and ask for a modification of the debt ceiling. He is congratulating himself for avoiding parliamentary scrutiny, admitting that indirect borrowing hidden in Government-owned companies is in fact Government borrowing (*Banging on desk*) and admitting that the level of debt is higher than it is made out to be in his books. A triple admission of guilt in one fell swoop, in one act of trademark Picardo bluster. *Por la boca muere el pez*, Mr Speaker, especially when the fish is overconfident and out of touch.

On planet Picardo the fact that the UK provided support for our borrowing with a £500 million sovereign fund guarantee shows the resilience of our finances. What kind of nonsense is this? So, the fact that we need someone to back our borrowing to keep interest low means our economy is robust? In the real world, when one needs securities for their borrowing it is because they do not have the best credit rating. The UK have helped us in a time of need and Boris Johnson has lived up to his promise, reiterated time and time again, that the UK would stand by Gibraltar as a member of its family. Also, in the real world, jurisdictions that do not have their own currency and therefore no monetary policy require the kind of help the UK very kindly offered us. It was a display of solidarity and support from the UK, no doubt, but an endorsement of the state of our public finances it was not. Also in the real world, and as explained thoroughly and in great detail by my Opposition colleague the Hon. Roy Clinton, there is close to £1 billion of what should be net debt hidden in Government-owned companies – one billion pounds – that makes a grand total of £1.7 billion of net debt, triple the sum Mr Picardo promised to halve, £51,000 for every man, woman and child of Gibraltar. That is the true figure of our public debt, and it is high time they recognised it.

On planet Picardo the COVID pandemic has been worse than the closure of the Frontier and the MoD dockyard together. It has been a seismic event, a meteor that has decimated our otherwise robust and healthy economy. In the real world, however, of the £1.7 billion of debt only

some £250 million can be attributed to COVID, which amounts to approximately 15% of the total gross debt. The Government is clearly trying to sweep a decade of systemic economic mismanagement under the carpet of the pandemic and make us forget that the vast majority of the problems were already here before COVID existed. I will not elaborate further, Mr Speaker, as my Opposition colleagues have already done a great job of detailing this reality, but I would like to reiterate the view that even though COVID has hit us hard, the bulk of our financial problems existed way before the pandemic hit us and were solely the responsibility of this Government. But hey, our Estimate Book has many pages and so much information inside that on planet Picardo more pages mean more transparency. In the real world they just mean more lies.

Regarding the ongoing negotiations with the EU and the framework agreement, the disparity between the reality of Mr Picardo and here on Earth has been remarkable from the start. My party and I, despite having supported and even protected the negotiations from unfair Opposition attacks, have been highlighting it from the day the framework agreement was announced. We said that the framework agreement stated quite clearly that the EU, facilitated by Spain, would have the last say regarding entry to Gibraltar. It also stated, albeit in deliberately vague language, that these EU authorities would be replaced by Spain after a four-year transition and that there would have to be some form of tax and duty harmonisation for the frontiers to be lifted. According to Politico, one of the most reputable chroniclers of EU politics, 'Just before the end of the Brexit transition period last year, Spain and the UK struck a preliminary, 11th-hour deal to avoid a hard border between Gibraltar and Spain by allowing the British territory to become part of the Schengen passport-free area with the sponsorship of Madrid.' All that the recently published EU mandate does is reiterate the positions of the framework agreement, which were clearly misinterpreted by our Government, albeit in less ambiguous terms. The Commission's mandate includes proposals to – and I quote Politico yet again – 'remove physical checks and controls on persons and goods at the land border between Spain and Gibraltar, while ensuring the integrity of the Schengen area and the single market'. The EU wants London to agree to a customs union between Gibraltar and the EU by aligning goods taxation with that of Spain, complete with, and I quote, 'appropriate checks and controls in Gibraltar', the mandate says.

With a more honest interpretation of the framework agreement and less self-aggrandising propaganda, this outcome should not have come as a surprise. It was completely predictable, so much so that Spain has not maligned the mandate, as has been suggested by some, but has sent an official communiqué praising it, namely Official Statement 062 from the Ministerio de Exteriores, titled 'Spain welcomes proposed draft mandate for negotiations on EU-UK Treaty on Gibraltar', which goes on to say, 'Spain is grateful for and appreciates the efforts made by the European Commission to approve a draft mandate in line with the understanding reached between Spain and the United Kingdom on 31 December.' We said it before and we will say it again, although I am sure we will be ridiculed for doing so. The Chief Minister told us he had managed to close a deal that gave us all we wanted without any concessions. That is how things work on planet Picardo. The rest of us in the real world, however, know that deals only happen when all sides make concessions, and these concessions, unfortunately, always reflect the balance of power at the negotiating table. Fortunately the European Commission's opening position will soon be brought to its knees by the Chief Minister's silky oratorical skills, as was Spain going to fall prey to Mr Azopardi's deal-making skills when he promised to tear up the Tax Treaty. Fortunately, the Leader of the Opposition has reined in his populist streak and now recognises that the treaty is not going away and will continue to be with us even if we find ourselves in a no-deal situation.

To continue with the Leader of the Opposition's speech, to reiterate his ill-conceived and ill-advised narrative of wasted opportunities, which of course refers to using cross-frontier workers as bargaining chips, forgetting that the loss of these workers would have a bigger negative impact on Gibraltar than it would have on Spain, this is a disingenuous argument that preys on some of the most base instincts of the community, and we will not let him fan the flames of xenophobia at this historic time when we need more fraternity and solidarity than ever.

295 When he says that the Tax Treaty with Spain discourages inward investment, what exactly does
he mean? Is he suggesting that we try to sign an agreement that continues to allow people not to
pay their taxes in the country they reside in? Is he suggesting that we should encourage or tolerate
tax fraud? Should we want to go back to the fringes of the global economy by encouraging
behaviours that are heavily frowned upon by international institutions? Is that what we should be
300 encouraging at this time? Is that his future strategy for Gibraltar? That is what it sounds like,
Mr Speaker.

I would also like to mention my disappointment at the fact that both Sir Joe Bossano and Roy
Clinton agree that the alternative plan after a hard Brexit should be to look south to Morocco. Let
us remember that even though we have a large population of Gibraltarians of Moroccan descent
305 and that trade with Morocco was key for our survival in the Frontier closure years – for which we
are very thankful – this is a regime that is totalitarian, oppressive and extremely unequal. It is a
bit like our relationship with Spain: we love our neighbours but we have serious issues with their
central government. Let me remind the House that Morocco uses, in its claim over the territories
of Ceuta and Melilla, similar arguments to the ones Spain uses to substantiate its claim over
310 Gibraltar, much against the wishes of the people who live there. It is a grossly inadequate
alternative to perhaps the largest, wealthiest, most democratic and most egalitarian group of
nations in the world. Morocco is a developing market with a population of 36 million and a GDP
which is a little over half that of Andalusia, one of the poorest regions in Europe. I am not saying
that we should not seek out economic opportunities with Morocco and with all available markets;
315 I am simply saying that a replacement for access to European markets and a future plan for our
post-Brexit economy it is not.

The other option, of course, is tying our future even more closely to the future of Boris
Johnson's Brexit Britain project, a project that I am afraid does not align with Gibraltar's values of
openness, diversity and solidarity, nor does it generate great confidence throughout the
320 electorate. I believe Mr Picardo is right to say that our relationships with the UK – although he
should really say the Johnson administration – are tighter than ever, but he forgets that this
Conservative government will not last forever. What will become of this special relationship, in
which he has been so servile, when other governments come along? What will happen when the
pendulum swings away from the politics of isolation and identity, back towards international
325 collaboration and interdependence? How will his willingness to take part in so much Tory
propaganda go down with his successors?

One thing I can tell you for sure: Gibraltar is not ready to take any backward steps in the road
to nationhood and decolonisation, not for Spain, not for the UK, not for the Queen, not for
anybody. For better or for worse we are British Gibraltarians with a distinct identity, our own
330 Constitution and our own Parliament. The Chief Minister now seems to suggest that a Crown
Dependency status might be positive for Gibraltar in the future. Maybe he would care to explain
in his reply what the benefits of such an arrangement might be, and how this would be feasible as
a matter of international law. To think that this is the alternative plan to some form of close
relationship with the EU is truly disheartening and it makes my remainder, pro-European heart
335 weep, and I am sure that most progressive internationalist citizens in our community feel exactly
the same way. There must be a better way, and a good government should be able to find it. Other
leaders in our very successful past rolled up their sleeves and found a way to meet the demands
of our people. Even though I have little faith in this Government's promises, I sincerely hope it
succeeds in the enterprise of signing a treaty with Europe that brings mutual prosperity and a free-
340 flowing border while respecting our red lines on sovereignty.

Another important issue and potential threat looming on the horizon is the pending review
from the Council of Europe's anti-money laundering body, Moneyval. On planet Picardo, this time
also populated by my GSD Opposition colleagues, the results were outstanding and a recognition
of our fabulous financial centre and our flawless laws. In response to the 2019 report conducted
345 in Gibraltar, the council of experts stated that Gibraltar needs to invest more efforts in identifying,
investigating and prosecuting money laundering and in confiscation of proceeds of crime. As we

explained in our press statement last year – and despite the sugar coating applied by Government and the GSD, who illustrated once again that they are not just weak in opposition but at times shockingly ill-informed on matters of public importance – we have clear shortcomings when it comes to our anti-money laundering and combating terrorist financial controls. We fared on a par with Malta, which was found to be severely lacking. Malta was recently grey-listed by Moneyval, which reflects very poorly on the country, with financial institutions around the world deeming the jurisdiction and its firms and residents to be of a higher risk when providing services. This has a significant impact on jurisdictions' ability to obtain financial services and has a quantifiable negative impact on GDP that could be as high as 10.6%. As a financial hub reliant on access to global financial markets, we have a lot at risk. We need to be assured by Government that appropriate measures are being taken to address the shortcomings identified, and if they are not we need to take them urgently. We simply cannot afford to be grey-listed at this stage. The assessment made clear, however, that while our legal framework is for the most part adequate, as a nation we have failed to execute the measures created to counter money laundering and terrorist financing and there has been little in the way of prosecution of such shortcomings, to the degree that the report states that the effective investigation and prosecution of money laundering offences remain undemonstrated.

It is interesting to note the GSD's out-of-character lack of criticism at the time, perhaps born out of a wish not to highlight the weak controls applied by legal firms to aid in the prevention of money laundering. Is this another example of the GSD and the GSLP working together for the benefit of the 'barristocracy'? I cannot see any other parallel. Sitting at the top of the tree, it is imperative that the legal firms set the tone for their clients and the finance sector. While our circumstances are unique, we note with caution the parallel that can be drawn between our assessment and that of Malta, which was treated nationally and globally as being of significant concern for the jurisdiction.

On the issue of Community Care, I was disappointed to learn how the Hon. Father of the House, Sir Joe Bossano, seems to also live on a distant planet. I feel I have to use this opportunity once again to defend my father's name, as he is not present to do it himself, unfortunately. To that end I am sorry that Sir Joe has also not been present today and afforded me the same courtesy of listening to my address, as I did to him. Given the hon. Member's penchant for lengthy history lessons, and given the fact that Mr Speaker allowed him the indulgence of doing so, let's remember that the Father of the House treated me as my father's daughter, inelegantly, unnecessarily and unfairly. The Hon. Minister forgets that I am a voted Member of this House in my own right and on my own merit, and that my late father does not deserve to be associated with what the Hon. Minister considers to be my mistakes – on which we clearly disagree because I always act in good faith and try and help people as best I can. But now that he has involved him, let me also remind him that this Member's father beat him every single time and that his daughter is standing here 50 years later with her own strong mandate and her own politics in very different times and would appreciate being referred to in her own capacity – unless, of course, the situation, by virtue of direct and personal association, calls for it, not political.

Even if it might seem impossible to believe to someone of his generation, I do understand exactly what the problem is regarding Community Care. It is he who seems way too comfortable endorsing a system that requires the opaque and unaccountable management of public money and the use of a ridiculous double-speak when scrutinising what is undeniably a pension policy issue and not a charity issue, and we all know it. In the 21st century these botched jobs are simply not good enough. We want a system that is transparent and fair, that can be discussed openly and that provides decent standards of living to our pensioners without discrimination. The current system is none of these things. Community Care has served its purpose but is no longer fit for purpose. The time has come to address the problem of our pension system head on, so that future generations do not have to inherit this mess. Regarding our position on the Community Care Officer Alliance Scheme, it is completely unfair to land us in the same place as our Opposition colleagues. We have not been populist about this issue, promising the re-establishment of the

scheme for all. We have not demonstrated in the street for free parking in Midtown or against osmosis. We have had a fair and prudent position, laid out a day after the march, that stated that we would look at the situation of those aggrieved on a case-by-case basis and offer those at risk of hardship the opportunity to take part in the scheme for a transitional period. But after this period is over it is our opinion that it would be better to reform the entire pensions system than to continue tweaking the current mess we are in. We believe this would be better for future generations, for our international relations and for the welfare of our pensioners.

As for the measures included in this Budget that are aimed at boosting Government revenue, we agree with Action on Poverty that the words of the Chief Minister in Tuesday's speech are lacking in empathy for those in need. It was a very confrontational speech, fighting windmills and making up imaginary villains and foes that he is going to single-handedly and heroically put in their places. Of course he was always referring to those entitled Gibraltarians who dispute his narrative or those who require the assistance of our wholly inadequate welfare system. This is what is popularly referred to as kissing up and kicking down, the opposite of what a socialist government should aspire to do. The fiscal measures implemented are tougher on the working and middle classes than on those who could really make a difference in helping to fund the post-COVID recovery.

In the *Journal of Economic Studies*, in a study named 'Tackling income inequality: The role of taxes and transfers', the OECD states, and I quote, 'Personal income tax is the most progressive tax, although there are significant cross-country variations. Social security contributions, consumption taxes and real estate taxes tend to be regressive in most countries.' Despite this, very little has been done to really implement fair, progressive tax rises. In the area of personal income taxes there have been no changes to the tax rates or bands under either the allowance based system or the gross income based system, even though those on the gross income based system continue to pay 18% for income over £500,000 and below £700,000 and 5% on all income over and above this figure. Five per cent, Mr Speaker – a regressive tax system that allows the super-rich to get out of paying their fair share of the resources our community so desperately needs. Category 2 individuals have seen an increase in minimum tax payable from £22,000 to £32,000 per annum, while the tax cap for income taxed under the certificate has been increased from £27,560 to £37,310. There is only one word to describe these measures: peanuts. High Executives Possessing Specialist Skills (HEPSS) individuals, despite being some of our highest paid professionals, will continue to pay the same rate of taxation with the only difference that to qualify they will have to be paid £40,000 funds more. So, the richer the HEPSS you are, the less tax you will pay. This is undoubtedly absurd. It defeats the purpose of having such a measure, as we will have fewer HEPSS in Gibraltar who bring in valuable skills and assets and will therefore end up raising little revenue, if any at all. What happened with the plain old raising taxes for the rich? Is that not a socialist mantra anymore?

Can't we just tell all the extremely highly paid members of our community that they have to pay in accordance with their means, if only while we get our economy back on track? Mr Picardo's new catchphrase that what matters is, and I quote from his speech, 'what we offer to people who have the least, not what we demand from the people who have the most' has to be the most nonsensical and anti-socialist mantra I have ever heard. Who is buying this nonsense? Are the good old honest socialists in his party listening to this trite ...? Instead, we raise electricity bills by a huge and sudden 16%, which will be a massive blow to some of our most vulnerable. We raise contributions to Social Insurance, which despite what Sir Joe Bossano will lead you to believe always impacts more on those who have the least. Even though Social Insurance contributions are somewhat adjusted to earnings, they have caps so that they will always amount to a higher percentage of earnings for low earners than for high ones, and there is only one word to describe that: regressive.

We understand the need to raise corporate tax slightly – at the end of the day this is tax based on profits, not on income – and we welcome the fiscal stimuli for employment that go along with it. We are concerned, however, that without a proper Government strategy – let's remember that

Government is, by a lot, the biggest employer and investor in Gibraltar – our economy will never fully modernise. We will find ourselves, much like other developed economies, transitioning to a more unequal model in which new technology is harnessed and exploited by the already privileged few, thus increasing the inequality problem. Alas, there is no economic modernisation strategy on the horizon, only, as the Hon. Roy Clinton put it, begging, borrowing and scraping.

On the matter of berths, we do not agree in the slightest with this new policy of selling the berths in the small boats marina urgently and allowing them to be freely transferrable once sold. Could the Chief Minister please explain to us in his reply, after the mess created by subsidised affordable homes entering the private real estate market at extortionate prices, why the Government would introduce a new distorted and unfair Government-subsidised market? And what about the price? The Chief Minister stated that the return is close to the price of development, so what kind of a business venture is this? If we sell boat marinas at less than cost price, what kind of value are we giving the taxpayer? This policy is just absurd. If the berths are a socialist enterprise, then they should be rented and available to all Gibraltarians. If they are a for-profit venture, then they should make a significant profit, as all real estate that is sold in Gibraltar always has significantly more demand than supply. This is just a way to make a quick buck. It will create Government-subsidised social inequity, frustrate people, continue to distort our real estate markets and squander yet another valuable asset that belongs at all of us.

Another important chapter that did not feature in the chronicles of Mr Picardo is the state of complete disarray of the GHA. Waiting lists are enormous, appointments almost impossible to access, phone lines saturated, professionals overworked, management is all over the place, corners are being cut left right and centre, mental health services continue to be inadequate and overrun, and in the meantime people are getting more frustrated, sicker and more worried. The lacklustre provision of our healthcare, which never had the opportunity to really recover from the COVID pandemonium, has become another serious health hazard for the people of Gibraltar. Behind these seemingly anodyne numbers and statistics there are people suffering and lives deteriorating. We posted a few testimonies of people who experienced this a few months back, and despite the promises made things seem to be getting worse, not better. Also, let's not forget that the National Dementia Strategy that was hailed just before the last election with huge fanfare has not yet been implemented, despite the growing nature of the problem and more and more people with dementia living alone, vulnerable and undiagnosed.

Perhaps one thing we can all agree on in this House is the severity in the lack of mental health support services. Although Government paints these services as rosy and robust, Mr Speaker, I assure you the reality on the ground is anything but. I have often appealed to Members opposite on the pressing need for a cohesive start to functional approach for mental health sufferers. Whatever they are doing right now, it is simply not working. Those who know me will know that the lion's share of my time as an MP is spent working with very fragile mental health sufferers who have no structure, support or pathway to a long-term care plan that will deliver long-lasting results. Unfortunately, this leaves untrained and unsupported people like myself in this field trying to help those desperately on the brink, something I consider both dangerous and irresponsible. I cannot stress enough how much of a priority a long-term mental health policy is for our community and I urge the Government to take immediate action on this now. We eagerly await the policies due to be implemented next month and we hope they adequately address the recommendations of the report from Public Health England – a report, by the way, that was hidden from the public for over a year and still remained relevant when published.

On equality, it is all well and good for Government to congratulate itself on its record on equality, and although some of it is deserved, much of it is not. For example, despite the surrogacy legislation being passed as far back as January, same-sex couples wishing to be retrospectively listed as parents of children born before the legislation was enacted are still struggling to access this right. A little equality is not equality, so please, I urge the Justice and Equality Ministry to finalise the implementation of this law so that same-sex parents stop getting turned away at the Civil Status Office when seeking legal recognition of their parenthood.

I would also like to raise the lack of gender balance on our public boards, which are perennially male dominated. I want to ask the Government what is so hard about finding equal numbers of women to appoint to boards. Are we less capable? Are we less considered? I cannot understand why we often see pictures of public boards filled with men in suits when our women deserve at least an equal share of representation on those platforms. We are 50% of the population. A little equality is not equality.

And when will we see a truly egalitarian maternity/paternity leave plan for parents so that society can truly move forward equally and with the same opportunities? When will those residents of the Queens substandard, filthy hostel be treated as equal citizens and relocated to premises worthy of the country with the highest GDP per capita in the world? 'Immediately' should be the answer to this pressing issue, as well as the others. Immediately.

Mr Speaker, menopause is something that not many will go through in this House, but outside of this House women in the workplace are encountering challenges managing menopause while they are at work. I propose to move a motion at the next available opportunity in Parliament aimed at increasing awareness and support for women in menopause in the workplace, and after consultation with the Chief Minister he has agreed to support a motion of this nature. I have also discussed it with the Leader of the Opposition, who has indicated his support for the motion as well, and I look forward to presenting it in due course.

On the Crimes (Amendment) Act and the referendum I was proud to work with two other party leaders in this House, the Hon. the Chief Minister and the Deputy Chief Minister, to send a message to the women of Gibraltar that we stood by their rights to body autonomy. We collaborated to project the important message that women deserve healthcare in our own jurisdiction and I am glad that the result has meant that the days of judgement, prosecution and persecution are finally over. I have to say I did find it disappointing to note that the Ministry of Equality was nowhere to be found in this campaign, given that reproductive rights are part and parcel of equality rights in any democracy worthy of its name.

I also welcome the rise in disability benefits as announced by the Chief Minister and remind him that these individuals should always be at the forefront of our economic planning because we are duty bound to help make the lives of those living with disabilities as easy as humanly possible. This is why I continue to campaign for a change in Government policy on its decision not to renew cross-border key worker posts in favour of untrained, often unqualified, local workers. After liaising with parents of special needs individuals directly affected, who have been working with these carers for many months – some for years – and forged bonds, trust and friendships, it was clear to me that this was an erroneous and cruel policy. It was also cruel when Government accused me of exploiting these individuals. May I remind this House that, much to the dismay of the Members opposite, we are not a one-party state? On this side of the House we are all paid Members of Her Majesty's Opposition and as such it is our duty to carry out our role of holding this Government to account with diligence and commitment. This means listening to and representing the constituents who come to us seeking support, and I will continue to do this always, regardless of whoever wrote that press statement with its manipulative retorts. So, I urge the Members opposite as a very minimum to respect our role as Opposition and even embrace it.

The issue of the environment does not seem to be much of a problem on planet Picardo, even though it is potentially much more harmful than the COVID pandemic and is waiting for us just around the corner. The tragic climate phenomena we have seen in recent months with record-breaking heatwaves and deadly floods should be yet another wake-up call reminding us that, regardless of our economic situation, the fight against climate change cannot wait. In the meantime, we continue with our completely cosmetic Green Gibraltar farce, something that will not change, judging by the measures implemented in this Budget. The fact, for example, that there have been no applications for deductions on improvement of EPC ratings is telling of a failed policy, much like the rest of this Government's green agenda.

The Chief Minister says that Government is leading by example by buying electric cars. However, where was his example when import duty for all cars was dropped to zero last year?

While the entire world is heavily incentivising the purchase of electric vehicles, we drop duties for all cars, including huge diesel-guzzling SUVs and we are told that it is because people will dispose of their older cars, which we all know are still circulating in the second and third-hand market. This was very much a wasted opportunity and a direct attack on the environment. And let's not forget that after 10 years of GSLP Liberal lip service to the environment, we are still pumping out raw sewage into the sea. Let me say that again: we are pumping out raw sewage into the sea 10 years after the production of a sewage treatment plant was promised in the 2011 GSLP Liberal manifesto and then mysteriously disappeared from the 2015 manifesto.

So, to sum up, more cars on our roads than ever, raw sewage failed promises, and the only thing green about this Government's policies is that they would make Dr Seuss's character the Once-ler green with envy.

One item of good news in this Budget is the announcement of the imminent publication of a Bill for an Act to make provision for the regulation of medicinal cannabis and connected purposes. All I can think to say is imagine how many people we would have been able to help if they had taken my proposal seriously when I brought it to this House over four years ago; the amount of pain we could have spared some of our most sick and vulnerable. But of course we were not so desperate for cash back then. Back then, Prof. Cortes was adamant that no legislative change could happen without a pronouncement of the Drugs Advisory Council and more clear, clinical, medical evidence. Maybe the Chief Minister in his reply would care to explain to us what has changed, other than the prospect of a lucrative business that is already attracting the attention of big money and big funds in our community.

Special mention must be given to the e-government scandal that both my party and the GGCA have highlighted on several occasions, a case that clearly illustrates the problem of accountability that we suffer in our democracy. Close to £14 million is the bill the taxpayer has footed so far for an e-government platform that is an absolute shambles. Apart from the ETB, which is a fully integrated back-office service, the rest is nothing more than a list of glorified emails that have to then be processed manually by civil servants as they would on a counter – all this while the counters are closed. The lack of value for money provided for this investment is abysmal. Also, the way in which contracts have been adjudicated is unorthodox, to say the least. When questioned on the cost of this disastrous service, the Hon. Minister Isola provided a reply that conflated real e-service expenses with other recurring IT and LD expenses as a smokescreen to evade proper scrutiny, and was called out for it by the GGCA in a recent press release. His reply? Silence. No acknowledgment whatsoever. Tumbleweed. And then Together Gibraltar called it out. His answer this time? Can you guess? 'You just don't understand.' No answers, no admission of responsibility, no shame at all. Fourteen million pounds.

Mr Speaker, I called this the Budget of decay for a simple reason. As we all know, parties in Gibraltar do not win elections, they lose them, and they do so always too late, after exhaustingly long mandates, overstaying their welcome, trying to subvert democratic rules and finally decomposing in front of the very eyes of the electorate. This was true of the last GSLP administration, true of the last GSD administration, and will be true of this administration, and the rot has already begun. It was always clear to me that the moment the money tree wilted the cracks would begin to show, but the COVID pandemic has accelerated a process that had already started, albeit subtly, around the time of the last election. Cronyism had already started to get out of control. Contracts were going to the usual suspects. Freedom of speech was starting to suffer. The Civil Service was beginning to show signs of disarray. The Chief Minister's petulance was turning slowly into disregard and disrespect of the electorate. It is clear that this GSLP will not go down without a fight either, and now we know what this fight looks like: lies, lies and more lies; spin, spin and more spin. The GSLP will rather decompose in plain sight than accept any responsibility and attempt to mend its ways. It is like the scorpion in the fable of the scorpion and the frog: true to its nature, it cannot but sting the frog that carries it to the other side of the river, even if it means drowning them both.

Where is the anti-corruption authority promised in the last manifesto and other manifestos before it? What has this liberation movement without equal in our history done to make our institutions more accountable and democratic? Nothing, a big fat zero. As for the excuses, they have two firm favourites: 'You don't understand,' which is usually directed at Together Gibraltar, and 'You did it worse,' which is usually directed at the GSD. The former is as sexist as it is laughable, and the latter ... We have already had a decade of 'you did it worse' and the argument is still going strong. The option for the electorate is clear. If you do not want another 12 years of the same finger pointing, we need to bring about real change at the next election.

We disagree with the Leader of the Opposition's diagnosis of why this community has succeeded in the past. Our democracy is far from being vibrant. It might be vibrant in our streets and cafés, but it is not vibrant inside these four walls. Our lack of transparency and accountability and our lack of proper democratic checks and balances make our democracy a very flawed one in desperate need of reform.

As for voting for or against the Budget, it makes little difference. With the inbuilt majority that the Government has it will continue to break the rules and cheat, regardless. Civil servants will get paid regardless, at least until the money runs out. The Opposition will complain about our democratic deficits regardless, and get nowhere regardless, until one day a new party comes in, a young, fearless party with no baggage, willing to take on the big challenges of our time. It is for this reason that I will abstain from voting on the Budget this year. We will simply not take part in this ridiculous farce until we can change the reasons that make it so farcical. The Chief Minister will no doubt accuse me in his reply of not being consistent with previous positions that I have had in other years –

Chief Minister (Hon. F R Picardo): Not just of that.

Hon. Ms M D Hassan Nahon: – but in light of what is unfolding before our very eyes, the inconsistency would be voting *for* the Appropriation Bill.

The age of entitlement is well and truly over, but what has a decade of GSLP government done to prepare us for this? Will we be able to get out there and compete in the big wide world if some of the privileges we are used to are taken away? Have we fostered the opposite of the culture of entitlement? Are we still as strong, resolute and resilient as we were? Will we be able to see through the lies and the spin and land back on planet Earth ready to stand on our own two feet? Or do we want to continue living on planet Picardo until it is too late?

This is the Budget of decay because I believe it marks the beginning of the end, and so do more and more of our fellow Gibraltarians.

Thank you, Mr Speaker.

Mr Speaker: The Hon. Gilbert Licudi. (**Hon. Chief Minister:** Hear, hear.)

Hon. G H Licudi: Mr Speaker, it is of course disappointing to hear what has been clearly and unashamedly a populist speech by the hon. Lady. (**Hon. Chief Minister:** Hear, hear.) We all know what populism is leading to in other countries and I am sure that the Hon. the Chief Minister will reply in full to what the hon. Lady has said. She has ended by saying this is the end; she has not said the end of what. Let us hope she is only referring to this side of the House and not anything wider, otherwise – especially with the hon. Lady and the others in government – we would be in for a very hard time indeed. Populism takes us nowhere. It takes us to places Gibraltar does not want to go, (**Hon. Chief Minister:** Hear, hear.) and that is not what this Government has been about. It was certainly not what this Government was about when I was in government, and certainly from where I sit now it is not what I see now this Government is doing.

Mr Speaker, my hon. colleagues on this side of the House, in particular Prof. Cortes, Mr Daryanani, my friend the Hon. Miss Sacramento, and Sir Joe have dealt with those areas which were part of my responsibilities when I was a Government Minister, when the pandemic hit us in

March 2020. I will not say any more than they have said on those areas, but I do want to express my own appreciation to all the heads of department and other public servants who worked with me in those very difficult times, particularly the very early days, who managed to adapt and change the way we provided a service to the public, to schoolchildren, to pensioners and to users of the Port and the Airport. I owe them all a huge debt of gratitude for their assistance, their support and their dedication to duty. We have heard this week that two of the heads who worked with me during that time, Nicky Guerrero and Jackie Mason, are retiring or have retired. I wish them both a very long, fruitful and happy retirement. I also take this opportunity to wish Mr Martinez, the Clerk of this House, who will not be with us after September of this year, a long and happy retirement.

But the enormous effort which was put in by public servants was not just evident in the Departments that I was responsible for. We saw it across the Government. It has certainly not been easy during the last year to deliver the public services that we have all been accustomed to. Lockdown and restrictions have necessarily meant that things have had to be done differently. It was not possible for us to simply to pop down to a public counter to get information, make or receive a payment or make an application. Suddenly, none of this could be done. It was not a case of a planned closedown and a gradual shift to remote or online services; it happened almost overnight. There was a need to adapt. There was a need to devise new ways of delivering public services. And it was not without difficulty, it was not without hiccups, but again it involved a tremendous effort by all those public servants who sought to ensure that services continued to be provided even in those circumstances. It is important to recognise and congratulate all of those involved in the delivery of public services.

The Chief Minister has said that this is not a giveaway Budget. None of us could have expected any differently this year. The Chief Minister described this as a prudent Budget, a rebuilding Budget, a Budget to promote ambition and entrepreneurship. It was also described as a Budget for young people, protecting scholarships, protecting the affordable housing schemes, protecting the programme for new schools, and all of this is to be welcomed. It cannot have been easy to arrive at the right balance between prudence, rebuilding, making sure that ambition is not lost and protecting those areas which are of critical importance to our youth. This Budget does precisely that, and I must therefore congratulate the Government and the Chief Minister in particular for a Budget that seeks to navigate these treacherous waters carefully but also with determination and steadfastness.

It is, of course, a Budget that must be looked at in its proper context. Indeed, all of the speeches by hon. Members during this week have been marked in some way by references to the COVID pandemic because this has touched each and every one of us in some way. We have all been subject to a lockdown and significant restrictions on what we could and could not do. Some have caught the virus, others have been subject to self-isolation, but all of us have been affected. We have not been able to see and be with loved ones. We have not been able to visit our sick or elderly relatives as we would normally do. We have not been able to travel when we want to. Nothing is the same as it used to be, and that is likely to be the way of things to come. It is clear that despite the protection afforded by the vaccine we are going to have to learn to live with COVID being part of our community and our lives for a significant period. There will be times when things appear almost totally normal. Other times, as we are experiencing now, the numbers will again start to rise and it will be a stark reminder that the normality we used to know has gone and that things are different now.

We have heard in the various speeches this week many words of tribute to those who have been on the front line, our health and care workers in particular, and have borne the brunt of the pressure which COVID has brought. All of those words cannot properly express the deep gratitude that we must all feel to those who unexpectedly were called upon to go well beyond their normal duties and who rose to the challenge in an effort to keep us as well and as safe as possible. But they are not the only ones to whom we must be grateful. In one of my daily briefings last year during lockdown, whilst I was still in Government, I recalled the appearance at a symposium in

1976 of a World War II pilot. He recounted how buildings and factories were devastated during the Second World War and yet there was a sense of coming together in a united effort, which was strengthened at a time of crisis. He spoke of the many sacrifices that were made and of the unsung heroes who worked tirelessly, including those making aircraft parts which allowed him and his colleagues to win the battle for the skies of Britain. He concluded by saying, 'That is what mattered. It was a united effort by everybody.' And so it has been in Gibraltar. We must therefore be grateful to everyone in our community. It was and continues to be a collective effort. As I said at the time, we have to salute all those heroes in Gibraltar, frontline staff, back-office workers, volunteers and even those who stayed at home when they had to. Every one of us has had a role to play and still has a role to play, whether by being directly involved or by complying with the rules. The whole community has had to make some sort of sacrifice.

But despite all the tremendous effort by everyone, it has not been possible to keep all members of our community safe and well. Some have been affected more than others. Some have had to be admitted to hospital, some have had to be cared for in the intensive care unit and, sadly, some have succumbed to the virus. It has been mentioned a few times this week but we must remember the 94 individuals who have sadly died from or with COVID and the sadness that this has brought to their families and friends. Gibraltar being such a small place, it is inevitable that this has affected someone we know. This pandemic is not something we hear about in the news or a disease that is happening in a faraway land, from which we can think that distance itself can protect us. It has hit our community in the same way that it has affected and is affecting every single corner of our globe. That is, of course, no consolation to us, but what it does mean is that there is a collective effort, a global effort, with countries, scientists and others coming together in a fight the like of which many of us have never seen in our lifetimes.

I therefore also pay tribute to the science community. They are not always in the visible front line but they are very much at the heart of our battle against COVID. We have seen advances in scientific research that no one thought possible. In particular, we have seen the development of various vaccines in an unusually short time. These have brought hope. We always thought, and we now know for certain, that the vaccines would not eliminate COVID overnight, but we have seen the positive effect that these vaccines have brought, at the very least by reducing the severity of symptoms and the risk of hospitalisation or death. We must therefore commend the Government for having made early arrangements with the UK for the supply of vaccines, resulting in a vaccination programme which virtually no other country has been able to replicate and which has already seen a large percentage of our population and workers receiving two doses of the vaccine. This has not happened by accident and it was not just a question of securing the supply of the vaccines. It also required a full-scale logistical effort which was nothing short of world class. We have all seen it in practice. The arrangements have, to a large extent, worked seamlessly. We must therefore be thankful and congratulate all of those involved in organising and delivering the vaccination programme. I have no doubt that they have contributed significantly to ensuring that the worst effects of COVID are reduced and will also have contributed to saving lives, and nothing could be more important than that.

All of that must be seen in conjunction with the enormous effort made with the testing programme. The figures on testing given earlier this week by my friend the Hon. Samantha Sacramento are truly impressive. As with the vaccination programme, the numbers suggest that we have been world leaders in this area. Again, it has required a great deal of planning, organising and delivering, all of which has been seamless and effective. This has gone hand in hand with our contact tracing team and those involved in checking how those who have tested positive are feeling or evolving. A big thank you and well done to all of them.

Unlike the GSD Opposition, I welcome the announcement by the Chief Minister this week of the entire funding of the Midtown Park by Trusted Novus Bank. It is a beautiful park which is already being used and enjoyed by many members of our community, and the funding shows the commitment of the new owners of the bank to Gibraltar. I also welcome the announcement by the Deputy Chief Minister of the generous donation by the Parasol Foundation for the

refurbishment of the Parliament building and the Mount. We have had other donations for public projects in the past – for example, the Kusuma Trust funded an extension to St Martin’s School during our first term in office. All of these are examples of people who come from abroad to invest in Gibraltar but who also give back to Gibraltar. We have to recognise that. Like Trusted Novus Bank, the Parasol Foundation and the Kusuma Trust, we have other benefactors in our community, including the Alwani Trust and many others, and all deserve to be thanked – and I do so here today. That is why it was truly shocking to hear Mr Clinton mock the donations which were announced in the manner he did. ‘Shame,’ he said, ‘it doesn’t look right. If we cannot afford it, then we shouldn’t do it.’ So, the hon. Member who criticises the Government for spending on capital projects prefers that we should not have a park in the centre of town, that we should not have Parliament refurbished and that we should not have the Mount refurbished. *(Interjection)* That is precisely what the hon. Member is saying with his irresponsible comments. What I say, Mr Speaker, is congratulations to the Government for having been able to attract these donations and a huge thank you to those who are prepared to give for the public good. *(Banging on desks)*

(Hon. Chief Minister: Hear, hear.)

The comments by the hon. Member are not only misplaced and irresponsible, they are also damaging to Gibraltar. The hon. Member seems intent on discouraging benefactors from coming forward and doing good for the community – not for the Government, but for the community. **(Hon. Chief Minister:** Exactly.) Who does the hon. Member think benefits from a donation for the creation of a park? It is the community, not the Government. Who does the hon. Member think benefits from a donation for the refurbishment of the Mount? It is the community, not the Government. Who does the hon. Member think benefits from a refurbishment of Parliament? It is the community and Members of Parliament, including him, as members of the community, not the Government. So, let the community know, let the people outside this House know that the GSD Opposition opposes benefits to our community, opposes charitable donations, opposes benefactors acting for the public good. **(Two Members:** Hear, hear.) The Opposition should be welcoming philanthropy, not knocking it down. Of course the reality is obvious, Mr Speaker. Anything goes when it comes to criticising the Government, even acting contrary to the interests of the community – and that is exactly what Mr Clinton has done. **(Three Members:** Shame!)

Mr Clinton also criticised the arrangement for the building of the new St Mary’s School, so the hon. Member who criticises borrowing for capital projects, when the Government arranges for a new school to be built at no capital cost to the Government also criticises that. So what is it? Does the hon. Member also wish that there should not be a new St Mary’s School? If Government borrows to fund it, he criticises it. If Government arranges with a private entity for them to fund it, he also criticises it. Is his position the same as with the Parliament, the Mount and the park: if we cannot afford it, we should not do it? Let parents of young children know that the GSD prefers that there should not be a new St Mary’s School **(A Member:** Hear, hear.) and let them be judged on that.

We learnt this week of the sad passing of former Minister Brian Perez. We heard various tributes to Mr Perez and I would add my own condolences to his wife and family. We also heard that Mr Perez headed important Ministries at the time of the closed Frontier, a time of great difficulties and when money was tight. I could not help reflecting once again that Gibraltar has faced difficult times before. As we often say, we always come out stronger, so it is not a time to despair. It continues to be a time, as I have said before, of hope.

Contrary and despite everything that all of the Members of the Opposition have said, the economic indicators do give us hope. It is true, as the Chief Minister has indicated, that the forecast GDP for 2020-21 is £2.44 billion, a forecast contraction of 4.9%. Much as we all regret any contraction in GDP, it again has to be looked at in its context. It is a contraction from a position of consistent growth over many years. GDP has grown in 10 years by 133%, an average of 13.3% a year. That is what is described by the Hon. the Leader of the Opposition in his Budget contribution as economic mismanagement. Economic growth of an average of 13.3% a year over many years is considered economic mismanagement by the Opposition. Let us imagine a Member of Parliament

in another country – Spain, France, England or Germany – describing economic growth in their country of 13.3% a year for 10 years as economic mismanagement. They would be laughed out of the Chamber. (*Interjection and banging on desks*) (**Two Members:** Hear, hear.)

GDP per capita has grown for 2019-20 to £79,707, (*Interjection and laughter*) placing Gibraltar in first position in the world. That is considered economic mismanagement by the Opposition, also described as nonsense by Mr Clinton and meaningless by the hon. Lady today. (*Interjection*) We should be proud of our achievement as a nation because that is what we have achieved as a nation, and what we should not be doing is seeking to denigrate it, because these indicators are testament not just to the efforts of the Government but also of the private sector. It is not just the Government that drives the economy, it is the private sector as well. They are important drivers of our economy, so the efforts of the private sector have contributed significantly to the economic growth and also to an increase in GDP per capita, and those are the efforts that are described by hon. Members opposite as nonsense and meaningless.

Government revenue has also increased substantially over this time. That is considered economic mismanagement by the Opposition. The reality is that the words of the Leader of the Opposition and Mr Clinton ring very hollow. The reality is that GDP growth over many years and growth in Government revenues have put Gibraltar in a solid economic position in which to face difficulties, including this pandemic. Indeed, it is precisely because of the management of the economy that we have had that Gibraltar has been in a position to meet the financial challenge which the pandemic has brought. It is because of that, Mr Speaker, that our recovery will be less painful than it has been and will be for other countries. It will still require a cautious approach to our finances, a prudent approach, and that is what we have with this Budget.

We have also heard that we have average earnings of £32,625.26, an increase of 26% since this Government has been in office, and we have had 95% reduction of unemployment since the election of this Government in 2011. Is that also meaningless? It is, in fact, a remarkable achievement because these are not just figures, these are not just statistics, these are not just a reflection of the state of our economy. These are matters that affect people directly. These are matters that affect the quality of life of members of our community. More people in employment and higher average gross earnings mean more income to our households, and all of that is to be welcomed. It is truly a shame and a sad reflection of the type of politics of Members opposite that they do not recognise that.

This Budget is about approving an Appropriation Bill so that funds are available to meet Government expenses. In this context it is difficult to understand the position of the Official Opposition in opposing the Bill – and we have heard today from the hon. Lady, who will be abstaining – but the Official Opposition, the GSD, have said that they will be opposing this Bill. It is difficult to understand that in ordinary times, but where we have faced and are still facing a pandemic the Opposition's stance is quite simply incomprehensible. As the Chief Minister has said, the debate on the Second Reading is about the general principles of the Bill. That is what we are voting on now. Is the Opposition not in favour of the general principle that funds have to be available to meet Government expenses? Is the Opposition not in favour of the general principle that funds are required for the GHA or for pensions? Where do the hon. Members think that money will come from, if not from an Appropriation Bill? In fact, by law it can only come from an Appropriation Bill, so what is the Opposition saying by opposing this Bill – that the Accountant General should act illegally by paying out money that has not been appropriated? Is that what they are saying? That is the only conclusion that one can reach from the Opposition's stance, a stance that is not just incomprehensible, it is irresponsible.

It is, in any event, worth looking at some of the provisions of the Bill itself, the Bill we are debating today on the general principles, to see what it is that the Opposition are opposing. Clause 2(1) of the Bill says:

The Accountant General may, under the authority of a general warrant issued in accordance with the provisions of the Public Finance (Control and Audit) Act, pay out of the Consolidated Fund of Gibraltar for the year ending 31st March 2022, a sum not exceeding £550,742,000.

That is for the purposes set out in Part 1 of the Schedule to the Bill, that the Accountant General should have access to money to pay out up to £550 million for the purposes set out in Part 1. How can they oppose that as a general principle? This includes £26 million to the Treasury, which no doubt will pay for many salaries. How are they opposed to that as a general principle? It includes £58 million for education, and that is expenditure that is required for books and materials for schoolchildren and for scholarships, and they are opposed to it as a general principle. It includes £17 million for policing, necessary to keep us all safe, including themselves and their families, and they oppose it as a general principle.

Clause 6 of the Bill will authorise, if passed, the Accountant General to pay out £285,386,000 for public utilities. Again, how can they oppose that as a general principle? It includes £140 million for the GHA, absolutely necessary to pay for nurses and doctors, to pay for life-saving equipment and medicines and to pay for sponsored patients. Members opposite and their families will benefit from that, yet they oppose it as a general principle. The £285 million for general utilities also includes sums for Elderly Residential Services and the Care Agency necessary to look after our elderly, vulnerable children and vulnerable adults, and the GSD oppose it as a general principle. It sounds incredible, but sadly it is true.

Despite the difficult economic circumstances this year, the Chief Minister has been able to announce an increase in disability benefit, an increase in the disability tax allowance, an increase in old age pension and an increase in the Minimum Wage, and at the same time no increase in personal taxation. All of these things are part of a Budget that the Leader of the Opposition describes as bad for ordinary people. It is a Budget that shows the commitment of this Government to the vulnerable, the elderly and all of our workers. It is a commitment which has been present with this Government since it was elected in 2011 and it is a commitment on which this Government has not wavered. It is a commitment on which this Government has delivered and deserves to be congratulated. So, unlike Members opposite, I will unreservedly support this Appropriation Bill (*Interjections*) and make absolutely sure that the Accountant General has money available to him to continue to pay salaries, to pay the GHA, to pay pensions, to pay for the upkeep of schools, to pay for scholarships, to pay for policing and every other thing that this Bill will authorise the Accountant General to pay.

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

ADJOURNMENT

Hon. Chief Minister: Mr Speaker, before I ask you to call upon me to reply, I propose that hon. Members should have the weekend to reflect on how they have indicated they are going to vote. And then on Monday at 10.30 I propose that we should come back so that people can understand – (*Interjections*) At prime time, Mr Speaker, because I have a lot of important things to say in response to some of the nonsense that has been uttered and which cannot be allowed to remain unchallenged and on the record, because our public do not deserve to think that the things the hon. Members are saying are true. For that reason I will come back at prime time to tell people why what they have heard today and in the past few days is really just the reality on the Planet of the Apes and Planet Hollywood.

Hon. K Azopardi: I like apes.

905 **Mr Speaker:** I now propose the question, which is that this House do now adjourn to Monday, 26th July at 10.30 a.m.

 I now put the question, which is that this House do now adjourn to Monday, 26th July at 10.30 a.m. Those in favour? (**Members:** Aye.) Those against? Passed.

 This House will now adjourn to Monday, 26th July at 10.30 a.m.

The House adjourned at 6.01 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.30 a.m. – 8.31 p.m.

Gibraltar, Monday, 26th July 2021

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The Gibraltar Parliament

The Parliament met at 10.30 a.m.

[MR SPEAKER: Hon. M L Farrell BEM GMD RD JP *in the Chair*]

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

Appropriation Bill 2021 – Second Reading – Debate continued

Clerk: Meeting of Parliament, Monday, 26th July 2021.

We continue with the First and Second Readings of the Appropriation Bill.

5 **Mr Speaker:** The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, thank you.

We have heard a lot in the past four days of debating these appropriations. Hon. Members who are Ministers on this side of the House have presented spending commitments that seek to preserve the integrity of the public purse as much as possible and return stability to our public finances, to prudently deliver growth but to get our economy growing again, and to restore in great measure and stabilise the public finances. That is what you have heard from my colleagues on what it is that each of them is going to do in the public offices that are assigned to them under the Gibraltar Constitution. Every penny of how they are going to spend the money is in the Book that is before the House. We have heard more detail than ever before. From each Minister what you have seen is the detail of that commitment, the sheer hard work, the desire to deliver and the commitment to what we are doing together for our people. And from the shadows, shallow criticism, armchair keyboard-warrior stuff, nothing of real substance and just spin of the most transparent sort. That is despite the fact that there are four lawyers there, two of them silks. One of the silks made no impact, and he is the Leader of the Opposition, and the other silk, who used to be the Leader of the Opposition – a former Leader of the Opposition, a FLOP – made the wrong impact, for reasons that I will once again explain to him.

Thank goodness they are not the Government at this difficult time, because we have also had to endure more dissembling, more disingenuous conjecture and more untruths than we have ever had to endure in this House before. At this particular time in our history it is not fair that the Gibraltarians have to have that sort of political game being played with the most important post-closed-Frontier Budget in our history, so what I am going to do today is set the record straight because I believe in the Gibraltarians, and in the end the Gibraltarians get it right. In their guts the Gibraltarians know who to trust, they know how to sift through all of the information that is put out there and they know how to make the right decisions for Gibraltar.

All we heard from Members opposite was that they would somehow have already done a deal with the EU, they would have surfed the COVID wave to a land of plenty and away from some alleged decay that the hon. Lady referred to. Apart from Mr Feetham, the rest were saying that we had delivered nothing, but at the same time they were saying that we had spent too much trying to deliver everything. And then the sweepers come in from the left and say that they would have done more and they would have spent less in doing so.

This is unbelievable stuff, Mr Speaker. This is not even political science fiction. The people of Gibraltar are left in utter incredulity at the shamefaced attempt by the Opposition to pretend that they can redo the truth. If anyone believes what they were being told by Members of the
40 Opposition, despite the inherent lack of logic and the conflicting principles that they put, I recommend that they should go and see their doctor as soon as possible. The Gibraltarians are not stupid and they do not believe such nonsense – because that is what it is, utter nonsense.

At this time and in this generation what we need is a great Opposition, and we have instead an Opposition that is spinning out of control and then trying to spin a great and impossible yarn.
45 Gibraltar deserves better for the upwards of £¼ million that the Opposition costs – upwards of £¼ million sitting on those benches to come and tell us the things that they have told us. Their salaries are a first charge on the Consolidated Fund, otherwise I would be minded to move an amendment to deprive them each of only one penny, just to demonstrate that the people of Gibraltar deserve better. They are lucky. The Hon. Mr Clinton said that the Principal Auditor could
50 not do his value for money audit. They are lucky that the Principal Auditor cannot do his value for money audit. He might have something to say. (*Interjection*)

I want to analyse two things as I start my address this morning. I want to analyse the two standout positions of the GSD Opposition from the two key speeches delivered, neither of them, ironically, from the Leader of the Opposition. There are two standout propositions which they
55 have set out in their two key addresses which I must highlight and I will highlight throughout my intervention.

The first key speech which alighted on this key factor was from my shadow on the public finances, Mr Clinton. Mr Clinton said this on waste. I made a note of what he said. I have gone back to check the transcript and checked his written speech. This is a direct quote:

I can already identify one clear area of waste – if the Chief Minister wants to take a note – and it is simply this, and this really is quite remarkable: why on earth do we have two sets of the 2021-22 Estimates Book?

That is a key proposition from the Shadow Member for Public Finance. The only area of waste I can find in the Book is the fact that there are two books – £1,062 it cost to print – to help the House, especially today, in the Committee Stage, when we have to go through it. And if we had not done it, Mr Speaker, *cual quieria lo escucha?* Who might have cared to hear him? The serious point is that he has said to this House, in the discharge of his responsibilities as the Shadow
65 Member for Public Finance, that there is only one area of waste that he can identify in the Book. That is a key concession by the Opposition. However much of a ‘Killroy’ he is on other matters, he really did make my day on that.

The second standout proposition, equally important and fundamental to understand the Opposition’s positioning on this debate, was, of course, from Mr Feetham, a man who does not
70 just have fire in his belly, he must have a raging arsonist having a go at him, because despite the comedy that he led us to – and I will come to that later – I thought he made an excellent intervention this year, and I will come to all of the detail later. Despite the comedy, he made this key concession in his speech. It is fundamental. He had to make it. He knew he had to make it because logic stood in the way of everything else that he wanted to say, but it guts everything else
75 that he said and everything else that they said. I quote: ‘Mr Speaker, of course, no one, no one, no one on this side of the House is saying that if they had been prudent with the people’s money over the last 10 years we could have avoided a £157 million deficit, which is, of course, COVID related, and no one could have predicted the pandemic.’ He only said it once. There were parts of his speech that he repeated on a number of occasions, especially ‘I told you so’, but this he only
80 said once, and he said it almost sotto voce. So, let’s make sure that everyone who is listening to this debate or watching this debate beyond this House, everyone in this House, and indeed the person to whom I address most of my submissions, the person who sits there listening studiously to us whilst they transcribe *Hansard*, let’s make sure that he or she gets what they said, because in the context of everything else that they said, listen to this key concession: ‘Mr Speaker, of

85 course, no one, no one, no one' – three times – 'on this side of the House is saying that if they had
been prudent with the people's money over the last 10 years we could have avoided a £157 million
deficit, which is, of course, COVID related, and no one could have predicted the pandemic.' I am
grateful to the hon. Gentleman for being true to logic and true to reality in making that key
concession. But of course the whole of his speech, the whole of all of their submissions were based
90 around 'I told you so'. In fact, in the speech that he sent to the media he actually put the title 'We
told you so'. What he should have done is follow it with a bullet point that said, 'But I accept it
would have made no difference,' – instead of coyly hiding his line and delivering it so sotto voce –
'that even if you had acted like I told you so, we would have ended up in the same place,' except
of course without new schools, without new affordable homes, without all of the things that we
95 have done: 'I told you so, but we would have ended up in the same place.'

Those are two key fundamental concessions by the Opposition and they thwart the logic of the
rest of the argument. If we were in a court – not in the court of public opinion, where we are, but
actually in a court – those two aspects that I have just alighted on now would be writing the judge's
judgment all on their own and finding for this side. Indeed, those are such fundamental
100 concessions to all of the theories that they have put before the people – not today, for the past
eight years since Mr Feetham became Leader of the Opposition – that they would probably have
had costs awarded against them on an indemnity basis too, because everything that they have
said for the past eight years they have accepted would have led to absolutely no difference in the
final position to which we had arrived when the worldwide pandemic hit. I thank them for, first of
all, accepting that they can identify no more waste in the Book, and secondly, for that key
105 concession which settles the argument of the past eight years, the argument on the 2015 election
and the argument of the 2019 election settled by the mouth of Mr Feetham himself. I think the
phrase *por la boca muere el pez* was used in another context, which I shall come to later, but it
could not have been used more appropriately than in this one. These two concessions disembowel
the rest of their theories.
110

There is a key problem in this Parliament, or there is a key novelty in this Parliament, and that
is that we all quite like each other, and that means that replying in this debate is a little harder
because you have personal relationships, some of them built perhaps in the last six to nine
months, or years, we have dealt with COVID. But they have been very tough on us, Mr Speaker,
115 and when they were tough on us, very tough – the hon. Lady has been remarkably tough on me
in particular – I assume they thought that being that tough on us meant that we would be
nonetheless able to continue with our personal friendships. I expect exactly the same thing back
after today, because I am going to be very tough in my reply, but I am not going to insult them
once.

120 They have said on a number of occasions, through different speeches, that we have bottled it.
'This Government has bottled it,' they said. I think that is a bit rich, given that we have been at the
crease at this hugely difficult time, a *hugely* difficult time. The Leader of the Opposition said that
we had bottled it when we called the referendum on abortion: 'The Government has bottled –'
Do not worry. He does not need to worry, Mr Speaker, I will give him his direct quote. In fact, we
125 have not bottled it. What we have sitting opposite us are seven transparent bottles sitting on
seven green chairs. By the time I have finished replying to them today, I think people will see that,
from their own words, they have accidentally fallen, slipped like the seven green bottles of the
popular nursery rhyme. In doing so, I will not be insulting them. I am not going to insult them at
all. I am going to humiliate them using the truth and their own words. Nothing will be more
130 humiliating.

This year, we heard the first speech as Leader of the Opposition from Mr Azopardi. It was not
impressive – I do not think anyone could have described it as impressive – and certainly not up to
the standard of a Leader of the Opposition, let alone one who has been a Minister before and
knows the ropes. I might have forgiven somebody else, but he had been a Minister before. He
135 knows the ropes. Even Mr Phillips, who was absolutely awful in 2019, was better than the Leader
of the Opposition. Mr Feetham is right – at least Mr Phillips has fire in the belly. I thought things

would get better for the GSD when Mr Azopardi came into Parliament, but in fact things have got worse. Even Killroy, who was bumbling, hard to make out, repetitive, simply stuck with the narrative that he developed in his first Budget address in 2016 and cannot escape, was less awful than the Leader of the Opposition.

Mr Feetham, I have to say, was absolutely excellent, he was absolutely magnificent, but of course excellent and magnificent only in one cause: in the cause of his own ambitions. He was not a particularly good advocate for any particular theory or position – in fact, he is the one who gave away the sentence I have just read – but he had the presence.

Mr Bossino was just slim and shady – and even calling Mr Bossino Slim Shady cannot for one moment be suggested to be an insult because I did not coin that name for him, Mr Feetham did, and I am sure that they do not insult each other on that side. No, they are colleagues, they are friends, they get along magnificently well. I am just adopting the moniker that Mr Feetham took for him. This is obviously not an insult.

Even when I say that Mr Feetham writes under an assumed name on social media I cannot be insulting him, because all I am doing is reflecting what the record shows Miss Hassan Nahon said, although Miss Hassan Nahon crossed a Rubicon that no other has. She delivered a speech that politicised the death of 94 Gibraltarians. It was, in my view, Mr Speaker, and respectfully, the most callous and inelegant position ever taken in this Parliament by any parliamentarian, a real low and a real pity, if I may say so.

By the end of today, when I have finished replying to all of them, they will be hard pressed to say that I have insulted them at all, but that does not mean that I am not going to wade into the sand banks of the shallowness of their positions to illustrate to people just how wrong they are, with no insults, just the facts and their own words, and that is what will hurt them most, to be reminded of their own words. That is what will humiliate them the most, when we hold up their words to the light – their own words held up to the scrutiny of analysis.

They do not like it when I respond to them here, not because I insult them; they do not like my reply in the Budget address because I tell it like it is, and I will not resile, in doing so, from my reference to malcontents. Yes, malcontents, Mr Speaker. They are malcontents as those who claim are more, without seeing that what we have to have regard to would make giving more even more dangerous for the stability of the public finances. They complain when we spend money, they complain when we save money, they complain when we do something and they complain when we do not. I am very clear that this coming autumn and winter of the malcontents will be just as ineffective for them as it has been since December 2012.

I thought that Mr Daryanani, in his first Budget address, coined a magnificent phrase to describe them: ‘bandwagoneering’. I looked it up. I like the term, but actually it is ‘bandwagoning’. Bandwagoning is the term in international relations used to describe a strategy employed by states that find themselves in a position of weakness. How appropriate. That is what they do all the time, bandwagoning from their position of weakness with those whom they perceive have a stronger or better moral argument than they do, because they have no moral arguments to teach this Government. They have been in government, they have done things, and when we do the same things they say we should not do them, so they have no moral authority whatsoever to bring to this House on any argument in respect of borrowing, in respect of companies or in respect of debt generally, despite the fact that we are facing an Opposition with more lawyers in it than ever before, I think, and two of them silks. There was nothing to reply to that was of substance. It was very lacklustre, very low quality, and in this time and generation, and given these difficulties, to see an Opposition behaving like rabbits stuck in the headlights in the face of this Budget was really quite remarkable. Rabbits, Mr Speaker. No lions and certainly no lioness. What Gibraltar needs now is lions and lionesses, not meek bunny rabbits stuck in headlights who would not know what to do. Rabbits are fine for paella or *al ajillo* but not to run a government in a difficult time, not to lead.

One thing that I cannot work out this year, though, is where they are in their attitude to the Father of the House. In 2019 they were all about Joe Bossano and his golden rules. It was a position

that I very much welcomed. This year, they seem to have shifted again. They were a little anti-Bossano in their approach. I do not get how they can change like that, although Mr Bossino has changed so much on Bossano, which I will come to, and Mr Azopardi as well. I am firmly pro-Bossano, his teachings and the golden rules. That is why we are going to ensure that the borrowing that we have had to do for recurrent expenditure is going to be wrapped up into a fund that will be paid off as capital. We will not continue to borrow to pay for recurrent expenditure, because that is the noose that strangles. That is the opposite of the goose that lays eggs: the noose that strangles. So, I will continue with Sir Joda's rules and his sacred texts, but in defending him now they are starting to make me feel like the Mandalorian, having to protect the Yoda and the sacred texts. I remember when they used to decry the golden rules. Their GSD in which Mr Azopardi sat came into this House, with slightly darker wood panelling, and said that the golden rules were nonsense. Then they came to this House, when it was convenient, to say that the golden rules were essential. This year, I do not know where they are on the golden rules. They have a lack of consistency in everything, and these are the people who are attacking us.

Well, let's see who they are, Mr Speaker. Mr Azopardi is the person who holds the office of Leader of the Opposition, but he did not get up to address us like one. Mr Phillips is the person who kept warm the office of the Leader of the Opposition, Mr Bossino is the person who would like to be the Leader of the Opposition, Mr Feetham is the person who used to be the Leader of the Opposition and Mr Clinton is the person who tried to hold the office of the Leader of the Opposition. That is what we are dealing with here. The hon. Lady is the person who thought she was going to be the Leader of the Opposition but did not make it, even though she topped the list of people in opposition – top of the losers' polls but nothing else.

I am going to go through each of their election-losing contributions one by one now, but before I start those more detailed points I want to address one point on social progress. Gibraltar voted in favour of safe and legal abortions in the referendum, not because the Government bottled it, which is what the Leader of the Opposition said in his interview on the night, at the University; in fact, Gibraltar voted in the referendum on abortion because it was a manifesto commitment of the parties that won the General Election, and we won by two votes to one. So there was no bottle in convening the referendum. He is shrugging his shoulders, like saying, 'What has this got to do with this debate? What has it to do with the appropriation, that I said that you had bottled it?' Well, I will tell him what it has to do with it, because as we go through the reply I have to give him and we go through the things that he says and how he changes his position, how he fails to understand things, I am going to show him how he has changed on that, too.

We had the courage to put the issue of abortion to three votes. We put it here in a Bill, we put it in the manifesto and we put it in the referendum. So, fancy a Leader of the Opposition who has forgotten that we had those commitments – when they put the lights on, the rabbit gets stuck in the headlights. He is asked why there was a referendum and he says, 'Because the Government bottled it.' But has he forgotten something even more fundamental? When he had appointed Mr Phillips *a dedo* to be the parliamentary Leader of the Opposition he sent Mr Phillips here to tell us that *they* wanted a referendum:

A free referendum on abortion, decoupled from this Bill, is necessary and a failure to recognise this is a failure to listen to the voice of the majority of this community.

Line 665, page 16, 12th July 2019. Then, at line 690:

If the Government were courageous and principled and believed in their abortion on demand law they should have no difficulty in accepting the view of the people and subject the decision to the widest possible debate in an unrestrained and free referendum.

And then, at line 715:

Middle Gibraltar should be allowed the opportunity to speak in a free, unrestrained referendum.

Mr Speaker, there was no policy to bottle it, using his language. They wanted a referendum too. Whenever they say things – and that is why this is important, because I am going to go through the things that they said in this debate – they forget the thing they have said before. They say things in the moment without analysing consequences or history. We know now that Mr Phillips was saying things in that debate which he did not mean, because he then told us what he believed should be the case, but what on earth was the current Leader of the Opposition doing two months ago, saying that the Government had bottled it when we called a referendum? Did he forget the speech that he wrote for Mr Phillips, to come to this House in July 2019? That makes him the first transparent bottle sitting on a green bench.

I know, and all of us in this House know that he is more ambitious than his style suggests, but frankly, after the intervention he made on Tuesday, I propose to Wikipedia that they should upload his photograph for the definition of ‘damp squib’, because a picture is certainly worth a thousand words – and this is the man who used to attack me for not having charisma. He may have forgotten that those are the press releases he used to write before 2011. I am expecting to receive a Christmas card from him this year that says ‘Happy Charismaless, from Keith’, given his delivery. For the money that he is getting as the Leader of the Opposition he really owed this House a lot more.

In any event, the legitimacy of his position as the Leader of the Opposition is a matter for them, but it was very clear at the time that he stood as leader of the party that he had not been a member for two years, which is what their constitution provided – an important point as well when it comes to the constitutional points that they make, because if their leader is not elected even in keeping with the published constitution of the GSD, what does that say for the respect that they will have for the Constitution of Gibraltar when they are in power?

Perhaps I am showing my age a little, but I do sometimes fondly remember those comedy classic’s *Carry on Dick*, *Carry on Jack* and *Carry on Henry*. That is the first thing I thought of when he got up the other day. This was really becoming a case of ‘Carry on Keith’. It was absolutely dreadful. He started by attacking us because we hark back to the past, and then what did he do? He had not got one paragraph into his speech when he started to hark back to the past. This man earns £65,000 as Leader of the Opposition. Gibraltar deserves better, Mr Speaker. And he is not a Minister. He gets £65,000 and he does not even have to go to the office of the Ministry in the morning. These Ministers work seven days a week. He gets to trouser £65,000 as Leader of the Opposition for one week a month, however much he might want to do or not do, and he did not even make a decent speech. It was all about the fact that we personalise politics. Well, that was incredible – which means lacking in credibility, which is absolutely true of the things that he told this House, totally lacking in credibility.

What is clear is that he thinks that his best tactic to get back to No. 6 Convent Place is to re-litigate the 1996 election – because they won that one, so he wants to fight that one. Or he is going to try and re-litigate the 2007 election, the 2011 election and the 2019 election – because he would quite like to have won those – all of the ones that he lost? I thought that all he was doing was looking for vindication, because there was no public finance analysis here – I suppose because he is not the shadow. He is not the shadow, so Mr Clinton delivers their analysis on public finance and Mr Feetham delivers their effective political speech, which leaves him where? Nowhere, with spin, soundbites of substance of nothing whatsoever – nothing to look at in the speech that you say you have to reply to. Of course I would say that, wouldn’t I? Of course I would say that, but James Neish, a columnist in the *Gibraltar Chronicle* not known to be a supporter of one side or the other, said this was really lacklustre, not even a good soundbite. There was no gravitas there.

It is clear that he is absolutely not a Muhammad Ali of the political ring. This is not a political heavyweight, like his predecessor as leader of the GSD, Sir Peter, or my predecessor, Sir Joe, or the hon. Lady’s father, Sir Joshua. All he does is fly like a butterfly from party to party and in and out of politics, but he never ever stings like a bee because he has not got it in him. It is clear that, however hard he tries, he has not got what it takes to be Chief Minister, at least not in the eyes of the public. He has not got what it takes to win three in a row, although he has demonstrated that

he has what it takes to lose three in a row. He has lost the last three that he has stood for as a party leader. Surely he cannot think it is an insult for me to refer to that, because that is just the
285 unvarnished and the unspun truth. Or has he forgotten the old days when the GSD and the PDP used to say to Joe Bossano that he had to resign as Leader of the House of the GSLP because he had lost three elections as leader? Will he take the advice that they gave to Sir Joe? I half hope not. At least Mr Feetham did. Mr Feetham lost as leader of the Labour Party in 2003, he lost the by-election as leader of the GSD when they were proposing the hon. Lady in 2013 and he lost the
290 General Election of 2015, and resigned as leader. He knows we were very sorry to see him go – and he said he had left for good. In all of that context Mr Azopardi's attacks on me and the Hon. Dr Garcia are that what we have done wrong is get to the top of the greasy pole. I guess that is just jealousy that is coming across, isn't it? When it comes to the greasy pole, he is so greased up he falls off every time. If he is equating us to political pole dancers, he is hitting the floor every
295 time he goes up the pole.

He accuses me of having changed party. Yes, it is true, I change party once, like Mr Bossino changed party once; not like Mr Feetham, who has been in three political parties – the GSLP, the Labour Party and the GSD. (**Hon. D A Feetham:** Two.) How can it be two, Mr Speaker? How can Mr Feetham, from a sedentary position during a debate on estimates, which involves numbers,
300 tell me that he has only been in two political parties? He has been in the GSLP, he has been in the Labour Party and has been in the GSD. I changed once, ergo I have been in two. I thought we were talking about the mathematics of the millions and the billions, not the mathematics of one and two. But the attack was against me for having changed once. Mr Bossino has changed once and Mr Feetham has changed twice, into three parties. The person here who has changed party most
305 often is the current Leader of the Opposition: the GMP, the GSD, the PDP and then back to the GSD. That is fine, but do not come here to attack us as if your most valuable missile against us is that I have changed party. Come on! They used to say that angelito Mr Feetham was not of GSD stock. What stock is he?

Well, Mr Speaker, we have got to the top of the greasy pole, and that is winning in politics.
310 Gibraltar needs winners to lead it, not losers. They keep slipping off the pole. Always the bridesmaid, never the bride. That is not success, that is failure. That is why I predict that he will soon be another FLOP, another former Leader of the Opposition, *con todo mi corazón*.

What we have now, in the context of the analysis that we are doing, is that he has admitted that he is the only person ever to have held ministerial office now in this place who has not been
315 a member of a government that has ever laid a brick in respect of housing. His excuse is that they were dealing with joint sovereignty – they had no way of creating affordable housing. Joint sovereignty started in 2002. They were in Government from 1996. Even Sir Peter had accepted the small electoral reprimand for not building homes in 2003, the year he left. Things got better under the GSD, then, on housing. They started to lay some bricks. But that guy, the Leader of the
320 Opposition, the man who was a Minister in the only Government since 1988 not to have laid a brick in respect of affordable housing, is the one attacking us for delays on affordable housing. Of course, he had his own home at the time, so he was not under pressure. He still relies on excuses, despite his abysmal record, while attacking us, but at the same time as he attacks us for not having done enough on affordable housing he attacks us for having spent too much inter alia on
325 affordable housing. It does not make any sense. When he wants to talk about rampant public spending, has he forgotten that he is the leader of the GSD? This is a party that spent £125,000 on each public toilet, and they installed 12 of them. Talk about spending a penny! That is rampant public spending – a lavish penny to be spent, indeed.

The strangest thing was to see a Leader of the Opposition quoting another Leader of the
330 Opposition more often than coming up with his own stuff. I salute Mr Feetham again. He obviously influenced the speech from Mr Azopardi greatly because Mr Azopardi constantly quoted the things that Mr Feetham had said. It is as if Mr Azopardi were wishing that Mr Feetham would come back to the leadership of the GSD. We do not mind. They can choose either. We are very happy with either. If Mr Feetham wanted to return, we would be delighted because Mr Feetham

335 at least puts up a great fight and is completely unelectable as leader of this community. So, he works for us, too. That would be perfect for us.

When you look at the detail of the things that the Hon. the Leader of the Opposition said, you really could not make it up. The first thing he said was that the Government has no direction or strategy, there was no vision in this Budget. The first thing I think about that is that he was not
340 talking about us, he was talking about himself because there is no coherent position from the Opposition in this Budget. One of them says, 'If you had been prudent, you could have avoided this problem,' and the other one comes and guts that proposition and says, 'Even if you had been prudent, you could not have avoided this problem.'

It is nonsensical to say that we have no direction, no planning, no vision, but it is nothing new –
345 he used to say those things of the GSD. The Leader of the GSD used to say of the GSD the things he has said about us. Here it is in his press release from the PDP on 29th June 2006:

Budget shows lack of planning and vision. The Budget announced by Government reveals both a lack of financial planning and a lack of vision.

Thank goodness for the *Panorama* archive, which goes back all the way. He can read it for himself. All he has done is repeat the press release that he wrote in 2006 to attack the party he now needs. There is no hope for those left behind for 10 years – all of that is in there. His reaction
350 to us has been identical to his reaction to them when they were in government. This is very difficult to comprehend. Yes, I am saying that the Leader of the GSD today is saying to the GSLP Liberals the same things that he said to attack the GSD then. It is difficult to get your head round that.

Even the bit about the people who have been left behind for 10 years – who has been left behind for 10 years? Him, his political career. Nobody has been left behind for 10 years. These are
355 the things that he hears on *Newsnight* or Sky News and scribbles down for the day when he has to come here, whether or not it is relevant – just like the time we had to deal with the references to National Insurance contributions, which Mr Feetham once told us had gone up, even though there is no such thing as a National Insurance contribution in Gibraltar. He had probably heard that on Sky News. Here, it is called Social Insurance. This one talks about the people who have
360 been left behind. Give me the names of the people who have been left behind, so I can call them and help them. There is no one who has been left behind. People will be better off and people will be worse off, but no one has been left behind. What is it that they think we have spent the money on? They attack us for spending the money, ergo not leaving anyone behind. They attack us for spending the money to buy votes from those people. Well, at least 10,000 people have not been
365 left behind. It is remarkable. It just does not make any sense. They complain when we spend, they complain when we do not spend, but they do not identify where we should spend in any event. The only waste in this Budget is the fact that we have printed the Book twice. How can they sustain the idea that there is no direction, that there is no planning, that there is no vision and that there are people left behind?

And what about this whole mantra that he has been developing now for a number of years – there is no certainty for us, although the UK has already done its treaty with the EU, no treaty after seven months, there are opportunities lost? Same old mantra that he has been talking about now for some time. I asked him, in what the Hon. Mr Bossino called my pre-emptive defence, to tell us in the context of his speech what were the opportunities that he, the Leader of the
375 Opposition, said that we had failed to take. Not a dicky bird, Mr Speaker. He did not give us any indication of any opportunity that we might have lost, that we should have taken. There is a reason for that, of course: he would not have done anything differently. Mr Feetham told us that in the context of the last intervention he made in this House in 2019. We had left no stone unturned, he said, and I was grateful for that. But what was *his* plan? What are the opportunities that *he* would have pursued? That, he did not need to tell me in his speech because I remember what he said on
380 8th May 2017. He said that we should pursue Gibraltar becoming an EU protectorate with the President of the EU Commission being in charge of our external relations. So, Britain having left

the EU, we put ourselves in the hands of the EU, we go into a relationship of free association with the UK – and I will show you where he said that – and then we put Gibraltar's future in the hands of the European Union President, the self-same European Union President who has now published the mandate that we all have rejected, with Spain in the European Commission and in the European Union and in the European Council. I do not forget these things. Does he? Is this the opportunity that he thinks we should have pursued? He wanted us to apply to become, under the European treaties, a European territory for whose external relations the President of the European Commission would be responsible. Black and white, his own hand. Does Mr Feetham agree with that? I do not. That is a direct quote. That was his tactic. That is the opportunity that we have failed to pursue. He cannot airbrush that huge mistake away. History does not forget. But he said that, of course, in the context of the things that he had said before. If he does not remember, I will give him a copy of the article, Mr Speaker, but these things are too important to think that you can forget them. In that context, what he said on 25th June 2008 was that his preferred option for Gibraltar was full independence, free association, and now with this added sting in the tail. Does Mr Feetham agree with that? Is that the policy of the GSD? That is the same week he was saying that the GSD had no planning, no vision, no direction in where it was going. This is his vision and his direction, and this is the opportunity lost. I do not think many people will forget what he thought the opportunities were that we should have taken. It is incredible how useful the brilliant *Panorama* archive can be.

These are fundamental issues. You do not get to flip-flop around these issues. Of course, this is in the context of the fact that he has published a book in which he has told us that he believes that the model Andorra solution is not joint sovereignty. It is there in his book, *Sovereignty and the Stateless Nation*, available at all second-hand booksellers. He does not think we should be closer to Britain. We do. He does not think that we should be closer to what he calls 'lethargic' Britain. That is what he said in his speech: lethargic Britain. He wants us divorced from Britain and in free association, full independence, with the President of the European Commission having control of our external relations. I am not saying it; he said it. It is in black and white under his name.

By the way, Mr Speaker, in his press release of 13th January 2011, in the run-up to the General Election of 2011, what he was also saying was that he was concerned at the level of debt. This is not his speech against me. This is the GSD leader's New Year's message now against the GSD. He was not the leader of the PDP, but that man, the man sitting there as Leader of the Opposition, the leader of the GSD, was saying a decade ago that he was concerned about the level of debt under the GSD because it was gross borrowing close to £½ billion – in fact, as we found out, it was in excess of £½ billion and there was much more hidden in companies.

This is just repeating things. He wrote a script in 2006, when he was trying to dethrone the GSD because they had taken on Mr Feetham, who was not of GSD stock, and he stuck to the script. That is the only consistency I can find, that he has said things against the GSD which, as the GSD, he is still saying against us. But in terms of missed opportunities, come on, let's be clear, we do not want to become a colony of the EU, we do not want the role of the Foreign Secretary or the British government today taken by the President of the European Commission, which is what he told Gibraltar he believes should be the case in 2017. Come on, let's get serious.

On the European Union mandate I want to be absolutely clear. It is not a flyer. It is not a basis for us to successfully negotiate a treaty. It is not going to resemble anything which is remotely acceptable based on that mandate because we are not in the position that he was in. So, how can he accuse me of coming here, or to Gibraltar, and waving the New Year's Eve Agreement as if I were Chamberlain getting off the aeroplane from Berlin? We have not even published the New Year's Eve Agreement. It was published by a leak in *El País*. Is he saying that I stood at the Piazza with *El País* and waved it like Chamberlain? It is nonsense. He just needed to shoehorn me into that example that he wanted to give.

I do have in my hand a paper, as Chamberlain said. It is a photocopy of the *Chronicle* of 8th May 2017, and I will give it to him later. 'Taxation of working people is not the best way to fix

Government's funding problem,' he said. Well, we agree. That is why we have not raised tax in any of the Gib bands. That is why we have not raised tax on the allowance based system, but he thought we were and I think he wanted to read that line of his speech. We have raised tax for category 2 individuals and we have raised tax for people earning over £160,000, for HEPSS, for the people in that bracket, because we have protected working people. What I have to do now is protect working people from their untrue rhetoric that we have somehow raised tax for working people, because we have not.

He complains also about the high cost of the public sector. Given that that is in his speech, if we do anything to reduce the costs of the public sector, is he going to support it, or is he also going to dissemble? I would remind him – just like I reminded him of this – of the things that he has said in his speech today. He says one thing and then he does another. He is already bleating about Community Care. I will come to it in a moment, but frankly, to say that you have been to a demonstration to deliver a petition but that you have not signed the petition, that you do not support the petition, that you have not read the letter and that you do not know why you found yourself there – you might have been on the way to get a coffee and they just dragged you along – is frankly ridiculous. So, I would not be surprised, if we do take measures to reduce the costs of the public sector, if he says that he is against it, although he thought the cost of the public sector was too high.

He told me that we do not have a licence to spend £500 million. The £500 million of borrowing that we can secure with the sovereign guarantee, we have not spent it. We have told you how much we have spent. What is clear is that their prudence lasts as long as their popularity, that is to say very little given the share of the vote. No sooner had they finished advocating prudent spending of the £500 million that we might borrow with the UK's sovereign guarantee, they went out of this place and Mr Clinton ... I do not know what happened to him, something completely out of character. He went out to offer the bid more money than they had asked for. That really is remarkable. How can they say ever again that they are prudent when they do not negotiate the amounts that come out of the public purse to ensure that you promote growth in the economy, that you support something that is positive in our society, but that you do not throw the baby out with the bathwater – which is what they did? They argue against the *a mí me pertenece* culture, the culture of entitlement, and then they feed the very same tiger. If the Hon. Mr Clinton were a bariatric doctor, he would be recommending that patients should have extra cheeseburgers to deal with their obesity. That is the nonsense that we are dealing with.

They tell us that we should have more business assistance schemes. Well, we may have to have more business assistance schemes, but has he forgotten that he was telling me to pare back BEAT sooner than I pared it back? We do not know how COVID is going to develop; we may have to have more BEAT or different measures. But then, when we spent the money do not come here to complain that we have spent the money.

They say that this Budget is bad for business. Of course they would say that this Budget is bad for business, because it is what he was saying to the GSD in 2006, 2007, 2008 and 2009 when he was in the PDP, and he has stuck with that. But what is it about this Budget that is bad for business? That we have put up electricity 16% less than they would have? No, I am sorry, I am wrong, Mr Speaker, I have got my numbers wrong. That we have put electricity up 34% less than they would have? We have put electricity up 16% for consumers. They would have put it up 50% already. Here is the document. In euros they were going to do this loan, so if they did this loan in euros and then the euro went from £1.20-odd to almost parity with the pound, as it did, imagine what that would have done to our public finances. Thank goodness we were elected to stop it. Five per cent a year for 15 years, 75% increases in the cost of electricity to every consumer. My Budget is not bad for business. My Budget is a discount for business on what they would have had if they had been returned to office.

What is bad for business about the Government that I have led in the past two years? The allowances that we have introduced on training, on employees, on capital allowances, on write-downs, on marketing? The fact that we have paid for every employee in every business that we

closed? The fact that we have extended sick leave, so that people can take more sick leave if there is COVID? The fact that we waived or deferred Social Insurance and PAYE? That is what makes me bad for business? Business knows better. Business will not be led by the nose. Business knows that when the time came we were there for them and we will be there for them. Business knows that putting up Social Insurance 10% is to fund the GHA so that we then need to fund it less through tax. Business knows that if they had been in government their electricity bill would already be 50% higher. Businesses have a longer and better view, and they understand that they will do better in a Gibraltar with a Government with stable public finances than in a Gibraltar where the Government has not got stable public finances.

Of course, nobody wants to pay a penny more – I understand that, we are all human – but if their failure to pay one more penny puts the state in a worse position from which it cannot recover, then the long-term effects for business are worse, in particular in Gibraltar, where the Government, as a client, is one of the most important clients of businesses across the board, and if we cannot spend, those businesses also do not have the opportunity to grow. That is how you deliver a budget for recovery, a budget to stabilise the public finances, and in that way a very good budget for businesses.

I told them at the beginning and I will tell them again: I believe in the Gibraltarian and I believe that the Gibraltarian sees through any attempt to pull the wool over his or her eyes. The Gibraltarian knows what we have done and the Gibraltarian businessman and business woman in particular knows what we have done, knows it was the right thing to do and knows that we now have to pay for it, and they know that the point of arrival cannot have been that bad if we have not put taxation up.

The hon. Gentleman wanted to go to the point of arrival because this was, for him, one of the key things he has been saying since we started COVID. What was the point of arrival? Huge successive budget surpluses, the biggest surpluses in our history and year after year. In other words, at the end of each year we had income that had exceeded our expenses, except for this year. We have grown revenue by 133% since we were elected. That is the point of arrival, and starting from a much higher base than they started, because if you turn one into two it is huge, but if you turn £1.2 billion into £2.6 billion it is even huger.

He said – and this is a typical, this is exactly the thing that he was saying in his press releases in the PDP and the thing that they were saying in 1995, which he wants to say again as if people had not moved on – the GSLP has not returned money to the people. This year we have returned more money to people through the Tax Office than we have ever paid back before in our history, following the OECD recommendations and building on the record the year before. So, how can he say that we have not returned our money to the people? It is nonsense. We have returned to people the money that they overpaid to the Tax Office quicker than ever before.

And let me say that we have increased recurrent expenditure, as if this were a sin. Of course we have increased recurrent expenditure. They increased recurrent expenditure hugely when they were in government, or has he forgotten? Has he forgotten that they arrived when the cost of government was £70 million and they left when the cost of government was £350 million? Has he forgotten that? Look at what they did to expenditure. If expenditure goes up in their time, if expenditure goes up when he is a Minister, it is perfectly proper, it is prudent, it is measured, they have increased services, they have enhanced public sector pay and terms and conditions. If it goes up in my time, it is reckless and lavish, even though expenditure has gone up less in my time than theirs, from £75 million to £350 million in their time, from about £350 million or £400 million when we took over, because in the election year they spent like there was no tomorrow, to about £650 million now. Come on! What is perfectly proper and reasonable in their time that is reckless and lavish in mine? These double standards are typical, but they will be pointed out every single time and I will have them know that the gap between expenditure and revenue is wider in my time than in theirs. That is to say I have always brought in, with this Government, more money as a ratio than I spent, except this year, but as the Hon. Mr Feetham said, 'I accept that nothing you could have done before could have saved you from £158 million deficit.'

Mr Speaker, what really was remarkable, what really was something that I never expected to see was the idea that he would be more prudent than us. Has he forgotten that when he went into the General Election in 2011 he was going into the General Election of 2011 promising to reduce tax by 5% in the top band? That, he has forgotten, no? So, I am imprudent, I am reckless, I am lavish. He was going to reduce the top rate of tax by 5%, a reduction of top rate of personal tax to 20%, to put more money in your pocket. 'Gib Election 2011 PDP pledges' – here it is. Does he know how much this would have cost? The cumulative cost of the tax cut that the hon. Member said he was going to give is £120 million, conservatively calculated – £120 million out of the kitty without Mons Calpe Mews, or £120 million out of the kitty without the new Bayside and Westside, or £120 million out of the kitty without any new schools, £120 million out of the kitty without more services, without the growth in the terms and conditions and pay of our public sector, £120 million out of the door to buy Keith some votes. (*Banging on desks*) Thank goodness they were not elected and today the whole deficit is not £278 million, because that is what it would have meant. We would have been deprived of the cumulative value of £120 million of Government revenue without anything to show for it. Even Mr Feetham being generous could not have got up and said, 'Nothing would have changed – you would still have had a hole of £158 million.' Even Mr Feetham would have had to get up and say, 'Look mate, it would have been a hole of £278 million because you tried to win a few votes to get back at Sir Peter in 2011.' That is remarkable.

I am not surprised by his populist approach because of the attitude that he took to Community Care in these past weeks. This is utter populist nonsense that they have been spouting, which they are now already trying to resile from. How can they talk about a legitimate expectation in the context of Community Care? He and Mr Feetham use that terminology. There are both lawyers. Legitimate expectations are things that in law will be enforced when withdrawn because the court will determine that they have to be provided for. There is no charity in the world that has ever been found to have created a legitimate expectation by its giving. Charities do not create legitimate expectations. If the St Vincent de Paul Society tomorrow stopped giving to one of the causes that it gives to, it is not open to an accusation of legitimate expectation.

I have a legitimate expectation, as a member of this community and as his principal political opponent, that when he marches in demonstrations he is indicating support for the thing that he is doing. I would have thought that at least is basic, but he told us here that none of them had signed the petition in support of the Community Care Action Group and the demonstration was to deliver the petition. But what is worse, he told us that he did not know that there was a letter to the Governor. This is worse than irresponsible. This is reckless in the extreme. You could not make this up. This is 'bandwagoning' but without asking where the horse is going or checking whether the wheels are going to come off. Politics 101: do not march behind a letter you have not read, do not support a petition you have not signed. It is absolutely mad. It is another attempt by him to be a political Macavity. He was there in the demonstration to be seen, so that he can garner the support of the people who were there in the Community Care Action Group, but when he comes here, he says, 'I didn't sign the petition, I didn't read the letter, I didn't know what they were there about.' In other words, he did not go for a demonstration, he went for a walk. *Fue de paseo*. It was a stroll. It reminds me of one trade unionist, who I am very fond of, who once went on hunger strike for a few hours. I thought it was more of a diet than a hunger strike. This was a stroll.

590 Does he know what he marched behind? This is the letter that he marched behind, the letter that he supported handing over to the Governor:

Dear Sir David

Copy petition from the Community Care Action Group

I am the Chairman of the Community Care Action Group, who are a group of men in their late 50s and early 60s.

– how sexist –

Our petition is directed at the Gibraltar Government and at Community Care. The Gibraltar Government

– listen to this in the context, in particular, of the history lesson he has had from the Father of the House –
595

created Community Care, a registered charity funded by the Government of Gibraltar, to operate the Community Officer Allowance and the Household Cost Allowance.

Nonsense! It was not created by the Government of Gibraltar and it was not, at the time it was created independently of the Government of Gibraltar, in keeping with the things that the Father of the House told us, to do anything with anything called the Community Officer Allowance, all of which we know came later.

The Community Officer Allowance is a scheme for Gibraltar-resident men aged 60 to 65 that was created by the GSLP Government

600 – wrong –

in 1988

– wrong –

for the benefit of Gibraltar-resident men in lieu of paying state pension increases to all pensioners.

– wrong –

The Community Officer Scheme has been in existence for over 30 years

– wrong –

and it has been expected practice that 60-year-old men would apply to become a community officer and they would automatically receive the community officer allowance.

605 Wrong again. He marched behind this, Mr Speaker. The Leader of the Opposition marching behind something to the Convent gives the thing an element of political credibility. The Governor, sure, would come out, as a gentleman, to receive the letter that is being delivered to him, but if the Leader of the Opposition is in the crowd of those marching in particular ...

It goes on:

The Household Cost Allowance is a scheme for Gibraltar-resident women aged 60-plus and also for men aged 65-plus that was created by the GSLP Government

– wrong –

in 1988 in lieu of paying state pension

610 – wrong –

increases to all pensioners. In effect, when a pensioner combines their Community Care payments with their state pension, they together form the equivalent of this country's state pension.

Wrong, wrong, wrong – but he marched behind this. If he did not know what it said, shameful, reckless. If he knew what it said, irresponsible, improper.

And then, Mr Speaker, it goes on to ask, more or less, that the British government take an interest in this in respect of Community Care, so that it should be paid. The British Government called Community Care a scam. Peter Hain told the Foreign Affairs Committee that it was a scam, and now we have written to the representative of Her Majesty the Queen, so that the British government takes an interest in restoring Community Care, with the Leader of the Opposition marching in support. Of course he averts his eyes and looks down – he should be embarrassed. Of course he should be embarrassed, absolutely embarrassed. Just remarkable.

Sir David sent me a copy of that letter, of course, as soon as he received it. These are matters not in the purview of the United Kingdom but of Gibraltar Ministers, and I will happily let him have a copy of the letter.

I have made very clear to those representing the Community Care Action Group that I look forward to meeting them to discuss any matters that they wish to discuss, including the Command Paper on equalisation of state pension, if we are able to publish it, as soon as we are able to publish it, but I will not meet them until they withdraw this letter. This letter is scandalous. It is dangerous to the interests of every single Gibraltarian of every generation. It is untrue and it contains materially incorrect facts, which are designed to or inadvertently will mislead the reader. The record and the history of Community Care has never been better set out than by the Father of the House in this place, in this debate. If a letter was sent by this group to the Governor seeking equalisation by imposition by the United Kingdom and he had marched behind it, the United Kingdom would do to us what they did to themselves: equalise it at 67. Let's be clear. This is the Government that equalised at 67.

When he says that we, I, us, the Government are a false dawn, I have to tell him I have met the new dawn that we represent. I have told them before I have met the new dawn that has been born from IVF. I have met and held the new dawn that has been born from surrogacy. Of course we have not done everything we have promised. We are in the process of trying to do everything we have promised. We still have to help people with surrogacy issues that have not been resolved, but we have got very close. The new dawn has a name. The new dawn walks the streets. That is the reality, and I will continue in the work of delivering not hyperbolic government, hyperactive Government. But to say that we are a false dawn, that we have done nothing, is really to mislead.

What is false is this newfound concern about the Government finances, surely. I told the House in 2019 that I had been negotiating with a lawyer who wanted £400,000 to be Solicitor General. I did not disclose who it was. He was the senior lawyer who was negotiating with me, who said that it was in the region of £400,000. He cannot be so concerned about public sector pay and the cost of the public sector when he was asking for that sort of salary. No, Mr Speaker, at the time ... He knows that I rate him very highly as a lawyer. I rate all of them very highly as lawyers. I make absolutely no professional complaint against them; my complaints against them are all political and in the cut and thrust of this political debate. But even I thought he was not worth it at £400,000. He will forgive me for saying that I would have thought it would have been a little too lavish, even for his legal skills, but if I had not thought it lavish he would be sitting behind me now.

And then he says that the delay in Hassan Centenary Terraces cannot be put down to COVID. No, but something else was happening. Has he forgotten Brexit? How the pound slumped against the euro? All of the difficulties that we would have contracting when the Frontier fluidity would not be clear and whether materials would come in and out? He shakes his head as if to say it is irrelevant. Of course it is irrelevant, because you are sitting in a position where you do not have to care, but if you are going to sign a contract on behalf of the Government of Gibraltar to put the people's money on the line, you have to care. All he is doing with Hassan Centenary Terrace is creating a vicious circle of criticism. So, when he says, in that vicious circle of criticism, that the

660 public sector is out of control – his words; despite not having a Solicitor General at the amount of money he would have wanted to charge, the public sector is out of control – I shall ensure that the regional officer in Unite and the President of the GGCA are aware of his position and the position of the GSD.

665 The public sector is not a gerbil that runs around and is out of control. The public sector is a cadre of working men and women who give their best for Gibraltar. That is the reality. The very same men and women we have praised – not just, but in particular, in the GHA and ERS – for the magnificent work that they have done over the pandemic, the people who kept Gibraltar running when the rest of Gibraltar was shut down, he says are out of control, and the hon. Lady has said similar things, which I shall come to.

670 To then pretend that everything in the Book that we have presented to the House is artificial ... He said these are artificial figures presented today. That is an accusation against the good men and women of the Treasury and the Ministry of Finance, not against me. I do not come up with these numbers, I am given them. I am told what the forecast outturn is. We then look at the estimates and make sure that they are right, so that next year the forecast outturn is close to the estimate that we make this year. They think they come here to say ‘Artificial numbers: *culpa de ellos, del gobierno*,’ the problem of the Government, their fault. No, Mr Speaker, it is an accusation against the good men and women of the Treasury and the Ministry of Finance.

675 If they had been in government, they say, they would have had more financial leeway to borrow, more ability to borrow. This is really remarkable. How can the Leader of the Opposition say that, when Mr Feetham comes to this House and says there would have been no difference in the final deficit position? The final deficit position determines what you would be able to borrow. It is that clear, but he makes no sense. When you scratch below the surface of his mediocre delivery, you find an oasis of inconsistencies like this House has never seen before. That is the reality.

685 He says in his speech that we have to control waste, but Mr Clinton has made very clear what he thinks the waste is. Two books? No, one.

And then he talked about corruption. Well, Mr Speaker, let’s be clear. If there is any evidence of corruption, give us the evidence or give the Police the evidence if he does not want to give it to us. If there is corruption, let’s stamp it out. The hon. Lady has told us that the Anti-Corruption Authority is coming; she has told us it is coming, she has told us all the detail of it. But if you do not want to wait for the Anti-Corruption Authority, go to the Police or get up in this House and use parliamentary privilege to make a statement, so that we know what you are saying, so that it can be investigated.

695 He is pressing us now on the Anti-Corruption Authority. I am just reminded of their press release about mismanagement of building schemes. He accuses us of mismanaging Hassan Centenary Terraces. He was accusing the GSD of mismanaging Waterport Terraces and OEM and all the rest of it, which they did. Pressing for the Anti-Corruption Authority, but when he was leader of the PDP he was saying the direct opposite. We have been proposing the Anti-Corruption Authority since 2011. We are about to deliver it. He has been saying, in 2011, that the Anti-Corruption Authority was a bad thing. The PDP, in their statement of 25th October 2011, published on 26th October 2011, said that the idea of an Anti-Corruption Authority was half baked. Mr Feetham was having a huge go at me at the time, he will recall. They said it would only serve to create alarmist headlines which will undermine the attraction of inward investment of finance centre business by creating the impression that there must be rampant corruption in Gibraltar if there is a need for a special Anti-Corruption Authority. They said it was enough to have the Police. Does he forget this stuff, or doesn’t he care that he contradicts himself so much – because he was also, at the same time, saying that there was corruption but that the Police could handle it?

705 Mr Speaker, I do not need to insult him, I just need to tell the public the truth about him and the things that he has said before, and that is humiliation enough for anyone who has an ounce of shame. He says there is no evidence of cost cutting. If there were the slightest evidence of cost cutting, they would have criticised it as cost cutting. They really are becoming – they are really

unbecoming as the Opposition – in Spain the Partido Popular: unconstructive, just bashing for the sake of it. They have given a speech saying that he is a constructive politician, that he does not do Punch and Judy politics, but then, when he comes here: “poma” punch. What they are saying is cut costs but increase services. That is why he is saying, ‘I support every increased allowance, but I do not support any increased costs.’ And then he says that we think that we do not have to account to people. We came here in March of last year and in September of this year and now we are justifying every penny that we spend, and on COVID we created a special fund so that everybody can see, under the glare of accountability, every figure. But have I admitted that we would have reached 40% of GDP if company borrowing had been included? Is that an admission? I have been telling the House, in September of last year, that we would win the argument in respect of structuring of the public finances, as we have, because of the leeway that we had given, and the idea that we have no repayment plan for the company debt or for the debt of the Government ... We have shown them the repayment plans in detail. We have taken Mr Clinton and others of his colleagues to No. 6 Convent Place and we have explained Eruca and the other structure, gone through them in detail, shown them the repayment plans and how they are completed. Has he forgotten that? I think Mr Clinton may have forgotten, and I will show him all the other things that they have forgotten, but Mr Clinton was sat in my office looking at the charts and how the drawdown happened, how the repayment happened. Has he forgotten that? I explained to them the investment, I explained to them the Eruca structure, I explained all of that.

What is it, Mr Speaker, that is wrong with us continuing to do the things that they did? Well, of course, that he wants to criticise now. What was his attitude to borrowing via companies and renting property, which Mr Clinton now says is borrowing? He managed to do both, or has he forgotten? I went back to his Budget speech of 2003, his last goodbye in those days, talking about his work on health and his relationship with Bernard Linares. He said:

It is my pleasure to continue working on some commercial and financial aspects of the new hospital project.

He was involved in the sale and leaseback and the PFI of the Hospital. At least Mr Feetham has consistently criticised that deal from the first day when he was socialist worker and in the Labour Party. He has never changed his position. Mr Feetham has never changed his position on that. He might have meekly avoided mentioning it whilst he was sitting on this side of the House with the Pyth, but he has never changed his position on that. It is, as Mr Feetham said at the time and as the Father of the House said at the time, the worst deal in the financial history of this community and it has his fingerprints all over it. A deal for the boys, by the way, as well, for the bonuses of banker friends, some banker friends who were very close to them at the time.

So, Mr Feetham and Mr Clinton, who are completely against renting and completely against borrowing and borrowing through companies, and in particular this PFI deal, what do they say to the \$400,000 man next to them about this deal, about the PFI of the Hospital, because it drives a coach and horses through every single argument that they put on debt, on borrowing and on renting. It deprives them of moral authority in every respect and Mr Feetham knows it.

I am being fair to Mr Feetham because he was not in the GSD at the time and he was always against that PFI. He was quiet about it when he was with the GSD in government, but the minute he became party leader he started to bang on about that horrible PFI deal, telling us that he was against it. I am being fair to Mr Clinton, because although I assume he was a supporter of the GSD at the time, and he might even have been a member, he was not a member of the executive and he had no executive responsibility. But Mr Azopardi was in the executive of the party and in the Government executive, in the Cabinet, and he has told us, ‘It is my pleasure to continue working on the commercial and financial aspects of the new hospital.’ So, he is the one in the GSD, or one of the ones in the GSD, who bequeathed us the Hospital PFI, the worst deal in history, bad enough to disqualify him from any legitimate criticism of anything else ever again.

Today, the GSD is represented in this House by the architect, or one of the architects, of that PFI deal. Can he really genuinely tell us that he is against us renting the children’s PCC or the PCC

down at Europort? Can he really tell us that? He was the Minister for Health who rented the ICC building to move the Health Centre out of our building at Casements and into a rented building at the ICC. They did that. So, when we have moved to the new rented PCC we have moved from a building that we owned to a rented building that somebody else owns, we have moved from a rented building that somebody owns that they moved us into, to another rented building. Why is it perfect, fantastic, brilliant when they do it, and disgraceful when we do it? Do you think the people of Gibraltar can believe this, Mr Speaker? This is running politics as he was running it by trying to give away £120 million on tax, as if this was a souk; complaining about us managing the public finances and the development of property whilst at the same time they lent their favoured developer ... Sorry, that is not fair, one of their favoured developers. They lent one of their favoured developers £7 million or more – OEM – and they lost £7 million with that developer, lost it. Thank goodness the people of Gibraltar had the presence of mind to choose us in 2011, not him, because he would have thrown another £120 million after that with his tax cut and put up electricity by 75% on a diesel-burning power station. He said, ‘Well, Mr Speaker, I have anticipated my criticism. We still want the new schools etc.’ Of course they want the new schools, because they do not want to tell people that the policies that they are advocating would mean no new schools. As Mr Isola succinctly put it and as Mr Licudi succinctly put it, they want to run with the hares and hunt with the hounds. They say they want to control spending, but at the same time they want to continue spending.

That is why they say that they are going to vote against the Budget, all of the reasons that he gave us: completely the wrong position to take. That is the consequence, however, of us gifting them consequence-free politics. They make decisions with no consequences. They will get a free pass on voting against because they think that we are going to use our in-built Government majority to pass the Budget. In other words, the GSD can do something as irresponsible as vote against the Budget because the GSLP Liberals are here to carry the can for them. We are here to be responsible and ensure that everybody is paid. So, after today, given what we have been told by them and by the hon. Lady, it will be clear to everyone that they will be paid thanks to us. It is very simple. If they took the benefit of being able to say that BEAT was paid thanks to all of us because they supported unanimously the measures last year, they have to accept that, therefore, the salaries as from 1st August will not be paid thanks to all of us, they will be paid only thanks to us. We will let our nurses, our doctors, our teachers and our technicians know that we will not let them down. We will not let our civil servants and our public servants go without pay and we will not let our pensioners and those who receive other state benefits go without, but they would because they are going to vote against, because he says that we are not transparent enough. Doesn’t he understand – he is a clever man – that we provide more information in this book and on the statistics page of the Government than has ever been provided before? Doesn’t he understand that our inability to file all of the company accounts is because we are having to reconstruct many of them because they passed the law that said that companies had to file accounts because the European Union require it, and then they failed – without exempting the Government – to file the Government accounts?

Mr Speaker, how disappointing that the attack that I then faced, as he was rounding off his speech with as much gusto as he could muster, was really just an example of somebody begging, borrowing and scraping for a line, because all he did was come here and use a bastardised Aznar quote and a bastardised David Cameron quote against Tony Blair. Having had got up there and brazenly, because his pencil took him there as he was writing, called the United Kingdom – our only friend in the world – lethargic, he then lazily relies on somebody else’s line. Remember, this man’s double standards – there are no bounds. Everybody else is lazy, and then, when he borrows somebody else’s line it is fine. We all know that David Cameron said to Tony Blair, ‘You were the future once,’ and then, when he left, Mr Cameron said, ‘I was the future once, now I’m going.’ Couldn’t he have come up with a line of his own – for £65,000 – to attack me with, just one line so that I might have something novel to respond to? I will give him one: he used to attack them once, now he has re-joined them. Or an even better one: he was never the future, just a useful

prop for Peter Caruana in 1996. His problem is we are still the ones negotiating the future. He was never the future, he is but the past. He is the past returned – like Banquo’s ghost, returned to
815 haunt this House with memories and recriminations of past elections lost. Something like that, no? Something snazzy. But to just repeat David Cameron’s line shows, as I have shown by going back to all of his old press releases, that he is just a broken record, the same as the PDP, the same as when he was in the GSD Opposition, same old, same old, just repeating now the same things he said when he was PDP leader. But then, as PDP leader, he was saying it of the party that he is
820 leading now. It is really quite remarkable because it goes on. You can see that he is levelling at me the same things that he levelled at Sir Peter, exactly the same words even, trotting out the same old phrases year after year. He is just a one-trick pony, one year for the PDP against the GSD, another year for the GSD against the GSLP. Zero credibility, a broken record stuck on the same annoying phrase.

825 There is also an element of hypocrisy because now he hates Victoria Keys, but on 4th July 2006 – Mr Clinton would do well to make note of this, because he attacked us for favoured developers etc. – Mr Azopardi issued a statement. The first one was to say that they would create a new town through land reclamation. Sorry, this is 4th October 2006. There was nothing wrong then, but Victoria Keys is a bad thing. He was attacking the GSD on 13th May 2008 for
830 mismanagement of affordable homes. It is just incredible. All of the same things. And then one of the things he did was he went on television, on Antena 3 in Spain, to criticise the Dr Giraldi Home, just like the Father of the House. Mr Feetham has told us repeatedly in this House that one of the things that disqualifies us from being patriots is that the Father of the House was on that programme. How does he feel about his leader now? All of the things that the *Hansard* will show
835 he said to Sir Joe about appearing on that programme must surely also stand good for the man who is now his leader. It is remarkable.

And then he was criticising the GSD for putting up electricity by 21%, in his press release of 1st July 2019. He just continues with the same old tired mantras. But the crowning glory of the inconsistencies I see in him comes from their press release of 22nd September 2010. In this one,
840 he attacks the GSD mercilessly for favouring their favoured developers, or one of them. I had forgotten this one, Mr Speaker, but it was a key find for me because they are attacking us for supporting what they say are our favoured developers. How can that be? How can they attack us for that? We and they were attacking the GSD then for having agreed to jointly develop Midtown with the developers of Midtown, then a much higher Midtown. We reduced Midtown in height,
845 we reduced Midtown in size and we pulled the Government out of the deal that his party did – the GSD – to support them. And he was criticising them mercilessly. Incredible. And he says that we have favourite developers. You know what they did with this, Mr Speaker? The GSD borrowed using Government companies and using Government buildings as collateral to invest in the Midtown project, and Mr Feetham was a Member of the Government that did that. I assume that
850 he knew, or it tells us an even bigger story about the GSD Government. So, favoured developers happened in the reign of the GSD. We are not going to hock any Government building, far from it. Favoured developers, who at the same time as this was happening were being given a deal where the remuneration was 1% of a £1 billion contract. That is what Mr Feetham’s Government was doing, that is what the PDP was criticising, that was the party that he now leads getting in bed
855 with their friendly developers.

Mr Speaker, it is not just *Hansard* that reminds us of everything that happens. The excellent *Panorama* archive also reminds us of everything that has happened in the past. We got the Government out of that deal. We got half of the Midtown plot back. We did not put taxpayers’ money into that development. That is the reality of how we have dealt with the problems that
860 they left us. And we brought Kings Wharf down a considerable number of storeys. But he attacks us for not doing Hassan Centenary Terraces and then he gets in the way for his criticism of the project that will take the rubble of the rubble mountain that will create Victoria Keys, that will allow us to create the second half of Hassan Centenary Terraces. He wants us to fail, or fail, or fail. He wants to put a block and a criticism in the way of everything that we have to do, to stop us

865 doing the things that he is criticising that we have not done yet. It is completely see-through. That is why it is very clear. When he has a land reclamation plan, it is fine. When we have a land reclamation plan, it is not fine, it is a bad idea.

He was calling on the GSD Government to provide economic leadership. All of the same mantras. The same broken record. But what is the reality, Mr Speaker? He wanted to end with a phrase that said that the Government's public finances were in the ICU. Well, it is a very big ICU
870 because the finances of every government in the world have suffered because of COVID, and as Mr Feetham said, none of the things that they have been recommending for us to do in the last eight years would have changed the fact that we would have had a deficit of £158 million – that is to say that we would be in a difficult situation. The last time the Government of Gibraltar's
875 finances were in the ICU, the last time we had a deficit, was after 2003 because of the spending of the Government of Gibraltar leading up to the election of 2003, and he was a Member of it. He was part of the Cabinet that went on the pre-election splurge of 2003, so his fingerprints are all over the first self-inflicted deficit that we are looking at, not a COVID deficit that even Mr Feetham says we could not have avoided if we had followed all of their advice – that is to say which they
880 could not have avoided – but self-inflicted deficit, his fingerprints all over it.

The public will not be hoodwinked. The GSD think they can hoodwink the general public by saying that we have spent enough but we have not done enough, that we have spent too much but they will not say what it is that they would not have spent on. What is it they would not have done? Refurbish the estates? They would not have built Beach View? They would not have built
885 Mons Calpe? They would not have built the schools, the two comprehensives? The refurbishments of Laguna, Glacis, Moorish Castle and the other estates? The sporting facilities? The shooting club? The new health facilities? The PCC? What is it that they would not do? Of course they will not put their finger on anything. They would not have put up the pay of teachers or they would not have put up the pay of public servants or they would not have increased the terms and conditions? Of
890 course they will not say what they would do, but Mr Feetham at least has accepted that whatever they would have done, they would have been in exactly the same place we would have been in today. He has accepted that, so how, in that context, can he tell us that we are not housing people fast enough? Clever people see through it, and the electorate is predominantly and majoritarily and mostly very clever indeed. I believe in the Gibraltarian, and the Gibraltarian sees through this
895 nonsense.

They say that we are not socialists. Well, if we are not socialists, what have they done as socialists? Spent less on housing, as better socialists than us? Spent less on terms and conditions of employment and salaries, as better socialists than us? Come on, Mr Speaker, this is nonsense. But I know that he is not actually fighting me. I realise that. He is actually fighting them. This is still
900 about the league table on that side, to see who is going to lead them in the next General Election, as I intend to show by the time I have finished with the rest of them. None of them would make better stewards of our economy than we do.

One less green bottle sitting on the wall, so there are six green bottles left perched on the green chairs opposite. The next one I am going to deal with is Mr Clinton. Mr Clinton has been an ally in the past 24 months in many respects, and I want to once again thank him for the work that
905 he has done for us, but of course by that measure he has also been a co-conspirator. Or is it that he can take the benefit of being an ally of ours but pretend that he has no responsibility for the consequent spending that we agreed to do? We then do the spending that we agreed, there is a bottom line and he comes to this House to say it is our fault entirely. That just does not wash. That
910 defence could not even be run by the colonial-era bookkeeper that I used to characterise him as. It just does not wash.

This deficit, because of the spending we have had to do on COVID, has all of our fingerprints on it, as Mr Feetham has, himself, told us, because it is that spending which has led to the deficit that could not have been avoided. We did what we did together – but he has to take the negative
915 of the 'together' as well – for very good reasons: to keep people with income, to keep people with food on the table, to keep businesses afloat so that they would be ready to continue running when

we could reopen again. We did a good thing and we did a good thing together, and he should not run from that good thing simply to come here and spin a yarn that we will work with some people who do not think – because most people, you see, Mr Speaker, do think.

920 His speech was, once again, a thoroughly unedifying, thoroughly unconstructive widespread casting of aspersions. ‘I know better than anyone’ is his attitude to all of the approaches that we have had in Budget time; ‘I know better than anyone and the GSD has now been persuaded by me, again, to vote against Budgets.’ That will be his lasting contribution to the jurisprudence of this House, persuading the Opposition, when improperly led by individuals who cannot see
925 through this, to vote against Budgets in Gibraltar. That is what he has done for them. We should understand what he would do if he ever held the purse strings in Gibraltar, because not spending is not a way to run a country, especially given that he has told us the only waste he has been able to identify is that we have printed the Book twice and we would have saved £1,062.

Mr Speaker, frankly, I need to now address what I will call the Clinton complex. He has
930 developed a very odd complex. He seems to have lost his sense of what his role is in opposition. In the strictest sense, an Opposition comes here and coerces the Government to do things different by opposition, by nudging, etc. That is what Oppositions do; it is what they are elected to do. It seems to me, perhaps because of the two years that we have spent working together, that Mr Clinton is no longer satisfied with opposing and suggesting things. No, Mr Speaker, if we
935 do not actually do things that the Hon. Mr Clinton says the way he says them, it is disgraceful, unacceptable and not to be supported because the number might be there but it is on a different page, the number might appear under a different head than he might have seen it, the number may appear in the Gazette, or the number may appear in a company account. If we do not do it the Clinton way, it is the political highway for us. He had better get used to the fact that we are
940 not going to be doing things the way he says. We are always going to listen to him, genuinely, and if it is right and we have missed something, or if he has a better idea, we will listen to it and we will implement it, but we will not permit him to try and drive the public finances of Gibraltar from opposition, because he has not been elected to do that.

Every time we say no, he gets up in a show of the greatest upset and criticism. For example,
945 when we sell the berths at the small boats marina, we are flogging them. ‘Flogging’ is a word designed to be pejorative. But when they sell the post-war stock of the Government of Gibraltar, the jewel in the crown – every apartment sold, lost forever, never coming back – it was a masterful step because it was taken by the GSD. I think the only thing they are flogging is the dead horse that is the GSD, let’s be clear.

950 When it comes to rentals, if they move out of the Health Centre at Casements and they rent the ICC, it is perfectly proper, prudent financial management. If we move out of the rental from the ICC to a more modern building next to the Hospital, it is absolutely disgraceful and we are left with a begging bowl. Come on, Mr Speaker!

If they take the borrowing of the Hospital, it is perfectly acceptable and presented as if it is the
955 best deal in the world by the architect and by the former Chief Minister. Well, Mr Speaker, they started the borrowing, they started the borrowing through companies, they started the PFI, they started the renting. But it is clear to me that if knowing all that he still comes here and delivers the sort of speech that he delivered, it must be because he has not lost his leadership ambitions. Somewhere inside him the little worm is stirring and saying, ‘You could do it, Roy.’ There is no
960 logic, otherwise, why somebody would come here to say, ‘You should not borrow more, you’ve got your reserve – tap into your reserves,’ whilst at the same time, in the same speech, saying, ‘Don’t allow Community Care to spend its reserve, give it more money; it is disgraceful that you are not giving it more money.’

Well, Mr Speaker, he is wrong on two fronts. Totally contradictory. He said that we were not
965 giving money to Community Care. I want to go through the chronology of that speech. Listen to what he said. Listen to this gross error from Mr Clinton:

We can see today in the Estimates Book that there is no contribution to Community Care by this Government in the last financial year, which ended in 2020 [...] in fact, we are talking about a two-year period [...] zilch, zero, nothing. Nothing to Community Care in two years, Mr Speaker. Community Care is now having to rely on its reserves, which by my estimation of about £80-odd million would only last four years. And so it is the GSLP that is now running down Community Care's reserves, contrary to their much repeated mantra. Let me say that again: it is the GSLP who are running down Community Care's reserves. [...] what is undeniable is that in this Book for two years, 2019-21, there is no contribution showing, at least from reserves, going to Community Care ...

That is not true, Mr Speaker. That is *not* true. That was either a gross error or a gross attempt to mislead the public. Either way, it is embarrassingly wrong, a dereliction of understanding or a massive attempt to pull the wool over people's eyes on Community Care. The GSLP Liberals are providing the funding. It is there, as I will show.

I then shouted across the floor, because this was too important, Mr Speaker, to leave as it was. I shouted across the floor. It was so bad, so gross, such a dereliction, that I wanted to immediately bring this attention to his mistake. I said from across the floor, 'It's there in the Social Assistance Fund!' He then said this:

other than perhaps somewhere back in the Social Assistance Fund, which is

– not a statutory payment –

an amount which is usually £7½ million ... I cannot remember, but there is no contribution [to the] surplus and there is no top-up going to Community Care.

Utter gobbledegook, no contribution to the surplus. This is double nonsense, Mr Speaker. There is no statutory payment to Community Care. There is no statute in respect of Community Care. It is utter gobbledegook. That is why *they* were able to bring it to its knees, the GSD, because there is no statutory payment. If there was a statutory payment, the law would have operated for a payment to be given, but when Mr Azopardi was in government and when Mr Feetham was in government they were bringing down the contributions to Community Care. They brought it to zero. It had no reserves left. A reserve of zero is no reserve at all. What he said was tripe and nonsense, and he is clever enough to know it. Of course there was no contribution *from* the surplus, not *to* the surplus. How can there be a contribution from Community Care *to* the surplus? Nonsense. There is no surplus, for the reason Mr Feetham told us: because of the COVID pandemic, whatever we had done, there would have been a deficit. This is the first year that there is a deficit since their pre-election splurge of 2003. That is why there is no contribution from the surplus, because there is no surplus. But he says there is no top-up going to Community Care. Yes, there is. He is wrong again. He will tell us we were hiding it. Well, we were hiding it in plain sight, in the place where it always is, where it was in their time and in our time, in their Book, which they say gives the full view, even though it is a hundred pages less, and in our Book, which gives the full view but they say gives half the view. On page 453, Social Assistance Fund payments – recurrent payments and contribution from surplus. Of course, it is the recurrent payment, not the contribution from the surplus, because there is no surplus.

'Fair point,' he says, and I appreciate that, because he has demonstrated that he is therefore honest in the way that he put his arguments, and I am grateful. He has accepted that he was wrong; I am grateful for that, Mr Speaker, because I will remind the House of how we fund Community Care. We pledge an amount each year to meet Community Care's cost. Over the 2019-21 period we have contributed £15 million – it is there in the Book – and our policy has always been that if there is a surplus, we reverse out the recurrent payment and make a larger contribution from the surplus to Community Care. That is the way that you do a gift to a charity, which is what it is, rather than a contribution to something that is not a charity, which might otherwise then have a linkage between the Government and this very worthy charity.

If Mr Speaker looks at the column for 2018-19 on that page, the year before the pandemic – it is the same page but the forecast outturn – what we were doing when we did have a surplus, what

it shows is that we gifted £25 million in one year to Community Care. This is £15 million over two years under the recurrent head, not the surplus contribution head. That is the same process as has happened every year before whilst we have been in government. It should come as no surprise that there is no contribution for the surplus, because there is no surplus. That is the top-up that he said was not there.

Mr Speaker, I think it is important that when we look at the things that the hon. Gentleman says ... This is fundamental. It goes to one of the key points in political dispute in Gibraltar today, because of the issues with Community Care. This was in the Book and he got it wrong, and he has accepted that he has got it wrong, for which I am grateful. He is saying to the Hon. the Father of the House, 'Reduce the reserves of the Savings Bank,' but at the same time saying, 'Don't reduce the reserves of Community Care,' which we could have asked the trustees to do by not giving them the additional amount of the surplus, but we have given them the top-up. I think it is fundamentally important to make this point, because it shows that Mr Clinton says one thing about one reserve and one thing about another, and he says things about the Book which are actually not true. It is not the only figure that he has missed in the Book and that he has complained about, and I will take him to another one later.

But, at least, now he has accepted that Community Care payments are not in jeopardy – because we have done the top-up etc. – he has also said that the reserves would last Community Care for four and a half years. Well, only because we are in government, because if they had been in government, for the reasons the Hon. the Father of the House gave, which I will deal with in the context of replying to Mr Feetham, already the reserves were zero. This year, with a GSD government, with Community Care and reserves at zero, if we have not been able to give the top-up, the end of Community Care payments completely. That, they have to understand.

Then the Hon. Mr Clinton attacks me for issues related to the Finance Bill. He keeps telling me that he wants Finance Bills. When I tell him I am going to do something akin to a Finance Bill –

Mr Speaker, I am advised that I should recess the House for a few minutes because the stream has gone down. I propose that we recess for 15 minutes.

Mr Speaker: The House will recess to quarter to one.

*The House recessed at 12.30 p.m.
and resumed its sitting at 12.45 p.m.*

**Appropriation Bill 2021 –
Second Reading–
Debate continued**

1035 **Mr Speaker:** The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Thank you, Mr Speaker. I understand that the technical gremlins have now been resolved, but we shall be alive to the fact that they may return, and if the Clerk asks me to stop, I will.

1040 Mr Speaker, I think I was saying that Mr Clinton has asked us for years to think about a Finance Bill. Well, this year we are going to do certain things. We are going to publish today, or tomorrow, depending on Gazette timetabling, all the regulations that are required to give effect to the measures – not all of the measures require amendment to primary legislation – and then we are going to publish the legislation that requires an amendment to a primary Act in the context of the
1045 next hours or early tomorrow morning, and I propose to certify those Bills as urgent and bring them to the House at the end of Question Time in the normal running order of Bills.

It will not be a Finance Act, because the amendments are required only to the Imports and Exports Act and the Income Tax Act – not to raise taxation but to provide the relief on the allowances. So, I hope he will realise that we have listened to business and we are going to do that
1050 in order to ensure that they have the certainty that they say they want, but we are not going to do it in the way that he has proposed. I hope he is not, therefore, going to take against us, and I hope that he will be supportive of the Bills we bring. I wonder how they are going to vote, though, in respect of those Bills, because they will be the Bills that give effect to the Budget that they will have voted against. If you are against the Budget, how can you be in favour of the measures? They
1055 are creating all of these contradictions in the way they have decided, since 2016, to take the approach they are taking.

He says that we beg, borrow and scrape in the way we approach Government. Well, nothing could be further from the truth. Let me explain to him why that is the case. I do not think any Government has spelt out with the amount of precision that we have how we are going to deal
1060 with our debt. First of all, I remind him again, as I reminded the Hon. Mr Azopardi – who may not have known; I cannot remember when he became leader of the GSD – that when we did two particular packages we invited him to No. 6 Convent Place. We were, as ever when we are not with the cameras rolling, able to cordially enjoy each other's company. We explained all the detail of the investments in question and all of the manner in which we would be dealing with the repayments. He might not agree with it. Nobody says that you have to agree with the repayment
1065 plan – unless he is saying I have to bring a repayment plan that he agrees. He is saying I have not brought a repayment plan. He knows there is a repayment plan, he knows the detail of it, and here, in the context of this House, I have said already that in the context of the state aid case that he knows that we have pending, where I informed the House that we now have the money in escrow, that we would apply any recovery from the state aid case – which would be an
1070 extraordinary amount that would come in – to the repayment of debt. I have said that already, Mr Speaker. Additionally, I said in my speech on Monday that if we have extraordinary sales of land, we will also apply them to the repayment of debt. I do accept that this may not be a repayment plan that he agrees with, but his point in his speech was not that I was not bringing a
1075 repayment plan that he found agreeable, he was saying that there is no repayment plan whatsoever. I really think that that is unfair.

I have also said in this House that we would look at how we deal with the issue of the guarantee over three years, whether we might extend that, whether or not we might take a different view and whether or not we might repackage that amount in a different way that might deliver the
1080 advantage of the low rates that we have in respect of the borrowing. Frankly, I think we have done our level best, but it is also true that we do not know whether we are out of this yet. We all hope that Gibraltar's high vaccination rates mean that we are out of it. There are different views as to

what happens in the autumn and the winter, and the boosters and not the boosters, but we may actually have to spend more before we crystallise the amount that COVID has cost us. I think that is important to understand. The deficit might not be £50 million. The deficit might be more next year if we have an extraordinary situation after the autumn, where we have to spend more on BEAT etc., but, frankly, I think we have the best professional advice with the Financial Secretary and the teams that he leads and the professionals who advise us generally, and I really do think we have done an extraordinarily good job in the context of dealing with debt in the light of this pandemic. Again, I have to remind him that his former leader, Mr Feetham, said specifically in this House, alongside his statements on waste, that there was no way, whatever we might have done, even if we had followed their advice – that is to say even if we had acted like a GSD government would have acted – that we could have avoided that deficit. That is fundamental.

Mr Speaker, after those initial points that he made I really think that his speech started to deteriorate and was not even of the quality that he has in the past sometimes shown us. It soon started to become ‘Carry on Clinton’, but without the intern.

Mr Speaker, I know that they do not like us to reply to them in ways that point out all of the things that are wrong with what they say, but for somebody to come to this House and say that we are going round with a begging bowl on behalf of this community, borrowing and scraping, is really very pejorative because he is a respected member of this community and a respected Member of this House and people will listen to what he says – and people will, unfortunately, then realise, when I reply, that the things he has said are not correct. But I do have to deal with them, because he is somebody we respect and the public respect. Mr Speaker, the only begging bowl I can see is the one where he is saying to me, after my replies to him in many Budget speeches already, ‘Please, sir, can I have some more?’ and I am going to give him some more, because the facts will make very uncomfortable reading for him in the context of the things that he has said.

First of all, I want to deal with the issue of the Barclays Bank loan renewal. I want to remind him of what he got wrong in the context of the Barclays Bank loan renewal. He told us during the course of his speech that he was concerned that Barclays would not renew our £50 million of borrowing, but he must have forgotten – just like he did not spot the Community Care payment – that I told him repeatedly through to 2019 and 2020 that we had received offers from Barclays to renew the whole of their facility, but we had turned *them* down because we found their terms unattractive; we could find better terms. On 30th May 2019 – it is there in the *Hansard*, at line 2517. The Father of the House says to him:

Barclays has indicated that they are willing to renew the facility that matures in October.

In his Budget speech of 2019, the last Budget speech he gave before today, he acknowledged that. He said this, not me:

I was pleased to hear from Sir Joe in answer to Questions that Barclays have indicated that they will consider renewing the [facility]

How can he then say he was concerned that they did not renew the facility?

I told him, and the Father of the House told him, that we preferred not to do it with Barclays Bank because by doing it with Barclays Bank, on terms which were not as good as the terms we could get elsewhere, or indeed from the Savings Bank, we were giving away the interest charge to Barclays Bank, who had left Gibraltar, instead of giving the interest charge to the people of Gibraltar to be in the reserve of the Savings Fund. This was explained, specifically in the context of the importance of that rainy day fund and how it grows, to him at line 80 of the *Hansard* for 19th December 2019. Then, on pages 9, 10 and 11, Sir Joe and he have a constant to and fro about this. They are talking about all of this detail. I will give him the copies if he does not want to look it up himself. In February 2020, just before COVID hit, he got the answer again. On page 34 of the *Hansard* for February 2020, at line 1495, Sir Joe specifically tells him they offered to renew and we turned them down because we could get better terms. How can he be worried about the fact

that Barclays did not renew, unless he wants us to do it with Barclays because he has an arrangement with them, or a friendship with them, which I doubt he has, and he prefers that Barclays get the interest than the people of Gibraltar in the Savings Bank on better terms?

It actually makes no sense, but I really think that having heard from Sir Joe that it is not that Barclays did not have the appetite for us, it is that we did not have the appetite for Barclays, he can pretend for one moment to conjoin an argument of concern because we did not renew with Barclays. Another very serious mistake. This man has been the manager of a bank. He is highly regarded in this community and he is highly regarded in the finance centre, and he comes here and says in this Parliament, 'I am concerned that Barclays did not renew the facility.' Immediately that has to spark off concern, until you do all the work that I have had to do to show that he has been told not that Barclays would not renew the facility, that they wanted to renew facility, therefore no issue to concern yourself about, but that we decided not to renew it with Barclays because we wanted to keep the interest in Gibraltar. He has to understand that when he makes remarks we have to reply, because if we do not reply in detail, showing that he is wrong, it can cause a problem to the public finances of Gibraltar.

He could not see a contribution to Community Care, which is in the Book. He has accepted he was wrong. He could not remember that Barclays had been prepared to renew the facility but we did not want to renew it with them. What else couldn't he see? All of this failure to see what is there, what he has been told and what he has forgotten, might make the idea that he sells to the people of Gibraltar – that we have hidden debt – something that we have to investigate. I have told him before all of the detail of the Eruca structure etc. It would have been remarkable, for me, if I did not know that he had got it wrong on Community Care, he had got it wrong on Barclays and he had got it wrong on Eruca and the other arrangements, for him to have got up in this House and said, as he did, that there are no sausages in Morrisons. Mr Speaker, I have the photograph to show that last week, when he was on his feet saying there were no sausages at Morrisons – I will send it to him – the shelves at Morrisons were *full* of sausages. (*Laughter*) They were all there, hiding in plain sight alongside the renewal by Barclays and the money to Community Care, all of it. He is just no longer able to dominate the debate with these statements, which are wrong, because we go behind them and we are able to show that his theories and even his eyes deceive him.

Indeed, Mr Speaker, as I move on from the great British banger, it is incredible that Mr Clinton, the Shadow Member for Public Finances, gets up and says, 'We don't know what you're doing with your money,' and at the same time, in the same debate, the Hon. Mr Feetham, who really led the debate for the Opposition again, gets up and enumerates exactly what we have spent the money on. He says, 'You spent £750 million on A, B, C, D, E, F and G.' Why don't they just go and have a chat? He who says that he does not know where we are spending the money could have a chat with he who says that we have spent the money in order to win elections, and they could do and the reconciliation that Mr Clinton is not prepared to do, even though the buildings, the schools – everything that he complains about – the new Health Centre etc., is all hiding, like the sausages in the Morrisons fridge, in plain sight. It is so clear, Mr Speaker. They urge us to spend less, but then they complain that we are not doing Chatham and we are not doing Bob Peliza because we are having to move things around.

Mr Speaker, is it that things only happen for Mr Clinton if they are here, so an affordable home has only been built and can be lived in if it is on page 16, head 15, 'Other charges' point 6? There are the affordable homes. If it is not here, it does not exist. Mons Calpe Mews is not there, Beach View Terraces is not there, Bayside and Westside Schools are not there – because they are not here. Our children are not enjoying the benefit of it because they are not in the right place in the right book, where Mr Clinton says. Of course they are there. They are just like the sausages he could not find. I will happily take him by the hand through the Book as I go, as I will take him through the sausage isle at Morrisons, Mr Speaker.

Why does he complain that we are going to create Victoria Keys? His current putative leader, Mr Azopardi, is chastising us just like he used to chastise the GSD, using exactly the same

terminology for not having yet started to build Hassan Centenary Terraces phase 2. To build Hassan Centenary Terraces phase 2 we have to remove the rubble mountain to Victoria Keys. He does not want us to do Victoria Keys. What would he rather we do? We have to use the rubble mountain for Victoria Keys and for Caisson for the Marina. Otherwise, we have to pay to take the rubble – which in Gibraltar has a value because you can create land with it – to Spain. Is that what he would prefer? We are not favouring developers, we are favouring the people of Gibraltar and the economic growth of Gibraltar by creating land with the spoil which will make way for Hassan Centenary Terraces. He has to see this, Mr Speaker, he has to open his eyes, he has to look beyond the sausage and see what is happening.

All of these things are things that we turn into a positive. In other words, the problem of the spoil, which, by the way, is not spoil that we put there ... It used to be a reclamation, which started under the first GSLP administration, which was called a rat-infested pit by the GSD when they were elected, and no sooner did they leave Government that it was Sovereign Bay, which was the same mountain that we are dealing with now. So, they are again trying to set up obstacles and criticisms to prevent us from doing the things they say that we must do, but we turn that problem into an opportunity and we create a new reclamation for our people. And what do they say? They go round turning people against it, saying this is just favouring developers. *They* favoured developers, Mr Speaker, by giving them the deal to do Midtown and investing with borrowed Government money. We are not doing that. We are ensuring that we can move the jigsaw puzzle that is Gibraltar, to ensure that we can build Victoria Keys, we can build Hassan Centenary Terraces and we can build Chatham and Bob Peliza. But, of course, we need somewhere to put the spoil of Westside when we demolish it. Does he think we should pay to take that spoil to Spain, or create Victoria Keys? All of these things have to be done and they have to be done at a particular time. They criticise us for not having done certain things, but none of them – and I will deal with this more in the context of Mr Bossino's speech – have congratulated us for building St Martin's, none of them. They do not say, 'Look, I accept that you have built St Martin's,' they say, 'You haven't yet started the demolition of Westside in order to do Chatham Counterguard,' etc. There is one person holding out there still. We will not be blackmailed. We will make sure we pay the right amount to the person holding out, but we will build these homes for the people of Gibraltar.

Mr Speaker, the other thing that he says is a problem is that we are growing Government rents by 3% a year. Well, he might care to tell the many people who have taken a mortgage in Gibraltar in the last 30 years that growing Government rents by 3% a year for Government properties is somehow wrong. They were urging us to put Government rents up, until we put Government rents up. The minute we put Government rents up they started to think it was a bad idea. What are we doing by putting Government rents up in the way we are doing? Protecting people by making sure that we do so once we have refurbished estates – which we have done, a vast majority of them, and we will continue doing – and not hitting working people, protecting working people, because the rent has gone up the price of a beer. Let's put these things in context. These outrageous rises that they rail against ... It is the price of a beer, and, frankly, if they do not support us in raising the rent of the Government housing stock by the price of a beer a year, they do not understand what it is they are saying, because they are telling us to ensure that we protect the public finances and give them stability, and they are saying that we should keep the rents as they were. Even with the 3% rises a year, the rate of inflation of 2016 – in other words, from the last increase in Government rentals in 1984, to 2016, which was the first time we raised it, that rate of inflation, the 1984 to 2016 rate of inflation – will not be reached until 2040. That is how much we have protected working people, and if any working person believes that they would have protected them more, good luck. They just need to look at what they did on electricity – raise it by 21% – and what they were preparing to do with electricity, which was to raise it another 75%.

His numbers are all wrong. He says we have reduced the Principal Auditor by 10%. In fact, we have added £200,000 to the budget of the Principal Auditor this year. We have added – *(Interjection)* The staffing? Ah, Mr Speaker, the staffing. Doesn't he know that there are 19 people in the complement of the Principal Auditor today, and there were 17 when they were in

government? An estimate of £777,000 in 2011-12 is now £1.3 million and a 168% increase in the contribution to the Office of the Principal Auditor, and inflation in that period has been 18%, a 150% above-inflation increase in the investment in the Office of the Principal Auditor and two more people since they were last there.

And the only favoured developers we have seen are the Midtown developers who have their borrowing of taxpayers' money with a company and hocking Government property like the Haven etc. to invest in Midtown, and *their* loan to OEM. So, when he talks about favoured developers, what does he think of what the GSD did, losing £7 million to Barclays Bank over OEM? What does he think of that? How can he accuse us of favouring developers when they are the ones who favoured developers and lost money with them, or borrowed money in a Government company hocking Government property? Beg and borrow and what else? And even Mr Azopardi was criticising them at the time.

All of that, and he said that the only waste was the publishing of the second Book. It is clear that he has not even looked at the second Book, because we are not hiding the £50 million that he asked about. It is there. He did not want to look and find the £50 million in the new Book. Instead, he wanted to make this point. It is far more effective for him to come to this House and say what this implies is that 'there is an increase in the Sinking Fund to £75.5 million. I would appreciate if the Chief Minister in his reply would explain where this extra £55.5 million in the Sinking Fund is expected to come from, as it is really not evident from the information in the Estimates Book.' He did not look at the new Book. It is obvious. That is why he thinks it is a waste, because he did not bother looking at it. He did not bother looking at it, but if we had not printed it he would have said, 'This is disgraceful, we are now going to deal with Ministers under the new arrangements after the reshuffle, and I cannot go through this in the Book as I want to.' He either did not look, or again he did not spot it.

Mr Speaker, the thing that really shocked me the most, and I wondered whether the Roy Clinton I had worked with in the period of the pandemic had simply disappeared, was his attempt – as I can characterise it in no other way – to persuade people not to give charitable donations for public purposes. What he is trying to do in this House is speak against donations in such a way as to tarnish the fact that somebody may make a donation from a charity to the Government, that is brought in in such a way that those who might make it will not proceed with it. It is on his own conscience if we do not receive the donations. It was very sad and very disappointing to see him behave in that way, in particular in the context of the theatre.

Has he forgotten the name John Mackintosh, even though this House is in John Mackintosh Square? Has he forgotten that the theatre we have today is the John Mackintosh Theatre, built by a charitable donation? Why is he urging me to spend £50 million of taxpayers' money, that we do not have, to build a theatre, instead of encouraging that people should give, so that we can have a new theatre which is based on donations?

He seems to have forgotten the history of this very building. He does not want anybody to give anything charitable for this building. Does he, of all people, who prides himself on knowing his history, forget that this building was built by 160 merchants coming together to raise funds for the Exchange and Commercial Library, that the foundation stone was laid in 1817 and that it was founded and built by voluntary subscriptions and opened the following year? This was the civilian response with people's donations, voluntary subscriptions, against the exclusive Garrison Library, because Gibraltarians, no matter how wealthy or eminent, were excluded from that. This building was born from private funding and voluntary submissions. How can he now object to the Parasol Foundation, which has its headquarters opposite, wanting to make a contribution to the lift, and now, because they are not going to have the lift on the outside, to the external refurbishment?

The Deputy Chief Minister briefed the Leader of the Opposition, the hon. Lady and Mr Bossino on these things. What is wrong with a generous contribution in the public interest? The Government thanks, on behalf of the people of Gibraltar, all of the charitable foundations and all of the entities that donate to public purposes. Why was he so surprised by the Parasol Foundation being involved in the Mount? We said in two press releases, in December 2019 and in September

1285 2019, that there would be philanthropic donations for it. There was no COVID pandemic then. We
have not had to get the begging bowl out because of the COVID pandemic, but he has forgotten.
Just like he forgot about Barclays, he has forgotten about the Parasol Foundation and the
philanthropic donations that we announced. He must be very careful that he does not spook
1290 people because of the attitude that he takes, because that would be a loss to the good people of
Gibraltar and the opportunities that we have with that.

There was no problem, of course, when the Parasol Foundation made donations when they
were in Government; that was perfectly proper and appropriate when they were donating, across
the board, £1.3 million to the Alameda Gardens. Okay, that is not the Government, but they were
making other donations. They are making donations for public buildings, for the Victoria and
1295 Albert Museum in the UK, where the Parasol Foundation gave £800,000, and £170,000 to the
Heritage of London Trust for Public Buildings and the maintenance of public buildings. Or the
Cosuma Foundation, when they were in government, that gave £35,000 to replace hospital
ventilators and paid for the redevelopment of Europa, which they then photographed and put in
their manifesto, although *el Jardinero* had designed it. Why was it fine for Cosuma to donate to
1300 their project at Europa, but it is not fine for Trusted Novus to donate to Midtown Park? Why was
it fine for Cosuma to donate to Commonwealth Park, but it is not fine for Trusted Novus to donate
to Midtown Park? Of course it is magnificent, but their double standards are not magnificent. That
is what is self-evident.

He really is an armchair general. In the context of the Anti-Corruption Authority – which I have
1305 already dealt with because of the other flip-flopping by the Leader of the Opposition now and the
GSD, who took the anti-Anti-Corruption Authority attitude before – it is ungenerous for them to
take the attitude that they have taken. The Hon. the Minister for Justice has told us we have
published, through our Ministry for Justice, 300 pieces of legislation just on COVID in the past year
and a bit. You have to understand that we have not been able to progress things in every regard
1310 as we might have wanted to, but has he not seen those 300 pieces of legislation either? Were they
hiding behind the sausages, or behind the £15 million donation to Community Care, or behind the
Hansard of the Barclays Bank evidence that I have shown him, which he had before? Everything is
there, hiding in plain sight, but he cannot see it.

I was surprised when he got up to read me the part of the Constitution that deals with
1315 supplementary expenditure, very surprised, for a simple reason. He got up to read it, again with
gusto. He read it aloud, but the bit that he wanted was not there. There is no time by which the
Bills have to be published or passed, and there is no convention or rule that the Bills have to be
published or passed in a particular time, is there? (**Hon. R M Clinton:** Logic.) Logic. Okay. Thank
you, Mr Speaker. From a sedentary position, Mr Clinton has said that it is logic that suggests that
1320 the Supplementary Appropriation Bills have to be published by a particular time or passed by a
particular time. He has not told us what that particular time is.

So, let me tell him what he might not be aware of, and let me remind him that he is sitting
there with blue and yellow colours as a Member of the GSD. They did not even publish, let alone
pass – we have published, we have not passed – Supplementary Appropriation Bills in 1997, 1998
1325 or 1999. The Supplementary Appropriation Bills for each of those financial years were published
in the year 2000. They published three years late. Ours are at least published immediately. They
did not even publish. Where was their logic then? They then moved to a situation where they
published a year late. In other words, they did not publish in the year, they published a year late.
We have only been delayed since 2016, because something happened that got in the way. It got
1330 in the way of monthly meetings, it got in the way of everything that we were doing. It is called
Brexit. I know he says that we use it as an excuse. It is not an excuse, it is a reality, but what he
says is our heinous sin, that we publish Supplementary Appropriation Bills and we do not pass
them ... Their heinous sin was cardinal, they did not even publish the Supplementary
Appropriation Bills, and he cannot pretend he does not know it, because if he is going to get up in
1335 this House and don his dagger to come at me in relation to Supplementary Appropriation Bills, he

should at least check the information. Or does he not have the information? He does not have it? No, of course he does not have it, because he is lazy.

The minute he made the point, I went on the Gibraltar Laws website. I punched in 'Supplementary Appropriation Bills'. I went through all of them. They all carry the date the Bill was published and the date the Bill was passed. But he wanted to come to this House to say that the Government was acting unconstitutionally. He did not have the clause that says by when we should publish, so he has said that we are acting against the logic of the Constitution, without checking that the party that he represents had committed not the sin that we had committed, of publishing them but not passing them because of the difficulties that we have had. They had not even published them.

Then he said, 'And then what happens if you have a dissolution?' and that it would be dreadful. Didn't he check – of course he did not – that they did exactly the same thing? They published their Supplementary Appropriation Bill but did not pass it in 2011, and we did. We passed their Supplementary Appropriation Bill for the year 2010-11 in the year 2012 for them. That is what happens if you have a dissolution in between. All of the questions that he said he could not answer, the answers are hiding in plain sight from a fibre-optic cable away of the chair in which he sits in his study to write these speeches, but he is too lazy. Just like the sausage he could not see, he could not see the answer to this question. But of course there is a difference, isn't there, from him suggesting that we are acting unconstitutionally – of course it is us who must be acting disgracefully and unconstitutionally – and something they did, because when they did it, everything was hunky-dory and perfectly proper. It was prudent, responsible financial management. I cannot imitate anybody as well as my friend, the Father of the House, so I will not even try.

What happened in 2012? The Government of the GSLP Liberals passed the supplementary appropriation of the Government of the GSD, even though, ironically, most of the money they had spent, they had spent trying to defeat us in the election. You know why we could do it, Mr Speaker, without blushing? For a simple reason: we had never fallen for the track of voting against a GSD Budget. If we had voted against the Budget in June/July 2011 – or indeed the year before, 2010-11 – and we were called upon to then pass the supplementary appropriation for that Budget, it would have been very difficult indeed. But we do not have that difficulty because we do not fall into the utter foolishness of voting against a Budget, and therefore they would have a problem of their own making.

Mr Speaker, at the end of the day the reality is that I have been able to demonstrate that he was a strong ally of ours during COVID when we worked together with him, but he has got spooked when he has seen the numbers. He is trying to run for the hills to avoid the consequence of the spending that he agreed and approved. As Mr Feetham told him, the argument about the point of arrival is irrelevant because, whatever the point of arrival, we would have had a £158 million deficit. I am prepared to take the responsibility on my own, with my Government colleagues, for that spending, because it was the right thing to do, but that deficit has his fingerprints on it, just like it has mine, and everybody needs to understand that. We did it for the right reasons and I again praise him for it. Disappointed though I am in the way that he has behaved in this Budget, I praise him for the way that he behaved last year because we did it to put food on the table, to keep businesses open, and we did it without discrimination. We had to act urgently in March 2020. He gave us advice that we took to heart and we made some changes based on what he said, but I am happy that it is my responsibility and that it will carry my imprimatur of being the leader of the Government who, with my Cabinet colleagues, voted in Cabinet to make the spending, came here, brought the Bills and passed them with their support.

He has demonstrated that whilst accountants are supposed to be all substance over form, he is just form over substance. That is why he is persuading them to vote against the Budget. He is persuading them to vote not to pay the vaccine administrators, not to pay the teachers, not to pay the civil servants, not to pay the firemen and the police, not to pay every single public servant, not to provide every single public service that we provide. That is what his vote is and what he has

persuaded all of the others to do. In the same way as I will give him credit for every payment of BEAT that we did, because they voted with us, I will now make sure that everybody understands that if they deserved the credit for that, they do not deserve credit for every item of salary paid going forward.

He got it wrong in his reasoning in many things that he told this House. He got it wrong on Community Care, he got it wrong on the financing of the Barclays facility, he has got it wrong on the Constitution and supplementary appropriations, he has got it wrong on favouring developers because they are the ones who favoured them in the Midtown development and OEM, and he attacked on all of the issues where actually, when you analyse what they were saying, they were wrong, even on the availability of sausages at Morrisons. He cannot see what is in front of him. He is not Mr Guru, he is Mr Magoo. That is the reality. Another bottle that falls by dint of its own hubris.

Mr Speaker, let's move now to another green bottle. When Mr Feetham got up, the House was, as ever, electrified. The ego had landed. He is undoubtedly the best they have, but our people do not want him. All the things that he got up to complain about were all the things that we had done. Of course, all the things that we had done had to be wrong – except in 2011, when he was not the leader and they did not produce a pamphlet, they produced a full manifesto, all of the things that we said we were going to do were in their manifesto too. They were going to build affordable homes. They were going to build new schools. They were going to refurbish the housing estates. If he was advising us not to do those things, what is he saying about the credibility of GSD manifestos? He was telling us not to do the things that were in the GSD manifesto for the self-same life of the Parliament that he was telling us not to do them. It does not bear analysis unless you go back to the same old GSD frequency on medium wave and you hear Peter Caruana being interviewed in the 2011 General Election campaign by Gerald Duma, then head of radio. Sir Peter says, 'Well, look ...' After hearing that masterful imitation, I cannot imitate him as well. Sir Peter said, 'Our manifesto is a wish list. It is not a commitment, it is a wish list.' Well, if Mr Feetham was telling us that there was credibility in him telling us that we should not do the things that we did between 2011 and 2015, he was telling us that they would not have done them, despite the fact that they were in their manifesto. So, when you go to the 'souk' that they refer to, you get a product from the GSLP Liberals which is intended to be delivered and a product from the GSD that is a wish list. Incredible, Mr Speaker, but anyway, at least, although he titled his contribution the 'I told you so' Budget speech, it was actually gutted by the reference that I have made to him accepting – because he had to accept it – that of course we would have reached the same endgame in the same year, £158 million deficit, full stop. In that context, people can judge was it right for us not to have followed his advice or was it wrong. If we had followed his advice, we would now be in a situation of £158 million deficit without the schools, without the new homes etc. I think people would say, on balance, well done Gibraltar for choosing the GSLP Liberals and well done Government and Chief Minister for having delivered all of those things and still reaching the same place, as the Hon. Mr Feetham said.

It was clear that he delivered his speech like an alternative Leader of the Opposition's speech. This was really the speech for the Opposition. He got up to say he was not just responding to the people he shadows, he was responding to me as well – except of course their leader had got up to respond to me the minute I had sat down and their Shadow Member for Public Finance had already responded to me. He was behaving like the independent Member for Labour, Mr Speaker. I assume it is because he must have remembered that the Hon. Mr Azopardi was in favour of free association independence and doing a deal that makes us a colony of the European Union, and he wanted to put as much blue water between him and them as soon as possible.

But this alternative Leader of the Opposition speech at least had the fire, which I could see the minute he praised Mr Azopardi. The minute he killed him with faint praise, I knew he was going for him. Incredible. (*Interjection*) When Daniel Feetham says you are eloquent, be careful, because it is coming. He said it with the glint in his eye that he has and with his usual mean and hungry look, just a little bit too mean and a little bit too hungry. That is why people do not like him.

1440 You do not win three elections without doing some good, he said. He said it as praise, and I am grateful and I acknowledge it, but of course that is entirely contradictory to the thing he was telling me I should have done, because the things he told me I should not have done are the good things that he is reflecting I have done. So, you do not win three elections without doing good things, yes – build homes, build schools, increase salaries, all the things he told us not to do. I just cannot
1445 get my head round how this Cabinet team has to deal with the sort of lack of logic that we are hearing from Members opposite. And then to deliver a speech in this, the most serious of all years, which was like a pantomime – ‘I told you so,’ ‘Oh, no, you didn’t,’ ‘Oh, yes, you did’; come on, Mr Speaker – to end up in the place where he had to end up, which was accepting that we would have ended up in exactly the same place, as he said more eloquently than anybody else on that
1450 side and even more eloquently than I could put it.

He says that his strongest criticism of us is that we cannot manage. Well, at least we manage to beat them every time, so we do not manage so badly. What is clear to me is that he is really just trying to seek vindication in his speech. He is trying to say, ‘You see, I was right in 2012 and 2013.’ I am starting to confuse who Banquo is. There are so many ghosts coming at me from the
1455 other side that I forget who is Banquo and who is Duncan here. It is really quite remarkable. He is just trying to show us that he will fulfil his destiny. He might have forgotten, but he told a publication in Gibraltar once that his most treasured possession was a brooch, or something, that he has, written in Aramaic, that says, ‘Set your people free.’ I remember that, in Aramaic. He should get on a translator. I think that brooch says, ‘Set yourself free and let go.’

1460 He says that we have no strategy and we have no plan, but the tactics that succeed are ours, no? At least we can demonstrate that we have not done the things that we complained about. How does he sit now with the person who did the PFI deal that he has spoken against all that time? He has admitted that it was his, in the context of the last thing that he said in this House in 2003. What was the point of him being the ‘Grinch’ that he referred to and reminding us of that
1465 in particular, reminding us that he had said that we should not do that spending, to then tell us that we would have ended up in the same place anyway? It is just politically mad. How can he say that we are not giving information? We have more information than ever.

What has become very apparent to me is that the hon. Gentleman simply cannot get over 2003, 2011, 2015 or indeed 2019. I think he might still be having a problem getting over 2002, and
1470 what I think he wants to do is jump into the DeLorean with the Hon. Mr Clinton as the nutty professor and go back and win all those elections that were lost – back to the future, back to the past election. And then what? To come here and tell us – as Chief Minister, because he has rewritten time – to stand up, do everything differently and say, ‘We have a loss of £158 million anyway’? There is no point. Let it go. Get a life. You lost the £7 million with OEM, not us.

1475 As for who started the culture of entitlement, at least the hon. Lady had one part of the speech which I can agree with. Who got rid of tax on pensions? Who removed the means test for many of the services that the Government provides? Who got rid of the GBC licence fee? Who got rid of the road tax? There was a GSD Government after the famous 2003 General Election where a number of those things had been proposed and they all clapped themselves up, saying they had
1480 neither sold themselves nor bought themselves – and then they did all those things. Who started the culture of entitlement? Come on, Mr Speaker. We have to have a serious debate. The hon. Gentleman complains now about Social Insurance increasing, but he sat here and supported Social Insurance increasing by the same amounts year on year. He voted for it then; he does not vote for it now. We voted for it then because we voted for their Budgets. It is just remarkable. You could
1485 not make this up. It is not serious. You could not make this up.

But the hon. Gentleman was absolutely bang on point and brilliant, not just in his delivery but also in the substance of the points that he made in the context of the European Union mandate. I thank him, genuinely, for making clear his belief – which I assume was on behalf of his Opposition colleagues, because he said that Mr Azopardi had asked him to reply – that nobody on this side of
1490 the House would ever do a deal that involved a concession. I warmly welcome his recognition of that fact. We will never, never, never accept any part of the EU Commission’s mandate which

involves any concession on the part of the Government of Gibraltar in respect of any part of any square millimetre of the land of Gibraltar, and neither will we accept any condition which makes it harder for business in Gibraltar to prosper and create prosperity for Gibraltarians first, and those around us second – never. I really acknowledge the way that the hon. Gentleman changed his tone to address that part of the speech, because I think on this issue we need to be more united than ever. I am very happy to continue to involve them and continue to involve him in our briefings, which the Deputy Chief Minister has been doing religiously. This Government will never, ever accept any capitulation. Of course, we all want modern systems for pragmatic, safe and secure solutions going forward, and that is what we will continue to work on, but we will never accept that what our forefathers fought for should be lost now, not on my watch. That is my message to everyone who is listening, and I accept his olive branch in respect of this issue. I think Gibraltar is united on that.

He said that UK future trade deals do not apply automatically to Gibraltar. Well, they do; there just need to be adjustment periods for Gibraltar, because Gibraltar needs to sometimes change its legislation, and we have to ensure that we have made changes to our legislation there. I am quite happy to brief him separately, with the Deputy Chief Minister, on those future trade deals and how they apply – the new trade deals, not just the renewal trade deals.

Frankly, what I found in the context of his intervention on the Treaty was that, for once, I heard a glimmer of what I had heard the Father of the House say to Sir Peter in 2002 when he had said to him – Sir Joe to Sir Peter – ‘Before they get to you, they have to get through me.’ He did not express it in quite that way, but I felt that there was a unity of purpose on behalf of Gibraltar between us and at least him on those issues.

Where we have no unity of purpose is on the issue of Community Care. I have to tell him that when he asked me to disassociate the Government from the things that Joe Bossano had said, he was wrong to even raise the possibility that that might happen. Joe Bossano gave more than a master class on the history of Community Care. I think he set down on the record every aspect of the history of Community Care that needs to be on the record, including the considerations of the Government as to what it would do when they were in government, whether it would continue to fund Community Care, for which they had brought the reserves off to zero, or whether it would decide to do something else. That is what the papers that Joe Bossano was referring to show. They do not draw a link with Community Care that is not there. We have just had a discussion about how we make the contribution, and his Government – because he was a Minister at the time – was having considerations of not even giving them the top-up, leaving them at zero so they had nothing left to give, and doing something else on their own. That is what he said.

So, far from disassociating myself from Sir Joe, I praise him for the excellent analysis that he has brought to the House, for the commitment that he has shown and, indeed, for his dedication. As he demonstrated when he started and he was talking about his age, at 82 years old it is remarkable to have the benefit that we have of Joe Bossano still coming to this Parliament, giving us the value and the depth of his understanding. I am so pleased that he has put that on the record now, in *Hansard*, in respect of Community Care, because now we have, for posterity, all of that history, which was not there before. Even when individuals disagree with him ... And Joe Bossano has never required that to be in a party with him you have to accept everything he says; he actually asks you to challenge him so that we can have a debate and reach a better conclusion. But even when you disagree with him – and I am looking in particular at the Hon. Mr Bossino and the hon. Lady, who is not here at the moment – he is worthy of the respect of a man who has given 50 years to Gibraltar in this place.

He is the one who has made millionaires of many Gibraltarians by selling them affordable homes for £30,000 that are now worth hundreds of thousands of pounds, and by, on top of that, paying some of them commutations of many hundreds of thousands of pounds. This is the man who has made millionaires of many of the people who now complain because he has a different view than them in respect of Community Care.

I was saying that the hon. Lady should also have that respect for him. The hon. Lady's father is the father of the Gibraltarians and nobody can take that title away from him. She knows that I have the utmost respect and love for her father, but Joe Bossano is certainly the guardian of the Gibraltarians and the guardian of Gibraltar for so many years, and he deserves the respect that goes with that. That is why Her Majesty recognised him with KCMG, and that is why the people of Gibraltar recognised him unanimously in this place with the Freedom of the City of Gibraltar, so I am not going to disassociate the Government from the things that Joe Bossano said, I am going to double down on everything that Joe Bossano said because it is absolutely right and long overdue that it should be said.

Mr Speaker, when the hon. Gentleman also said that no one on that side had signed the petition, all they wanted was full consultation and a moratorium on the changes that Community Care had made, I wondered what it was that he was saying in this debate, because none of us here are trustees or directors of Community Care. Was he addressing the senior partner of his law firm, James Levy, who is the trustee of the trust? I do not understand.

The concept of legitimate expectation, as he knows, does not apply to a charity, but I think I detected in all of them the embarrassment of a U-turn on this subject, because I think it is very clear now that they will not be backing the aims and objectives of the Community Care Action Group. I think they have now made that abundantly clear – I think the hon. Lady has also made that abundantly clear – and that their position is not what it might have been pretended by them to be, or what they might have intended that others might think it was.

On the issue of the equalisation of the pensionable age, we are very clear. We do not need a Canepa commission for that, Mr Speaker. We have already said we have manifesto commitments on it, but we have said that we want to re-found the scheme in order to be able to deal with, and we have already said that we are going to issue a Command Paper, so I do not understand what he was asking for when he was saying we should create a Canepa-style commission.

Mr Speaker, I warned the Hon. the Leader of the Opposition and I warned Mr Phillips as well: 'Careful when Daniel Feetham praises you. If he says that you have fire in your belly, get yourself a fire extinguisher as soon as you can, because you do not know how it is going to end.' Look at what happened the last time I trusted him.

Mr Speaker, what a pleasure to be reminded of the things I used to do when I was 28 years old. We had a very good time in those days. We were firm friends. I will always be sorry that he chose the wrong path. But what sad days also, because Clive Golt, the editor of the *New People*, and the *New People* itself while Mr Azopardi was in government, was excluded from No. 6 Convent Place – censorship against a particular newspaper in Gibraltar. Those were the bad old days of the GSD.

I do not think anybody could ever forget Peter the Python. I do not think Peter Caruana did not know who Peter the Python was. I would like to think he knew that the wit had to be mine, and I assumed that after 2003, whilst he was sitting alongside him in the executive, in 2007, here, he had gone from being one of the people who inspired some of those articles to sitting next to the Python, so I guess the python knew. No? Well, if he did not know that, he knows now.

I had forgotten about the *Socialist Worker*, but the excellent job that the Deputy Chief Minister and his officials do with the Government archive means that it is all readily available.

Hon. D A Feetham: I gave you the in.

Hon. Chief Minister: He is absolutely right, Mr Speaker, he gave me the in, because he does not think, when he does things, that he opens at 30 flanks. That is the problem if he is ever Chief Minister of Gibraltar. He might go to a meeting and say something and open 30 flanks, and then what?

What about *Socialist Worker*? It is a long time ago, Mr Speaker. He is neither a socialist nor a worker anymore, but what would *Socialist Worker* say at that time? All that *Socialist Worker* did, anonymously, was praise a guy called Daniel Feetham. Listen to this:

A genuine socialist alternative to Caruana's GSD was what was desperately needed and the emergence of Daniel Feetham's Labour Party has been welcomed throughout our society. Feetham's working-class background and upbringing has served him well, and if his parties rapidly growing stature continues at its present rate, the electorate will at least have a credible alternative to the GSD at next General Election.

Praising Daniel Feetham – but now we know it was him! I should have known it was him, because it says 'parties', not 'party's'. He was giving away that he had gone from the GSLP to the Labour Party and was soon to go to the GSD. Parties: many more than one. Except there is something in this which shows that the hon. lady was telling us the truth. If you read this and go back to *Hansard* and look at what Michael Bane wrote at the time, we were told that Michael Bane was actually the pen name, or the usurped social media identity of Daniel Feetham, and it is identical. Los unico que falta es que disi que guapo. It really is quite remarkable. *Touché* to the hon. Lady. In that particular duel, she won. *Y por la boca muere el pez*. Everyone had forgotten about the *Socialist Worker*, it was buried in the archives, but, for the sake of having one quick dig at me on the Python, he opened that flank too. But I generously welcome the annual.

Mr Speaker, for disclosing that I am the Python, for disclosing that I wrote Peter the Python, he is not the political Messiah, he is a very naughty boy, but it does not matter, because it was 20 years ago. The one thing that he will have achieved with that is that by the end of this debate they will have what they have wanted all of their lifetimes, and some of them have had but not the others: they will all have a Ministry, because by the time I have finished with them today they will all be Members of the Ministry of Funny Walks.

It is no secret, however, that at the same time as we were writing stuff like this, others had been writing really quite disgraceful stuff, in something called *The Gibraltarian*, that had compared my good friend to Josef Mengele. Remember that? That was not satire of the sort of the Python, in fun and in gest. It was not even him praising himself. I am not blaming him for this. (*Interjection*) In *The Gibraltarian*, in the run up to 1996, some were comparing people to Nazis. That was nasty, nasty, nasty.

Anyway, Mr Speaker, the end of his address was absolutely magnificent. He was on fire. I just want to know whether he does children's parties now and whether he has an agent, because he really was absolutely magnificent. He always brings out the best in me when I have to deal with his contribution, even though it is based principally on a false premise, but then with the key point that even if we had followed his advice, even if we had done everything that they say we should have done, we still would have ended up at exactly the same point, but without the schools etc. I am sorry, though, that my last statement to him is going to be to say that I think he is an excellent orator but he should always seek to read somebody else's speech, because the errors of logic that he made out of his frustration of having lost in 2011, 2015 and 2019 are ones that I think he will realise he will be paying for, for many years, as I remind them that this year they agree, in his mouth, that we would have ended up in the same place.

I thank him for being very generous to our Health Services, in particular to the hon. Lady and to the hon. Gentleman for Public Health, and for having indicated just how well things have worked, in particular on testing in Gibraltar – although they will be greatly disparaged by Mr Phillips, but I will deal with that later.

Mr Speaker, Mr Bossino's speech was a speech of two halves. My reply will also be a reply of two halves. The first thing that our putative friend did across the floor of the House was attack Mr Daryanani on a statistical point, just to make the point – I think he needed to make the point and remind everyone – that he came first. He did not come first in the Opposition ranking; she came first in the Opposition ranking, the hon. Lady. He came top of their six, so he did not come top of the pile in the Opposition. I would always rather be with the Hon. Mr Daryanani, the last of the top 10, and not the first of the bottom of the three teams. The hon. Gentleman has to bear that in mind with his hubris of trying to remind people that he was first in the GSD, because the GSD came last in this election – the GSLP and the Liberals first together, Together Gibraltar second,

1640 and the GSD third, although you got more people in. But in terms of the rankings, they came after her.

On the issue of special needs ... and I want to reflect the fact that I appreciated how emotional this issue was for him; I know how difficult it was for him to get through it. It was very difficult for me to hear and I hope he knows that he has the support of Members on this side of the House, as
1645 does anyone, Member of this House or not, who is going through that difficult period.

The hon. Lady and I see a lot of people who have difficulties with autism. The point is this, Mr Speaker: we are not pretending that this is a utopia and that things are perfect. We know that they are not. In fact, they may never be able to be perfect. This may not be an area where perfection is possible, but there is deep commitment.

1650 He is sitting here with the GSD. If he is being honest – and I have no doubt that he will want to be – he will accept that things which are not perfect today are much better than they were before, under the GSD. I am told that my predecessor as Chief Minister saw no one in the area of disability. I see everyone who wants to see me in the area of disability and I have built a lot of strong friendships in the area of parents with children with disabilities and people and children with
1655 disabilities, who I consider to be friends.

I really do think that the hon. Gentleman needs to look at what Mr Feetham said in their press release of last December, where he said:

We do recognise that much had been done for disabled people over the last decade,

– that is a good place to start; we do not believe that there is utopia –

but the work needs to continue to ensure that people with disabilities can enjoy enhanced opportunities and the best possible quality of life.

We are 100% *ad idem* on that, Mr Speaker, so what I am going to propose to him is that we
1660 should do something unusual and we should do it together. I am going to propose to him that we try to depoliticise this issue completely, because I think the people who need our help here do not deserve our politicisation of this issue, like we politicise and make partisan everything else we do. I am going to propose that we establish a select committee. I am going to propose that it should be chaired by me and by him. I am going to propose that it should include Minister Sacramento
1665 and Minister Cortes, the Minister for Equality and Health and the Minister for Education. I am going to propose that the Leader of the Opposition should propose somebody else from the GSD for that, and I am going to propose that the hon. Lady form part of it. It is going to be the first select committee in the history of this House that has an even number of Opposition and Government Members, because I want us to try and do something different in this space.

1670 Mr Speaker, let me deal with the other points I have to deal with in respect of the hon. Gentleman. The abortion referendum is behind us now. The law is in effect. There is no constituency for the sort of position that the hon. Gentleman took in this House and outside it. He needs to really tell us whether he accepts that, or not.

The hon. Gentleman postulates himself recently, in a publication outside of this place, as
1675 someone who wants to take over the leadership of his party. His party is the second party in Gibraltar politics after us at this time, and the pendulum may swing between us. Is he telling us that he accepts the result of the abortion referendum, the result of the surrogacy law that we passed in this House, the result of the equality between men and women to enter into marriage under our law? Or is he telling us, as he told us when he was talking about surrogacy, that he will
1680 never accept it? If he never accepts it and he becomes the leader of Government business in this House, he will have to move to undo all of those reforms, and he will find me in his way, either in this place or outside this place. He has to be honest about this.

He is not the great pretender or the former Leader of the Opposition, we have been through all of those; he is the great procrastinator. We all, who know him, know that he is a great
1685 procrastinator. But if he is going for the job, is he telling us that he is going to change all of those

things in keeping with his beliefs? Or is he telling us that his political beliefs are different to his human, religious and other beliefs because he told us with great firmness that he would not vote in favour of something?

As leader of the GSD and Chief Minister of Gibraltar, if they were to win a General Election, surely he has to have a position. I *really* will not be able to agree to give him a bye on these issues. I think the community deserves to know, and quickly, whether he is abandoning his beliefs or whether he will see through his beliefs and make the necessary changes to our laws, if he ever has the ability to move and promote that sort of Bill in this place. I am going to be asking him that constantly in this House for the next two years, in the run-up to the next General Election and through the next General Election, because that is a key issue, and if he is not the leader after this election but after the next election, I will still be hounding him, whether I am here or whether I am not.

Mr Speaker, I found it really quite remarkable that having seen him on Spanish television, on 31st December or 1st January, rejoicing outside the Rock Hotel with his lovely wife, then about the New Years Eve agreement to come here and hear him – in what I hope was a moment where his tongue got the better of him – call me a blob. But I am starting to wonder whether this is something that we need to look out for him also, because the newspaper that I am referring to – which inadvertently, in the most amusing spelling mistake in history, called him ‘Demon’ Bossino, he will recall – said that he was getting ready to get on a white charger and wield Excalibur. That is what it said, that he was going to wield Excalibur. Well, if you are going to wield Excalibur, you need to tell us what you think. You need to tell us whether, really, you are against the referendum on abortion, which he chastised the hon. Lady for not accepting whilst in fact he was representing the party where I showed him the then parliamentary Leader of the Opposition had said that the policy of the GSD in July 2019 was that they should have an open referendum on the issue of abortion. So, it is very difficult to see where it is that ‘Demon’ Bossino would fall on these issues.

Certainly, one thing that I thought has been a remarkably unfair episode in the way that Mr Bossino has approached his politics has been the Volotea issue, and I put it to him that if he had been the Minister for Tourism he would have acted entirely in keeping with the way Minister Daryanani acted. He would have said the same things. He would have given Volotea, at their request, the same quote we gave them. That is what he would have done. If he is real in his friendship with Mr Daryanani, if he is not posturing or pretending for political purposes, he will want to reflect on how ungenerous he has been in the context of that episode, and he will want to reflect and, with his conscience, consider whether or not, in fact, he would not have acted in exactly the same way if Volotea had knocked on his door, said that they wanted to fly to Gibraltar and asked him for a quote.

I am starting to wonder, however, whether he is doing his homework these days. He and I had a very good debate, about 33 years ago – which I won – about whether or not the 1969 Constitution should be amended. He will remember that it was to show us how to debate, and we were both told, ‘You debate this, and you debate that.’ What we believed did not matter. We were given five minutes to prepare. He lost because he had not read the Constitution that we were supposed to debate. I am starting to wonder whether nothing has changed. Just like Mr Clinton and the others, he came to this place and he said this:

I think a further wider point to make in this context is that we need a new Gibraltar Development Plan – and, if I am not mistaken, indeed the Development Plan is from 1991. Time flies by when you are having a good time, it is 20 years ago. The Government promised it but has not yet delivered. We need one which is fit for our requirements now, not 20 years ago.

Nineteen ninety one is 30 years ago, not 20. That one he could have done with his pencil, right? Second, if it had been 20 years ago, we would not have been the ones promising it and not doing it, because we were not in government 20 years ago; we have been in government for 10 years. If it takes another 20 years, I certainly will not be in government, that is for sure, but I hope the GSLP will still be here with the Liberal Party.

Let's get to the facts. The last development plan was in 2009, 20 years, almost, after the date that he suggests, and it is not hidden anywhere. They have their mobile communications devices on them, Mr Speaker. If they just want to type into Google 'Gibraltar development plan', before they finish the word 'plan', in glorious pdf they will be offered the 2009 development plan, a GSD development plan. We said that we need one a decade later, 2019. Something happened in 2019, a cliff-edge Brexit and COVID. That is why we do not have one now. We have also had this debate in this House, so I am surprised that he fell into this trap, but there was an extraordinary lack of preparation there from the hon. Gentleman – extraordinary.

This is basic. It is just like sausages at Morrisons. This is basic stuff. Because of the respect that I have for the House and for hon. Members, I spent weeks preparing my submission with the support of all the officials of the Treasury and the Ministry of Finance – weeks, Mr Speaker. This weekend I have done nothing other than prepare to respond to hon. Members because of the respect that I have for them and their contributions – even though I disparage them in replying to them – and the respect that I have for the House. This is a basic mistake. You cannot be spending the time that you need to be spending for the salary that you are paid by the people of Gibraltar if you get something as basic as this wrong, and if you are saying not just that you are fit to be a Member of this House ... The hon. Gentleman is telling us that he is fit to lead his party and to lead this House and this community. You cannot make mistakes like that. You have to put in the extra hours. You either have the work ethic to do it, or you cannot do it because of your circumstances or whatever, but do not postulate yourself as the answer if you are not prepared to do the work that you need to do. This is hard work. It is not a walk in the park. It is not just 'I would like to be Chief Minister because I want my name on a plaque.' This is hard work, the hardest work that I have ever done, and I have worked hard before in my life – the hardest, Mr Speaker.

It is unfortunate that, perhaps as a prop for that purpose, the hon. Gentleman thought that one of the things he had to do was besmirch the reputation of the Father of the House. The hon. Gentleman and the Father of the House are seeking to persuade the rest of us to fund them on a visit to the Holy Land, so that they can walk the road to Damascus together and find out what on earth is happened there and come back and give us one version, rather than the many that we are hearing.

The Hon. Mr Bossino knows that I like to refer to the Father of the House sometimes as Joda, as an allegory to the oracle in the *Star Wars* films, because I feel particularly drawn to the 'force' in the *Star Wars* films. But given the number of times I have seen him attack a man he used to think was the bee's knees and the solution to every issue that Gibraltar had when we were teenagers, I am starting to become persuaded that whilst I might want to call him Joda, I might want to call *him* Judas, because I have not seen such a turn on someone as I see with him and Joe Bossano. It is really unfortunate and I would urge him to consider the things I was saying before and the respect that we all owe the Father of the House for the contribution he has given – now 50 years in this House next June.

It really does say something, Mr Speaker, about the dynamics on the other side of this place that Mr Feetham reached the zenith of his oratorical skills and held the Parliament in his hand, like he had never held it before, the day he came here to tell us the story of Slim Shady. That was the best moment I have seen Daniel Feetham deliver, but it was hardly the moment of greatest unity in the GSD, was it? Slim Shady is not what I say of him. It was his stablemate's think of his tactics to take over the leadership of the GSD.

And so, on those issues where he has had such a low regard for the way that he has referred to the contribution of the Father of the House on the relationship with his stablemates, all of those things make me think that actually, despite our personal relationship, I do not think he is somebody who would be a fit person to lead this community. I always am very careful not to say who is fit and who is not, because I was told I was not fit in June and I became Chief Minister in December, and I hope I have demonstrated my fitness for the job. But the key issue for me is this: if the hon. Gentleman is anti-gay, if he is anti-surrogacy and he is anti-abortion, then he is just telling us that he is anti-everything and pro-nothing, because these things are key in our modern

1785 world, and he is going to cast himself into the role of the Viktor Orbán of Gibraltar, and that would not be a good place for him to be.

I hope he realises that he has miscalculated on that and that he tells us genuinely that he will not touch those laws. If he can reconcile that with his conscience and his beliefs, I think that would be much better for Gibraltar. I do not know whether it is possible to reconcile that with your conscience and your beliefs, given that you need, under the rulings, to do what you can to stop these things, and if you are here you could do what you can to stop these things, but I will leave it to him to examine his conscience. I know him. I know he is not a bad person, but his words and his actions can hurt people and people can find that their lives are tremendously upset by the inability to marry the person they love or to have their children registered in their name, something that we are still fixing and making better. In other countries, the sort of rhetoric he gave us in the context of the surrogacy issue leads not because the people who say those things want it, but it gives licence to others, who are then sometimes violent. I know that that is not what he would want to see, anyone taking his words to defend or to excuse.

Mr Speaker, I am conscious of the time, so I am going to finish dealing with Mr Bossino and then seek a short adjournment to come back and continue, but I have to tell him that on this side of the House what we stand for is love of all shades, not prejudice for those who are not like us. We stand for real equality, not for covert discrimination, as he told us is his position. I stand for the freedom of a woman to choose, not for the obligation of a woman to give birth, whatever circumstances she may find herself in. We are on opposite sides of the debate on personal freedom and equality. We seek to liberate, he would seek to force, and we will not be able to agree to allow him to forget that. This is an issue on which we have to be honest and he has to tell the community what he would do if he had the opportunity. Mr Bossino, I would say to you, if I could talk to you directly and not through the Chair – Mr Speaker – it is no longer 1921, it is 2021.

Mr Speaker, finally, I would say this. Mr Bossino made one particular argument in the context of the to-ing and fro-ing, which I jotted down during our Question Times. He asked me how I could be using Peter Caruana as a lawyer when I disagreed with him politically. Well, that gives away the same old GSD. I will get him the quote. It is in the *Hansard*. He was trying to show that the GSD must be very good and Sir Peter must be very good if I was using him as a lawyer; I must therefore adopt all of Peter Caruana's politics. I roundly disagree. When we instruct a professional, we instruct them because of the professional value that they bring to an instruction, not because of their political beliefs. We do not ask them their political beliefs, but that was the position under the GSD after 1996. People who did not share their political beliefs did not get the opportunity to be instructed, and he gave away that he is in exactly the same place as Sir Peter was on that, which is wrong. In the end, Mr Speaker, if I may say so with respect to him, his contribution when emotional was excellent, when professional was deeply flawed.

Mr Speaker, I need to go on through a lot of the rest of the detail that hon. Members took us through. I think it is important that I put all of the rebuttals from the Government on the record and I do not want to do so by labouring you and the Clerk, who have not been able to move in the last few hours. I would therefore propose that we return at quarter past three and I can then continue with my reply.

Mr Speaker: The House will now recess to quarter past three.

*The House recessed at 2.10 p.m.
and resumed its sitting at 3.26 p.m.*

**Appropriation Bill 2021 –
Second Reading –
Debate continued**

Mr Speaker: The Hon. the Chief Minister

1830 **Chief Minister (Hon. F R Picardo):** Mr Speaker, thank you. I hope Members have been able to use the time to nourish themselves, so that we can continue dealing with the feast of an Appropriation reply.

I had just finished dealing with the Hon. Mr Bossino – one green bottle less sliding off the wall. There are three bottles left on the opposite benches. I want to start, now, dealing with the
1835 contribution made by the hon. the former parliamentary Leader of the Opposition, the PLOP.

‘Carry on Elliott’ has almost a naval feel to it, and I do not mean navel-gazing; I mean naval as in Elliott, Trafalgar, Nelson, etc. ‘Carry on Elliot’ almost has a gubernatorial feel, and I sometimes feel that the hon. Gentleman ... The way that he speaks to us, I think he feels that his role is to come and govern us, to tell us how to govern. So, whilst he was here in this place calling the Hon.
1840 ‘Mr Environment’ – also the Minister for the Environment, aka *el Jardinero* – a pussycat, a hundred environmental scientists had been working with the Minister for the Environment, hearing this environmental lion roar. That is incredible, because it shows us, almost in the context of the prodigal son, that some people do not appreciate the value that the Hon. the Minister for the Environment brings to Gibraltar – at least those who do not understand the environment, like
1845 Mr Phillips – because people who are genuinely involved in seeking the protection of the environment, who work with us in Government, whom we worked with in Opposition, may sometimes disagree with us in the context of what we do – in the main, they agree with us – but they never doubt the commitment to the environment of this Government, the commitment to the environment of the Minister for the Environment, or, indeed, the expertise of the Minister for
1850 the Environment, even when they might genuinely disagree, which is perfectly normal. The hon. Gentleman, however, suggests that the Minister for the Environment is less than the expert that he is.

I do understand that the Hon. Mr Phillips is the sort of politician who has never let a bandwagon go past knowingly without seeking to jump on board. That is why I thought Mr Daryanani, when
1855 he came up with the ‘bandwagoneering’ phrase earlier in this debate, might have been thinking about him. It was Mr Phillips, after all, who had led for the GSD on the anti-Line Wall Road issue, despite, of course, the fact that I have indicated to the House earlier that the Hon. the Leader of the Opposition had indicated his personal support for it, although Mr Phillips then said it was the worst thing in the world, and the fact that the person who topped the Opposition poll had that
1860 policy in their manifesto.

I do not know whether Mr Phillips, keen runner that he is – and, I say, from a position of jealousy, accomplished runner that he is – is against the closure of Line Wall Road, despite having been the most vociferous proponent of Line Wall Road not being closed, because after the performance that I saw Mr Phillips put in here at the last meeting of July 2019 on the issue of the
1865 referendum on abortion and the Crimes (Amendment) Act, where he spoke impassioned against abortion and the proposal that we were putting – yes, I have gone back and read it; there is no point in shaking your head, because I go back and I read stuff – I do not know that I can any longer ever believe any of the things that he says in this House, however impassioned his submissions may be. He may simply be able to argue any brief, like a good barrister, but he was sent here to
1870 argue a brief that was obviously the opposite of what he then told us was his personal belief. So, frankly, he will forgive me for wondering whether actually he was against the closure of Line Wall Road.

The main theme of what he told us about the environment was that we lacked ambition. He said that the Government and the Minister for the Environment lacked ambition. Well,
1875 Mr Speaker, just you wait until you see our Climate Change Strategy. Then the attack will be that

we are too ambitious. Typical! They will accuse us of not doing enough, and then they will accuse us of doing too much, and Mr Phillips will not even blush in the process. When I saw him being interviewed on GBC on his personal view on abortion, which was completely different to what he said in this House, he did not blush. So, I am not surprised if when, during the course of this year, we publish our Climate Change Agenda – and it is incredibly ambitious – he does not even blush when he comes and says it is too ambitious in this House.

At the moment, he seems to be obsessed. The current hobby horse is Midtown Park. He calls that the concrete triangle. It is a quadrilateral, isn't it? He cannot even get that right, can he? Mr Speaker, all of us have children, and those of us who do love to see our children work out their shapes. Mr Phillips cannot even work out his shapes. But when he is attacking us on Midtown Park, when he is attacking us on Midtown and the concrete jungle that he says is there, does he know that the party he represents in this House had a smaller Midtown Park and a larger Midtown development, and higher Kings Wharf towers, all three of them? That is the party that he represents in this House, the party that he is sitting with. He is attacking us for a concrete jungle when what we did was reduce the amount of concrete that was possible for the developers that they favoured to lay at Midtown. That is the reality. So, he accuses us of the thing that actually they were responsible for.

He complained about the cost of the Midtown Park. Again, another one who seems to be desirous of not seeing the public purse alleviated or ameliorated by the costs of the park by the very generous donation that is proposed by Trusted Novus Bank, which was, by the way, an unsolicited donation, I will have him know – an unsolicited donation, a surprise. You would have thought that he was doing that from the comfort of the historic position of representing a political party that has either never developed parks and therefore has the comfort of being able to say, 'They can't make me blush on the cost of a park, because I have never developed one,' – not a good position to be in, if you are pretending to be a champion of the environment, but at least you know defensible – or a party that has developed larger parks that have cost less. If the hon. Gentleman represented a party that had built parks bigger than Midtown, that cost less than Midtown, on the attack, Chop Suey, you would have done whatever damage you needed to have done. But if you represent a party that, in respect of the only park I can think of that they developed, paid multiples for less, you would not want to expose yourself to ridicule by attacking this side of the House. Does he know which park I am referring to? Blank stares back.

We really do need to have cameras that show you the faces of Members of the Opposition during this debate, Mr Speaker; otherwise, it is not so much fun for people watching, because they cannot see their faces. If you come to this House and you do not know the political and financial history of Gibraltar, you expose yourself, as you do now. Or has he forgotten that one of the things they told us they were going to do in 2007 was that they were going to build a magnificent Theatre Royal – yes, that old chestnut – and that in fact we do not have a Theatre Royal today, but they bought the building, contrary to the advice that they had at the time as to the ability of the building to continue to be used, and the land, for £10 million, and on that land, which cost £10 million, they then spent an additional £2.5 million-plus to develop the park? The 'plus' is the car park that is underneath, but if you exclude the cost of the car park and you are left just with the area of the park and the Theatre Royal, the GSD's park, where the Theatre Royal used to be and their new theatre never materialised, cost in excess of £12 million, and it is, I think, a third of the size of Midtown Park.

I know, Mr Speaker, that he has to quickly think of something to save his embarrassment, and whisper to the Leader of the Opposition, but let that just sink in: a smaller park for multiples of the millions of pounds that they have attacked us for spending. I can imagine why they were so disappointed when I announced the fact that there was an unsolicited donation proposed to the Government. It is remarkable. And anyway, if he is so committed to the environment and so ambitious for the environment, you would have expected him to say, 'Well, look, it is expensive, but I support that there is a park there instead of what the GSD was going to do there, which was to bring the Midtown project to be even larger and closer to the centre. Well done to the

1930 Government that I disagree with on other matters, for lowering the height of the Midtown development, for pushing the Midtown development back and for taking half of it back and being able to do the car park on the other side.’ That is not favouring developers. What this Government did was stand up to their favoured developers, to get land back for the people and to get the money that they had favoured the developers with, back into Government coffers. That is the reality.

1935 I assume he does recognise the benefits of parks and that at the end of the day he will think this is a very good thing. I hope that in his personal life he does not allow this huge faux pas and embarrassment, which he has caused himself in relation to Midtown Park, to prevent him from actually spending time in that magnificent quadrilateral, and perhaps even listening to music and having a cup of coffee.

1940 Does he know, in attacking us for wanting the concrete jungle and not a greener Gibraltar, that in the area where the Commonwealth Park is today they had a plan, too? Yes, the people that they represent in this House, the Gibraltar Social Democrats. They had a plan, too. The Hon. Mr Bossino stood for election in 2011, if my memory does not fail me. I spent four very convivial years with him here, initially. Does he know what their plan was for there? Three more towers, Mr Speaker. And what is the attitude of the GSD to Commonwealth Park? To challenge it, to say 1945 it was a bad thing. Champions of the environment? No, Mr Speaker, chomping at the bit to attack us at any opportunity but not champions of the environment, let’s be clear.

So, every time he utters the words ‘concrete jungle’ again in this House he should follow it by saying, ‘concrete jungle, which the GSLP Liberals stopped and ameliorated and the party that I represent was perpetuating’. That is the concrete jungle that he should be talking about, and if he 1950 wants to talk about Victoria Keys being bad for the environment, he would like to ask perhaps the current Leader of the Opposition how he was going to do his new town on reclaimed land without causing the same environmental concerns that he is raising, that any reclamation would now have. Well, Mr Speaker, frankly – (*Interjection*) Oh, unless it was one on the Eastside, which pushes Eastern Beach out to Ceuta and Melilla. Yes, that one I seem to recall, which then had the tram 1955 running through it, which would have been affordable despite giving them a £120 million tax cut. That is the one, Mr Speaker, the one that Warner Brothers featured recently in *Space Jam*, the new movie starring Bugs Bunny, because these are things you can only think of in your imagination. You cannot seriously come to a parliament and defend these things, whilst at the same time attacking us for spending too much.

1960 So, every time he says ‘concrete jungle’ he should either wash his mouth out with political soap and water, or he should say ‘concrete jungle that the GSLP Liberals stopped’, because the Gibraltar Social Democrats were going to build three more towers where the Commonwealth Park was, were going to permit the Midtown development to include a tower – which would have gone, I think, 30 storeys up – and were going to permit the Kings Wharf developments to be double the 1965 height they were going to be. Yes, Mr Speaker, we sat together with the developer and said, ‘We are not going to accept this. The highest point now is Kings Wharf and you come down from there to the height of the Sails,’ or whatever it is that is in the Cormorant Wharf. That is what we did, that is what we represent. So every time he says ‘concrete jungle’, he should say ‘which the GSLP Liberals stopped and which the GSD were going to perpetuate’.

1970 And he need not worry, because if he does not say it, we will, to remind him, because what we do not want is people outside of this House to be duped by the Gibraltar Social Democrats into thinking that they are somehow not the Gibraltar Social Democrats. If they want to call themselves the PDP, they can stand for whatever. We will remind Mr Azopardi of the things that he did in Government, but then they are the PDP. But if they want to call themselves the Gibraltar Social 1975 Democrats, it comes with the good and the bad.

Has the GSLP done everything right in government? Well, Mr Speaker, obviously not. Probably since 2011 we have made more mistakes than we made between 1988 and 1996. Obviously not, because we are manned by human beings. But if they are not going to at least accept the things that they were doing which were wrong, by at least accepting that in the area of Midtown, the

1980 area for which they are attacking us, they were going to do worse, then they have absolutely no moral authority to be able to lecture us.

When it comes to air quality, he says the hon. Gentleman is painting a false, rosy picture. Again, has he forgotten who he is sitting with? Is the air quality what we would want it to be? Not yet. Is it moving in the right direction? Of course it is, the principle reason for that having got rid of three
 1985 diesel power stations and now having, instead, an LNG power station. That is good for the pollution but not so good for the climate change issue, but at least, in terms of air quality, it is the pollution issue that counts. What would they have done? What would the Gibraltar Social Democrats, whose seat he holds in the House, have done? They would have built a diesel power station at the entrance to the Upper Rock Nature Reserve. I cannot believe it, Mr Speaker. I go up
 1990 there on my bike – less these days, because I am trying to run, as people know. I get to Jews' Gate, it is my first stop, and I look out across the Straits of Gibraltar. Highcliffe House is there, another GSD folly. Other than that, all I see is green and the Straits before me – not if we had not won the 2011 General Election; I would see *six stacks* of exhaust pumping out diesel fumes. I have not checked this, but I think they committed to build that power station as well, if they were elected.
 1995 Which was better for the air quality? The grimy, smelly diesel, or the LNG? The LNG. What was the better location? The entrance to the Nature Reserve, or down by the industrial port? Down by the industrial port.

So, Mr Speaker, it is not that we think that things are rosy; we still think there is a long way to go. We just think that things are better, and they certainly are better. That is the reality. But that
 2000 is the problem when you pit a barrister against an environmentalist. Yes, the barrister can read into stuff, he can try to make his point in an eloquent way with ... Mr Feetham is not here right now, but with fire in the belly, as Mr Feetham suggested; but he cannot really understand it, unless he is a specialist environmental lawyer, and the hon. Gentleman is not a specialist environmental lawyer. But let's be clear. In terms of the environment, apart from the fact that some of the stuff
 2005 that their executive committee members say about Greta Thunberg – some disgraceful tweets by one of their executive committee members, Orlando Yates, about Greta Thunberg and the environmental agenda ... I do not know how he can pretend to represent a party that supports the environment, given what some of their executive members are saying. But, apart from that, and apart from their record, when you package it all up together it is very clear to us that, in the case
 2010 of the GSD, blue and yellow do not green make. That is the reality. The blue and yellow colours in College Lane, you mix them up and they come out ... purple? I do not know, but certainly not green.

Mr Speaker, on the issue of health, Mr Phillips spoke from his script but really with no regard or reference to the progress that has been made and the problems that the Health Authority has
 2015 had. The Health Authority has been at the front line, in the trenches in relation to COVID, so to say that we have a failed strategy on mental health and that we have waiting lists ... This is a public health system. Ours is based on the UK, and most, if not all public health systems in the world are based on the post-war UK system. They all have huge problems with waiting lists, which we will have to resolve, but on the issue of mental health there is now a strategy and there is a focus. The
 2020 Hon. Minister has, I think, briefed the Leader of the Opposition. It is something that we are working on very closely.

And on the report, Mr Speaker, the hon. Gentleman has to remember that it was the GHA that sought the situational analysis from Public Health England through the Director of Public Health. The reason for commissioning that report from professionals from England, and totally
 2025 unconnected to Gibraltar, was to get an absolutely objective analysis. What is wrong with that? That is what hon. Members should be telling us to do. That report highlights that there has been excellent progress and proposes other areas for improvement. But imagine if that report had been prepared before 2011. They would not even publish, when they were in Government, the Allan King report into GBC, let alone something as sensitive as this report.

2030 I really do think that the hon. Gentleman needs to remember, for the sake of all of us, what the provision of mental health services in Gibraltar was before 2011. I have told them before. The

Hon. Mr Cortes – who was Minister for Health in our first few weeks in Government – and I went to see the patients at KGV at Christmas/New Year and we were moved to tears. It was Victorian, prehistoric, but there was a shiny new Airport building by the Frontier, something the PDP, which he was in as well, attacked the Government for; we all did. The Airport, before the new KGV: unacceptable. So, when he attacks us on the provision of mental health services, he should remember where we have come from. Have we done everything we need to do? Not yet. Are we trying to achieve that? Yes, we are. Are things better? Absolutely, they are, and he, in our professional, personal, non-political lives, is somebody I regard as clever enough to know that things are much better than they were in 2011. Have we done as much as we need to? Of course we have not, but this is a road and we continue.

Then there is this idea that there is no mental health budget. What they are trying to do there is just scaremonger, as if there were no provision for mental health services in our Estimates Book. Of course there is provision in our Estimates Book for mental health services. It is there throughout the Book. On suicide, the Minister for Health has already announced that, as part of the survey of mental health services, she has specifically commissioned a review into suicides, with particular regard to male suicides. The hon. Lady already announced this a month ago. How can he just ignore the things that she has said and which are in the public domain, and come here and make a speech which ignores that? It suggests that we should get up and make points of order asking them to correct the record, because there are press releases that say the opposite of what they are saying to the House, and those press releases are in the public domain. What matters is that the Minister for Health *has* commissioned a mental health strategy from external advisers, that she *is* getting on with improving the system and that we are going to take it even further than we have already taken it under successive GSLP Liberal Ministers for Health since 2011. Why does he chose to ignore that? And why does he choose to, again, scaremonger by accusing the Government of not replacing a consultant clinical psychologist? It is just not true; nothing could be further from the truth. We have increased the complement of psychiatrists and all the posts are filled in the complement, so what is he talking about?

The difference is that he gets up and speaks as if he were a mental health expert and he gets up and speaks as if he were an environmentalist, donning the barrister's ability to take one issue, pretend to internalise it for a moment and then eloquently put his case. It does not mean that he understands it for one moment. In the unlikely event that he were ever to achieve high ministerial office, I counsel him never to do that as a Minister. You must know, when you are a Minister, that you are not the expert in the field and you must take the advice of the expert in the field. That is why – we are not doctors – we do not pretend to decide what is wrong with people or how to fix them. We are not mental health experts – we are looking for the advice to ensure that we do the right thing.

Another green bottle, in my view, has fallen – not accidentally, but simply by dint of all of that hubris that they bring to these speeches. That is it, with Mr Phillips, Mr Speaker, but there was not much to deal with. You try and delve into the substance of what he said and there was nothing there at all.

Mr Reyes was the 13th speaker, he told us, delivering his 13th speech. Thirteen is lucky for some, Mr Speaker, but it was not lucky for him. 'Carry on Edwin' was not a particularly edifying episode of the *Carry On* franchise. All we see here is another transparent bottle slipping and sliding off the wall.

Mr Reyes knows that I regard him as a very nice man, but I do ask myself, because they cost £¼ million, why is he still here? Of course, people voted for him and he is entitled to be here – if he puts his name on the ballot and people vote for him, he is entitled to be here – but *why* is he still here? You just have to watch this debate, or, indeed, any session of this Parliament, to see that he is firing on many fewer cylinders than the Father of the House, who is in his 80s and firing on more cylinders than most, me included.

Mr Reyes almost delivers exactly the same speech every year: managerial inefficiencies and bad workmanship in the sports facilities. Okay, when I call up the Civil Service to tell them that

they all think they are bloated and in disarray etc., I will also call up JBS to tell them that the GSD think that they are managerially inefficient when they are building our sports facilities and that they deliver bad workmanship. These are men and women who gave every hour available to build the sports facilities in time for the Island Games. In the Island Games *they* all came and had their picture taken; they said that we should not have rushed, but they all came and had their picture taken, had their drinks and posed with the athletes. (*Interjection*)

In terms of managerial inefficiencies, he knows, Mr Speaker, because we have told them, that the reason Lathbury is not finished is very simple: because we have an international contractor, because we want to build things to the right standard. If we did not build things to the right standard they would accuse us of going cheap, so we are building to the right standard. We are bringing somebody from the outside to do it. COVID has stopped them from coming. They were withdrawn from Gibraltar. Their equipment stayed here. They have not been able to return when the pandemic receded. These guys are the top. They had to go to Tokyo to do the work on the Olympics and some of the European games, but now they are here and now they are finishing. This is not managerial inefficiency at the JBS level, this is just the reality of the world in which we have unfortunately had to live in the past 24 months. Or is he saying that the managerial inefficiency is the Minister for Sport, because we do not manage our work site? I know that in the times of the man who used to speak from St Peter's chair, he was engineer, architect and consultant and would go on site and throw his toys out of the pram and break the tiles at the Airport terminal when things were not the way he wanted. We do not work like that, Mr Speaker, we leave it to the professionals. So, I will put Mr Reyes' criticism of managerial inefficiencies to the managers, so that they know what to think of him and his party and what they think of the workmanship of JBS, which we hold in the highest possible regard.

Mr Speaker, when we – to use Mr Clinton's terminology – bail them out for a particular amount, it is a bail-out. When they assist the company with its balance sheet at the end of the year, each year for 10 years, it is not a bail-out, it is perfectly proper financial management of the accounts of a Government company. Come on! I cannot accept on behalf of the people of Gibraltar this low level of intellectual engagement with these Estimates. How can they say those things about the things they did before? Have they no intellectual or logical shame? Come on! This is serious stuff. We can have beginners' debates, or we can get down into making sure that we take this community a step further by not putting such inherently contradictory arguments against each other, contradictory to what we did when we were in Government.

Then, Mr Speaker, they attack us again, because it was not enough for Mr Clinton to attack us. Mr Reyes came and had – I was going to say another bite, but another lick, I suppose, because it did not feel like much of a bite – another kiss on the issue of how terrible it is to have a public subscription for the building of a theatre, sitting in a building that was built by public subscription, telling us that we have spent too much on cultural projects, just not the cultural project that they like, knowing that we have a deficit of £158 million and therefore we cannot spend £15 million on a theatre, even if we would want to. They tell us that we should not be pursuing the cultural subscription. Well, I really do not believe that he is right to say that there are people in the arts who believe that this is the wrong way to do it. All that I can see is Members opposite trying to undermine every potential donation to the good causes that are being proposed by the Government, even when they are unsolicited and hugely generous. He is completely wrong to say that the new 1,000-seat theatre would not be suitable for local productions. In fact, it is designed to be adjustable, so that you can have an audience of 200 ... you can have different sizes of audience.

That is the sort of level of engagement that we have from the Hon. Mr Reyes, who then says that we do not consult teachers about the new schools. How can they say that? We have 400 teachers. I am sure we did not consult every one of them – I am sure, because what we did not do was go out to get 400 architectural opinions – but we consulted their representative bodies and we consulted individual teachers, too, in the context of the development of schools both by the current Minister, Mr Cortes, and the former Minister, Mr Licudi. We have had consultations

directly with teachers, and in some instances with parents' groups as well. So, what are they talking about here?

Yes, we need to look at the issue of the leaving age in schools. That is something that is live already in the Department and is being looked at. Apprenticeships? My goodness, I understood the need for apprenticeships when I heard the speeches from Members opposite. None of them have done a political apprenticeship with anybody who has taught them anything, and the Hon. the Leader of the Opposition, who has been a Minister, seems to have forgotten everything in the interim. And the Hon. Mr Feetham? Well, he makes the arguments that he needs to make – Welcome back, Mr Feetham. He makes the arguments that he needs to make when he needs to make them for the purposes that he makes them. (*Interjection*)

Mr Speaker, they talk about the importance of teachers. Does he remember the criticism that they are making to us about the cost of the public sector? We have increased teachers' salaries. They did not know whether to jump on the bandwagon to say that we should, when they thought that we would not, or whether to jump on the bandwagon to say that it was terrible that we had when we did. That is the reality.

Then, to hear Mr Reyes say that most of the meetings he has are with constituents on housing matters, you could have bowled me over. He is the Shadow Minister for Sports, Culture, Education and Housing. I would have thought he would not see as many people in the first three as he does in the fourth. He is not telling us anything very novel. He has not discovered America by telling us that there is a bigger housing problem in Gibraltar than there is a problem of culture, sports or education. They do not know where to attack us now on housing, whether to attack us for having done enough, not having done enough, or to attack us for having done too much and having spent too much. But at some stage they have to be put to their election and they have to choose which it is, otherwise we are just going to carry on pointing out the constant, inherent contradictions in everything they say. If we were to reduce the Civil Service and the public sector, we would be decimating it. If we employ more people in the Public Service or the Civil Service, we are bloating it. Their current position is that the Civil Service is bloated. That is what they have said, bloated. So, what is it? That they want us to decimate it, or, if we take one job, they will tell us that what we are doing is the wrong thing? Constantly trying to run with the hares and then hunt with the hounds.

They cannot take a position where they say that we must open every vacancy and at the same time say that we must continue to try to cut costs. There is just no other way of dealing with this. But these contradictions are in everything that they do, not just in the attack on us. Perhaps we should not take it as badly as I am taking it on behalf of the people I represent, because Mr Bossino makes no bones of describing himself as Conservative, Mr Feetham makes no bones in describing himself as Labour, and Mr Azopardi says that he is progressive. They are more than just a broad church, they are a political swatch of the unprincipled. The only thing that hangs them together is that they are not us. They have no common ideology, they have no common principles; they are not a broad church, they are a cacophony of contradictions. Their only ideology, that I can discern, is that they have no ideology. They are divided by religion, they are divided by personalities, they are divided by their approach to social issues and they are divided by their politics.

They were only ever united once, in their blazon hatred of the Father of the House. I do not know, today, whether they are going to go back to the character assassinations of Joe Bossano, or whether they are going to talk about the voodoo economics of Joe Bossano, the Walter Mitty character who thinks that we are in *Alice in Wonderland*, and other things that we have been told by Members of the GSD, or whether now they are they are going to support him. Is it that, because they could not beat him, they have joined him, Mr Speaker? Now, they eulogise him. In 1996, the Father of the House was a danger that had to be got rid of. In 2011, the danger was 'Vote Picardo, get Bossano'. That is what the *Socialist Worker*, *The Light* etc., were saying: 'Vote Picardo, get Bossano'. It then passed to the seven days, Mr Speaker. Mr Bossino used to follow Sir Joe. Then he went to the extreme right wing with Christian Democracy. From worship to betrayal. Judas did

that sort of thing, too, on the way to a career-ending step. (**A Member:** To Damascus?) No, not Judas. On the way to the tree in the Garden of Gethsemane. A very bad ending, Mr Speaker.

2190 The Hon. the Leader of the Opposition has been coming here constantly to tell us that we have failed to take the opportunities etc., and showed hon. Members what the opportunities were. Well, where is Gibraltar as a result of our actions? Where is Gibraltar? (**Hon. K Azopardi:** Failure.) 'Failure.' That is what he says. He is a politician in this House. Let me read him what an industry magazine, *Chesterton's Bitesize Brief*, said on 28th May this year. This is in the market – not us, because we are then calling each other names:

The supply of both properties for sale and for rent has been falling steadily this year due to Gibraltar being in the world's headlines in respect of Schengen optimism, a successful vaccine programme, the impact of the Gibraltar-Spain Tax Treaty signed in March 2021, and the passporting agreement with the UK boosting the financial services market here. This surge in interest has been from real people moving their families to Gibraltar more than property invested in the booms of recent years.

2195 That is the market. That is real. The Hon. the Leader of the Opposition would have done better to keep his mouth shut and not pretend to show off by saying 'Failure' when I asked where Gibraltar was, because this is not failure, Mr Speaker. This is market-tested, objective success. That is where we have positioned Gibraltar. That is what the market really thinks.

2200 There are two people opposite who created their own parties as their own vehicles, to try and achieve electoral success. They have not even managed that. Both of them had to fold and go into the party that lost the 2011 General Election. They could not manage even their own parties, let alone Gibraltar. Therefore, I am immensely proud that we have been able to achieve what we have achieved, and immensely proud that so many of them seemed so disappointed when I said that I was prepared to allow my name to go forward once again for the GSLP to decide whether
2205 they wanted me to be their leader again. I know that they will not be disappointed because they believe it will be easier to beat us if I am there. This is from the party that has a leader, today, who went on television recently and said, 'We are not a party dealing with the issue of the leadership of the GSLP, we are not a party that elects leaders in uncontested elections,' whilst then brazen-facedly saying, later in the same sentence, 'I won the last election contest in the GSD uncontested.'
2210 Come on, Mr Speaker!

Hon. K Azopardi: I did not say that.

2215 **Hon. Chief Minister:** Yes, you did. I still remember falling off my chair at the level of infantile conflict in the one sentence: 'We are not a party that elects leaders in uncontested election; I won the last election contest in the GSD uncontested.'

2220 But, in this place, now everyone is a socialist, the battle is to be more socialist, not less socialist. One of them said it is a time of reckoning. It is a time of reckoning, Mr Speaker. The chickens are coming home to roost, but the chickens are sitting there on the other side, not here. We are the ones who are going to vote for the Budget. We are going to carry the responsibility to ensure that everyone in our economy is paid, despite the fact that the GSD have decided to bottle it, led by Mr Negativity, advised by Mr Spend Nothing and with Mr Morality leaching for the leadership in his prayers.

2225 And then they say they are going to establish a Public Accounts Committee. They say it every year. They were in Government with that policy and they did not establish a Public Accounts Committee. Should they ever beat us, and should we be in Opposition, they will never be able to establish a Public Accounts Committee. They will have to get rid of the GSLP from the Parliament to have a Public Accounts Committee, because we will not accept one, for all of the reasons we have already set out, because they are bad for Gibraltar. Gibraltar experimented with a Public
2230 Accounts Committee in the late 1970s and early 1980s, and the whole of the Parliament, all of the people to whom he says he pays homage and has regard to.. Joshua Hassan, Joe Bossano, all of the people he has regard to, said, 'Never again, this does not work for Gibraltar.'

But this is normal, Mr Speaker, that they say one thing in Opposition and do another in Government. Or can't the Leader of the Opposition remember that he went into a General Election in 1996, saying, 'We will get rid of the web of companies', and when he came out in 2003, let alone when they left in 2011, all they had done was establish more companies, and what they have called, pejoratively, a web of companies in 1996, they called the Government's company structure, the corporate structure? The rat-infested rubble mountain had become Sovereign Bay, although it looked the same, and the web of companies had become the Government's corporate structure. Mr Speaker, in my life I cannot put up with this hypocrisy without pointing it out. I just cannot put up with this hypocrisy without pointing it out. (*Interjection*)

Mr Speaker, for a party that has been the Government of Gibraltar – good and bad, but it has been the Government of Gibraltar – they really are falling into the worst sort of populism. They really are letting down the things that they say they did that were right when they were in government. They want us to put up the cost of nothing. They want us to make savings on waste, which they say does not exist because the only waste is the double Book. They want us to either spend less and do more, or spend more and save more. But, look, people can see through that. Even the unions do not believe them. They see, already, Roy 'Scissorhands' Clinton there, ready to cut. They see, Keith 'Bandwagon' Azopardi jump on causes without even checking the cost or the direction of the bandwagon, just for the sake of a few votes. They see Mr Bossino against everything they stand for in terms of personal liberty, liberalism and freedom. And now, Mr Speaker, we will look at the many inconsistencies of Miss Hassan Nahon as well. Interestingly, perhaps, for the first time in years – perhaps tactically cleverly – nobody sees Mr Feetham.

We are not a populist Government. We are going to do the right thing for our people, popular or not. They are about cut, cut, cut; we are about protect, protect, protect. This is the moment of reckoning; and, if it is a moment of reckoning, we will come out on top because we will take responsibility for the things that we do.

Before I end my analysis of each of the contributions that we have heard today, I have to move to another bottle sitting on the green benches, and this really was no better and no worse than *Carry on Cleo*. The hon. Lady came to this House last week to demonstrate that she is long on surname and short on ideas. I was, frankly, shocked and disappointed by her mercenary approach. All the hours that we, on this side of the House, have spent agonising, analysing, working on the COVID issue, all of that effort – indeed, all of the heartbreak that we have felt on this side of the House, genuine heartbreak, all of the consideration – was all useless, even the work that we did with hon. Members opposite. We should have just asked Marlene.

The hon. Lady got up and told us that she was right all along, throughout the pandemic, and that if we had done things her way, fewer people would have died. Seriously, Mr Speaker? Has she forgotten that she was with us in my office on 17th November with the Hon. the Leader of the Opposition and, I think, Mr Phillips, with the Director of Public Health and the Minister for Health, looking at whether we could reopen ERS safely, which we did? The Leader of the Opposition said to me, 'Look, this is a difficult decision. We will take it together, and if things go wrong we will face it together.' To be fair to him – I have called him out on every other contradiction – he has stood by that, Mr Speaker, because we wanted to make that decision together. This was an issue that was affecting everyone in our community. People could not go and see their elderly relatives. It was a very tough issue. Why didn't she tell us then that she had the answer to how to deal with the COVID pandemic and that nobody would have died if we just did things the way Marlene said?

Why do we help people who she refers to us, Mr Speaker, if we are so remote that I am on planet Picardo and people who need help are ignored on planet Earth? Why, Mr Speaker? Obviously I am not on planet Picardo, but she needed to say something, or at least one of her scriptwriters wanted to write the planet Picardo thing. The fact is, for us on this side of the House, this is not a hobby, this is real.

And why is it always sexism if somebody criticises Together Gibraltar? I thought she was not just 'her'. We are not supposed to even call her the 'independent Member' because she is not an independent Member, she represents Together Gibraltar, which is a political party which will have

2285 men in it and women in it, etc. So, when we criticise Together Gibraltar, why is it sexism? Why is it men mansplaining her, if she is a party involving men and women? Or is she just an independent Member? Even when Samantha Sacramento tells us something that is a disagreement or explains something, she is being mansplained? Of course she is not being mansplained, of course not.

2290 Mr Speaker, if I am on planet Picardo, she got herself here pretty sharpish from my office 45 minutes before she delivered her speech, because she was in my office, 45 minutes before she delivered her speech, on an issue that she wanted to see me on, which was unrelated to the debate. So, she has the fastest space shuttle in history, or maybe it is that I am not that remote and the planet Picardo issue was just a device.

2295 She has been inconsistent on the abortion referendum, inconsistent on how to vote on this debate – as she has already told us – inconsistent on whether to campaign on the referendum. Inconsistent, inconsistent, inconsistent. In fact, Mr Speaker, she is becoming so inconsistent that keeping up with her latest position is becoming a recognised cure for boredom. She did a U-turn on referenda on the abortion issue, a U-turn on how to vote on this debate, U-turns on the power station and U-turns on the environment. It is clear that the hon. Lady is no Iron Lady, that is for sure. Inconsistent, ineffective and unprepared for election to high office, for exactly those reasons.

2300 That is the unfortunate reality, which my personal friendship and affection for her can no longer hide. In life, there are people who are nice enough, but not good enough for a job like this, and she is nice enough but she is not good enough. This is tough, it is hard and it requires the most extreme work ethic, the sharpest ability to understand documentation and turn it around; and, 2305 nice enough though she is, good enough and tough enough she obviously is not. And you know what, Mr Speaker? I am sure that she knows it, her supporters know it, and the electorate knows it, and none of that is because she is a woman because there are many women in Gibraltar who have all of the qualities necessary to be Chief Minister. There are women who are good enough and who are tough enough, clever enough and hardworking enough, but she is not. There are 2310 many women who have what it takes to be Chief Minister, just like there are many men, but she does not have what it takes and she knows it, her party knows it and the electorate knows it. That is not *mansplaining*, that is *explaining* why she is where she is, alone in this place.

2315 Yes, she topped the Opposition poll, but she got no one else in with her. People are giving her a voice in this place – yes they are – but they are not giving her responsibility, because although she has the attributes to have a voice, she has none of the basic qualities necessary to seriously discharge the responsibilities of Chief Minister, and that is what she is proposing to the electorate. When she leads a party at a general election, she is saying that they should choose her and that she should be sworn in as Chief Minister. She would not be able to do the job. She knows it, her party knows it and the electorate knows it. No insults, no sexism, just the truth, because I know 2320 that the truth is the most politically effective tool.

2325 What does she stand for, Mr Speaker? The hon. Lady has come to this debate in a way that has demonstrated that her policies are vacuous – remarkable, because we perhaps have not analysed in such detail before the contradictions of this daughter of privilege. One day she says the environment should be a non-partisan issue. The next day, when I propose and the Leader of the Opposition agrees – we were then candidates – that we should have a select committee jointly chaired by the Chief Minister and the Leader of the Opposition, she says, ‘No, that is not a good thing because the environment should be a political issue. That is how we go further, by pushing each other further.’ Come on! Take one line and stick to it.

2330 She says she is progressive, but she first got people’s votes by standing, she said, for traditional GSD values, the ones that she now says are anathema to her and Mr Bossino constantly reminds us of – but at least now the GSD is led by the leader of the Progressive Democratic Party.

2335 She said one day in May, two or three years ago, that she would campaign for a referendum – not *in* a referendum, Mr Speaker, but *for*. She said that she would campaign *for* a referendum to defend women’s human right to abortion. Then she said, in September the same year, that a referendum would be an aberration against women’s human rights. Then she also said that if there was a referendum, she would not campaign in one. Then she campaigned in the

referendum. Mr Speaker, communication is her forte, consistency is not. Or is it that she, although she attacks the barristocracy, is displaying the same qualities as a barrister, able to argue any brief convincingly?

2340 Politics today is tougher than in the 1970s and 1980s. What is she going to do if she is in front of a room full of UK officials hanging on her every word, noting down everything that she says when she gives an answer to a question, and when they ask her the same question tomorrow and she gives the opposite, like she has done on all of those issues I have already highlighted?

2345 Mr Speaker, what we cannot get away from is that she is the daughter of the Adam of the barristocracy in this place. The only thing that she has been consistent in, in *all* the time that she has been in politics, is one rallying call that she shares with William Shakespeare – *Henry VI, Part 2*:

The first thing we do, let's kill all the lawyers.

That is the only thing that she says consistently! That the barristocracy is bad for Gibraltar, etc.

Of course I should say, Mr Speaker, that that was in *Henry VI, Part 2*, and in Marlene Hassan Nahon, Part 2. Because in Marlene Hassan Nahon, Part 1, she was elected behind the coat-tails of
2350 Mr Feetham, a barrister. A much-maligned, Mr Feetham, Mr Speaker. (*Interjections*) Actually, when you analyse what Shakespeare meant, he was defending lawyers in that line. If you look at the commentaries, the whole point was to say somebody who wants to take over a society would first of all kill all the lawyers because the lawyers are the frontier between abuse and no abuse, the ones who will protect you from being taken to a cell and never being seen again. The ones
2355 who will defend the ability to have freedom of speech.

So the lawyers were being set up by Shakespeare there as the guardians of independent thinking. The lawyers, the ones she wants to get rid of in this place; the ones that she says are a bad thing – the barristocracy. It might be very unpopular to defend lawyers. I remember, Mr Speaker, the Gibraltar in which I was brought up, where there were very few lawyers and it
2360 was a very good thing when we were *encouraged* to go away and study law and study accountancy, and I was very proud that I achieved what had been opened to me by the scholarships that the Father of the House had provided for. But what happens if we pursue the attitude that the hon. Lady wishes? Where Sir Peter used to say, 'You need to pay people well, because otherwise you will only have people who do not have professions coming into the House.'
2365 The Hon. the Father of the House imitated him beautifully in saying so.

The hon. Lady is saying, 'We do *not* want people who are professionals in the House. We do not want barristers in the Parliament.' (*Interjection*) Discriminating and disqualifying us on the basis simply of our chosen profession, Mr Speaker. It is incredible. But what would be the future for our grandchildren if Marlene's way was what actually manifested itself and became a reality?

2370 So first she gets rid of all the lawyers. This will be, in my view, the story that would be told to our grandchildren, Mr Speaker, of the future under Marlene. What happened after all the lawyers were killed or left politics to avoid Marlene's purge? It says here that Marlene took over in 2023. She could not bring in new business and handle stuff, and there was a problem funding the Health Services. So in 2024 Together Gibraltar decided to attack the doctors and nurses who had been
2375 complaining about these problems, to get rid of what she called the 'doctocracy'. She called them a 'cabal' to get people against them and said that the health authority was in disarray. Then there were a couple of tough statements against Marlene by accountants in 2025, who saw Gibraltar was going bankrupt. So Together Gibraltar then attacked the 'accountantocracy'. All businesses left after that one.

2380 With no lawyers, doctors, nurses or accountants, the teachers found that they were amongst the best paid in town, but that law and order was breaking down. There were no credible Health Services any more. So in 2026, the teachers criticised Marlene's Together Gibraltar Government. Marlene said that that was typical of a gender-neutral plutocracy who think that they know better than anyone else. They all left after that. So in Gibraltar, then, there was no free speech. In 2027
2385 it became a crime to blame Marlene for the 'Purple Movement' – as Together was then known –

for anything. Citizens felt disenfranchised. It took a young lawyer, a barrister to turn things around. He was operating in the shadows and because of the ban on lawyers he practised covertly and clandestinely from Horse Barrack Lane. He started working hard to get people equality of opportunity, whatever their colour, profession or political creed. He called his movement the 'Association for the Advancement of Civil Rights', or the AACR for short. His was truly a progressive movement.

Come on, Mr Speaker. Is that what she is saying to us, that we have to start again from scratch? That the journey on which we were embarked – thanks to her father, a barrister, a white male barrister – is one which none of the rest of us are able to pursue, even though he did everything for all of us, regardless of sex, race or colour to be able to do it? That we have to go back and start again from scratch where that brilliant, charismatic young Joshua Hassan started it all, just because she broaches no criticism?

Mr Speaker, look at her article when she spoke in here about the New Year's Eve Agreement. Let's go back and see what she said in January about the New Year's Eve Agreement. She accuses us of *spin*, but when she reaches the same conclusion that we reach, *her* conclusions are honest and truthful. But when it is our conclusion, it is spin. That is just unsustainable; that is spinning out of control, Mr Speaker. She is a very good communicator but, Mr Speaker, having seen her here for the years that we have seen her, do we all really think that she has the sufficient intellectual rigour to carry the key office of state of Chief Minister in this community?

She does not even see through the lack of logic of the people who write the speeches for her. She is criticising us for getting too close to the Tories and tells me during the election at Inces Hall – and I think the hon. Leader of the Opposition's jaw dropped, as well as mine, when we were both candidates there – that we should not get close to Boris Johnson because he does not share our values and our beliefs, Mr Speaker. That is why we had to tell her in January that she repeatedly and dangerously contradicts herself.

Then, Mr Speaker, she says that she is for 'constructive politics'. Well, one day she is for constructive politics and the next day she is Judy in the longest-running political soap opera in the world! The *Punch and Judy Show*, Mr Speaker. I may be on planet Picardo, Mr Speaker, but she is definitely in planet Hollywood.

By the way, Mr Speaker, calling me as she did 'a gifted actor in a second-rate play' is unfortunately to praise me and talk down Gibraltar. I think, Mr Speaker, that Gibraltar as our stage is anything but second-rate, whatever Ms Hassan Nahon may seek to imply, but she is a little like the Leader of the Opposition in that – say one thing, do another. Her lack of consistency, Mr Speaker, since that message of the lack of any intellectual rigour, is dangerous in the extreme in the context of being in Government. For example, her position on digital Government: 'Do it!' she says to the Hon. Mr Isola. 'Do it, but do not pay for it.' 'Do it, quicker, but make sure it costs nothing.'

She is in cloud cuckoo land, Mr Speaker. She contradicts herself so much even within her one speech, that she should get her two speechwriters to go out and meet for a drink. At least she should buy her speechwriters lunch once a year, Mr Speaker, so they are more or less on the same page. I said 'speechwriters', I should have said 'scriptwriters' for planet Hollywood, Mr Speaker.

How can this be a budget of decay, Mr Speaker? It is certainly an investment budget, but not a giveaway budget. How can it be a budget of decay if she has accused us of throwing all of the money at Gibraltar until now? It does not make any sense, there can be no decay if we have thrown all the money in. 'This is the moment of reckoning for the Chief Minister and the GSLP', she says. It is a moment of reckoning for every economy in the world, for the public finances of every nation and for the whole of this nation. She says this is a budget of anger and frustration. Really?

Mr Speaker, I missed the poll tax riots outside this Parliament. We have not been able to use the golden eggs of the goose to invest. So where does she think the money is? Does she not drive around and see all of the differences that we have made in Gibraltar? We may disagree about whether we should have done it or not – Mr Feetham's argument – but it is there, Mr Speaker.

That is why Mr Feetham can enumerate the 750, or whatever he says, the billions he says that we have spent, because he goes through in his speech and he tells us where it is.

2440 You can say that we have invested too much, or you can say that we have spent too much, or you can say that we have not spent enough and that things are decaying. But you cannot say that we have been spending too much until yesterday, and that this now decay, because we are going to spend the same amount we spent in 2019, but not a penny more, because that is what this Book does. Or has she not seen that what we are proposing to spend is the Budget as at 2019?

2445 So you might say well, look, therefore there is a reduction by the rate of inflation since then. You might say that, 1.8%. But how can it be a budget of decay? Imagine if she was the person sitting where the Deputy Chief Minister and I have to sit, in front of Spain and the United Kingdom! We have not spent prudently or responsibly? We are spending on schools, on homes, on health facilities, on teachers, on health services, on civil servants and public servants. The needy will not
2450 be able to feel the support of the State when they need it most because of this Budget. They are needy?

Mr Speaker, did she not hear the part where I put up those parts of the allowances and those parts of the benefits which affect those who need it most in our economy? Of course, we invested in the people in this Budget. Does she not understand the words that I used, Mr Speaker? Then
2455 she tells us that the route to prosperity is to get rid of the bunkering industry. I do not know where she got that one from, but she said that the Civil Service is in disarray. I would remind the Civil Service union of her views in respect of the public sector.

Can we promise our children that they will have the protection when they need it in the future? Yes, you can promise your children that as long as the GSLP Liberals are in power, because that is
2460 what I have said we are doing with this Budget: we are going to stabilise the public finances and we are going to make them strong again. But you will not be able to say that to your children if what you do is seek at this time to continue to give away money from the public finances.

If we respond without making the most fortunate pay, she said. We *are* making the most fortunate pay, Mr Speaker. I have made the point before, but did she not hear that we have not
2465 put up the tax for those on the GIBS system or the allowance-based system? We have not. And we have not put tax on pensions. Instead, we have raised the Cat 2 amounts and the HEPSS amounts. I said the things which were the direct opposite of the things that she replied to.

‘We were left out of the negotiations on BEAT between the Leader of the Opposition and the Chief Minister.’ Yes, she was Mr Speaker, because this was about quickly having to do something
2470 in the face of a crisis that was coming and we did it together – because *he* is the Leader of the Opposition and *I* am the Chief Minister, and Mr Clinton is the person with responsibility for public finances because he has been designated by the Leader of the Opposition. Those were the relevant portfolio holders and that is how we moved to make a quick decision. Not because she is not a boy and not because she is a girl, that had nothing to do with it. This was running against
2475 the clock to make things happen.

But, Mr Speaker, the worst excess I have ever heard, painful in the extreme, was to try and blame us for the 94 deaths from COVID. It was an unforgiveable stretch, Mr Speaker, she set out to blame us personally for that. I do not know if I will ever be able to forgive her that – in my view, Mr Speaker – unconscionable attempt to play a blame game with the lives of our people. None of
2480 *them* have, Mr Speaker. The GSD and the GSLP go at each other hammer and tongs, especially in this debate, but there are some things, there are some issues that we will not go to, Mr Speaker, to politicise the deaths of those of our fellow Gibraltarians who passed away. It was the most remarkable and disconnected statement I have heard in this House, Mr Speaker. The most remarkable and disconnected statement.

2485 A ‘more prudent management of the pandemic’ is what she called them. ‘The hypocrisy of Mr Picardo’. But the only thing that we have done on this side of the House is talk to clinicians and take their advice, question them to make sure that we were being diligent in our approach, and act on advice throughout. What came after the Christmas comiloma she complained about? My goodness, maybe she had forgotten the bitter complaining about the cancellation of the Christmas

2490 comiloma which even lead to a demonstration outside my office. (*Interjection*) I think she said at the time that we had not done things right. I will tell her for nothing, Mr Speaker, that those moments were hell on earth.

We gave everything that we had to get it right. Everything that we had, and more, and then some. So to come here, Mr Speaker, to hear her in this debate crow about how she would have done better was not edifying at all. It was thoroughly unedifying. I think, with the very greatest of respect to her, it was potentially a career-ending position for her to take, because the callousness that it took to try and put those deaths to her political service is worse than unconscionable. (*Interjection*) Of course there will be an inquiry, Mr Speaker, we have announced an inquiry some time ago, but does she think that we should be doing the inquiry when the problems that we have still require those in our Health Services who will be giving evidence to the inquiry to be dealing with the problem? It was worse than cheap, Mr Speaker, and her sneering now does not make it any better. It was the lowest I have ever seen a Member of this Parliament stoop, and I have seen some things here, Mr Speaker. This was the darkest chapter in our political history. It is beyond politics, Mr Speaker, to try and play with those 94 deaths. She would have done better, she said, that lives would not have been lost, in effect, is what she is saying, if she had been in charge. What a huge mistake.

‘An inquiry into the second wave is absolutely necessary.’ Of course we agree. We felt there was a need for an inquiry when we had the first wave, but the waves have been relentless. Everywhere else the decision has been, like here, that you cannot start the inquiry now, because you will take the people who are *still* on the frontline – today there are nine people in our COVID ward and two in the intensive care unit – and you pull them away from the work that they have to do in order to attend to the issue of the inquiry.

A second wave happened as a result of what was happening in November-December. She was in my office on 17th November to open up ERS. Then she talked about how incoherent our messages were during the pandemic. She had just thanked the public broadcaster, the national broadcaster, for the fantastic job they had done of communication during the pandemic. Then she accused us of incoherence of our message. Mr Speaker, wake up and smell the Starbucks! The national broadcaster was carrying *our* message. She congratulates them for sending the message and how important that was, then she chastises her for our contradictory message. That was the message she had just congratulated the national broadcaster for. Come on! And sneering from across the Floor of the House does not make it better, Mr Speaker.

She talks about civil servants enjoying very generous conditions and private sector workers enduring pretty dire ones. Well, Mr Speaker, that is why we had to bring the Private Sector Pensions Bill to this House. But she stood with the party that did not bring that Bill to first get elected. She said our pensions are squalid. Well, it is a very easy way to try to win points, Mr Speaker. But when you put out what she says are our squalid pensions, you take out the fact that there is no social insurance payable by people after a particular age, and the fact that there is no tax on pensions, Mr Speaker, and our pension does not look so squalid. I am going to do the exercise to show hon. Members where our pension lies in the European scale.

2530 She talks about all of these things, Mr Speaker, like a progressive, but she first got her seat in this Parliament with the party opposite, who left us a minimum wage that we had to double. She talked, Mr Speaker, about Together Gibraltar’s first and only election. This is the first time I address her across the Floor of this House since she has been here, with her own votes, Mr Speaker. But it is not her first and only election, she stood with the GSD on their pre-election pamphlet for 2015.

2540 This is, Mr Speaker, the woman who says that she is not a politician, she is something different. She is not a politician, but she has spent since 2013 trying to get elected, and she said she is a different sort of politician. Well, she has tried to get elected with the second party in Gibraltar, did not get elected in the by-election, *got* elected with them, and then six months later left them, Mr Speaker.

She presents herself as not just anti-lawyer, but anti-politician. She is the politician who is anti-politician. I assume that is popular. She is the anti-lawyer daughter of a lawyer who put the silver spoon in her mouth. The politician who is the anti-politician daughter of a politician. Come on! She needs to think about these things, she needs to analyse what she says and what she stands for, and spend time reflecting on who she is.

I apparently made a triple admission of guilt by saying that if I had not hidden things in the companies, I would have had to come to Parliament to extend the debt ceiling. Well, Mr Speaker, I cannot imagine that I made a triple admission of anything, because the hon. Lady – on days other than Mr Clinton and the Leader of the Opposition – also was invited to my office to see all the structures of the companies and how we structured all those investments and the repayments, etc., etc. Then those things led to press releases that said we had met with them and explained it to them. So what is it that I have admitted that has not already been out in blazing lights? All of the money that we have invested in all of things that Mr Feetham has enumerated.

Did she not hear me say in September last year anyway, Mr Speaker, that of course there is borrowing in companies. That is what the debate has been about. But it has never been *hidden* borrowing. The argument that we have had in her presence since 2015 is not about whether or not there is borrowing in companies, it is about whether or not it is appropriate to have borrowing in companies who do capital projects. What we say to them on the other side, to the GSD, the party with which she has stood is, 'Look, you used to do it and it was fine when you did it. What is wrong when we do it?' They have not yet given us a satisfactory answer. But, to be fair to them, they have never suggested that we have pretended that there is not Government company debt. The argument has been the opposite.

Then she said – and, frankly, I think that the only fish that died was her own credibility. I must tell you that, Mr Speaker. She said, 'We need to be backed by the United Kingdom to get interest rates which are low.' That really made me worry about her ability to understand even the most simple things, Mr Speaker. We have the lowest cost of borrowing available to us already, because interest rates are lower than they have ever been. The issue has always been, Mr Speaker, which we have debated across the Floor of this House, to get the rate *even* lower in the interests of the taxpayer. In other words, not the lowest rate ever available commercially, the lowest rate ever available to Gibraltar by permitting Gibraltar to borrow with the covenant of a *sovereign* rate, which we have never had before – for the simple reason that we are not a sovereign state. So banks can *never* lend to us on the basis of us being a sovereign state, if we are not a sovereign state. Unless we have a guarantee from a sovereign state. It is that simple. It is not that we have found ourselves in a situation where we need the United Kingdom to be able to borrow at that rate, it is that we would never be able to borrow at that rate without the support of the United Kingdom.

If we came to this House with £10 billion in the Government cash reserve, we would still borrow at the same rate, unless we have the sovereign guarantee of the United Kingdom. Does she not understand that? Obviously not. That is basic, simple 101 stuff. The person who says that they want to be Chief Minister of Gibraltar *has* to understand that. If she cannot understand that – as she shows she cannot, Mr Speaker – how on earth can she ever be trusted to understand the *really* complicated stuff?

She has shown us, Mr Speaker, in the past six years since she is here, that she can do an excellent job of reading a script. But no more. No understanding of the complex financial issues. She has to really find somebody who understands these issues to start advising her, because the stuff her current scriptwriters are coming out with is worse than poor. The first action on poverty that we need to see in this House is her getting away from her very poor scriptwriters, Mr Speaker.

But then she said, Boris Johnson has lived up to his promise. She was praising Boris Johnson. She was telling me never to talk to people like Boris Johnson because they do not share our values. She says that more pages in this Book just mean more lies. Mr Speaker, you are the arbiter of whether we can use that word or not and I think, on balance, on reflection, in that context if it is an admissible word under the Rules of Parliament, because it is not an accusation of lying, it is just

to say that there are lies. Of course it is parliamentary because it is not an allegation against the Member. In fact, what she is saying is that the public servants of Gibraltar who prepared this Book have filled it with lies to make it bigger. That is what she is saying. She went into a general election, Mr Speaker, saying that the public sector was corrupt; and now she has come to this debate to say that the public servants of Gibraltar added more pages to add more lies. It cannot be an accusation against me because I do not compile the Book. Okay?

Let me be clear about one thing. I have *never* lied to the people of Gibraltar and I have never lied to this House and I never will, Mr Speaker. Every public servant that I have worked with, whether a civil servant or from another sector of the public sector has, as far as I have seen, done always their level best with the maximum of integrity to put the real position in the context of any public debate, whether it is a press release or whether it is an Estimates Book. *Always* the truth.

Then she moved on to the European Union mandate, the European Commission's mandate, and she took us through an article in politico. She said that the article in politico says *this*, and it says *this*, and the article in politico says *that*. Mr Speaker, has she not read the European Union Commission's mandate? It is 24 pages. It is very detailed. But if she is going to talk about the mandate, which was published the day before, or two days before she got up to speak, she cannot get away with commenting on the basis of one article that summarises 24 pages into six paragraphs. Not if you want to be taken seriously, leading a political party, saying that you should be the Chief Minister of Gibraltar.

Apparently, Mr Speaker, the mandate caught us by surprise, but not her, because she knew that this is what was coming; although the non-spun honest, truthful view that she reached in January was that the New Year's Eve Agreement was a very good thing. We reached the same conclusion, but we were just spinning. She reached that conclusion and she was being honest and truthful. But now, she was not surprised that the European Union Commission mandate, which she did not refer to at all directly, just because of an article that she had read, somehow, Mr Speaker, did not surprise her but surprised us.

Let me tell her something, Mr Speaker, I am not giving anything away by saying it surprised the Foreign Secretary as much as it surprised me. So, Mr Speaker, frankly, I do not know what it is that she has in terms of connection, whether somebody was telling her in the European Commission what was coming, and she was not surprised, and somebody somewhere has all the answers to COVID and told her what we had to do, so that 34 people did not die. Spain has welcomed the mandate, she said – in other words, we have been duped by Spain. Yes, Spain has welcomed the mandate with two nuances saying that the final treaty must accord to the New Year's Eve Agreement, and insisting that they will call in a Frontex operation.

Then she moved on in her sweep of her speech to tell us not to trade with Morocco, because it is a totalitarian regime and it is no replacement for membership of the EU. Nobody is saying that it is a replacement for trading with the EU, Mr Speaker. (*Interjections*) No substitute, she says, for trading with the EU. Well, okay, it is not a substitute, but there are many lines of trade that we will have to pursue with many countries around the world, including the EU. She is saying in her Budget speech for 2021, slating Morocco, that Morocco is a totalitarian regime, and then she went through all the things that she said about Morocco. I do not need to remind hon. Members, we were all here out of respect to hear her.

At the Gibraltar Federation of Small Businesses pre-election debate in 2019, in the same debate where she told me that I should not be talking to people like Boris Johnson, she said that Morocco was brilliant and that we should have invested there a long time ago – it is an exciting market, it is there for the taking, she said. Another one of her many contradictions. Mr Speaker, not even Marlene can trust Marlene any more. But of course, in the GFSB debate she had been asked a question by a person – apparently of Moroccan origin with a Moroccan ethnic name – saying that he thought it was a very good idea to trade with Morocco and did she not think that actually one of the things that we should do more of was trade with Morocco? So of course she gave the positive answer.

2645 She called *me* a chameleon. If I had not done the *Karma Karma Chameleon* sketch for them in 2019, I would do it for her now, Mr Speaker. Come on! I suppose it is true, Mr Speaker, that none of us ever see the mote in our own eye. She is just spinning, Mr Speaker, and spinning out of control. But does she think that when she stands with Together Gibraltar in a general election in Gibraltar, she is standing to be the President of the United States? Does she think that if she were by some accident of history, standing with Together Gibraltar again to become Chief Minister at the next general election, that she can go to Morocco after what she has said in this debate, because she has such a huge nuclear arsenal as Gibraltar that they will disregard what she said because it is so important for Morocco to trade with her? No, Mr Speaker, she has blotted her – thank goodness, not *our* – copybook, with Morocco. Therefore, Mr Speaker, I think if she were ever to become Chief Minister, the first thing Morocco will do is have regard to her very, very disparaging remarks about them.

2655 Then after that she hit me, because I had had great success in my relationship with Boris Johnson. That is how she said it, that ‘he was very successful in his relationship with Boris Johnson’. But that is just Boris Johnson. We will see what comes after that. ‘So you do not have a successful relationship with the British Government, you just have a successful relationship with Boris Johnson, who has been fantastic and true to his word, although I said that you should not even talk to him.’

Well, Mr Speaker, look, at least I have got form! David Cameron had a relationship with the Government of Gibraltar led by me. Not because he wanted a relationship with me, but because he wanted a relationship with the Government of Gibraltar and I was leading it and I was able to establish a relationship. Theresa May, I was there on the day she became leader of the Conservative party; I was there on the day that she went to have hands kissed with the Queen; I was the first appointment that Mrs May did with the Deputy Chief Minister and the Attorney General, Mr Speaker, after Mr Cameron left the Chamber. And an excellent relationship with Boris Johnson. Keir Starmer, Mr Speaker, is somebody I consider a friend, who I have known for many years and I have worked with. Labour is *our* sister party, Mr Speaker. The Liberals are *their* sister party. So looking to the context of where the relationship with Britain is and where it is going, as long as *we* are here, I think people are entitled to think that it is on pretty safe ground because we are not going to take the view that we should not talk to Boris Johnson because we do not like other things he has said.

2675 Then she said that I had said that Gibraltar is not ready to take any step on the road to decolonisation, and that I had talked about the Crown Dependencies ... And what was this context of the ‘Channel Islands style’? Well, Mr Speaker, does not she know that the Channel Islands are closer to the United Kingdom than the overseas territories? I fully accept that the Channel Islands-style relationship might not be the one that we want, because there is a different historical constitutional relationship between the Channel Islands and the United Kingdom. They come under the Home Office and they have unwritten conventions which may not apply to us. But closer to Britain? Absolutely I believe that we should be.

Independent, free association and under the European Union President? No, Mr Speaker, I will leave that to the hon. Member, but I will tell her what we believe, Mr Speaker. I believe – at least it is true of Mr Feetham, I do not know about the others – but for us and for Mr Feetham, I think it is true, ‘*With* Britain, not *under* Britain’. That is the way it was expressed. Then, Mr Speaker, she said that I had to have regard to my failure to do what other leaders in our very successful past had done. Okay. Who? Sir Bob Peliza? Sir Peter Caruana? Adolfo Canepa? Sir Joe Bossano? Which one did she mean? Because if she entreats the Hon. the Father of the House not to mention Sir Joshua, then she cannot have meant Sir Joshua. She cannot have been praying in aid Sir Joshua, in this context, having chastised the Father of the House for doing so. Or is it that when it is a positive association that works for her, it is fine, but if she perceives it to be a negative association, it is not fine? What is it, Mr Speaker?

2695 The hon. Lady needs to work out what her position is in that respect. Then she tells us that we are rated with Malta and that this is terrible in the context of the GFIU work, etc. Mr Speaker, the

hon. Lady really, in my view, chose to disrespect and damage the excellent work that has been done by our Law Enforcement agencies – the GFIU, the GFSC, the Gambling Commission, the LSRA and the entire private sector who are working with us, as we continue to engage with Moneyval in the process of our evaluation. Gibraltar is a *compliant* jurisdiction, and we are proud to be, and that is why hon. Members did not criticise us on this issue. She criticised *them* for not criticising us on this issue. They were right not to criticise us.

This is all of Gibraltar together work, Mr Speaker, especially the work that we are doing in the areas of anti-money laundering and countering terrorist finance. All of that, Mr Speaker. We are one of the few jurisdictions that have an open and public register of beneficial ownership. We take compliance with international standards really seriously, whatever the hon. Lady thinks is popular to say here today.

The hon. Lady knows – or *should* know – that Moneyval is a constant area of work; and she should know that, Mr Speaker, because on 5th February this year we brought to this Parliament a Bill to amend the Proceeds of Crime Act. My friend, Mr Isola, told us all then the following, which she heard:

Therefore, although fully compliant with all EU directives, as at 31st December in this area, Moneyval's Fifth Round Mutual Evaluation Report on Gibraltar adopted by Moneyval on December 19th 2019, identified a number of technical deficiencies. We have therefore embarked on a comprehensive review of all of these recommendations in the Moneyval Report and this Bill seeks to incorporate all the legislative changes required to address the technical deficiencies addressed in the Report, and thereby comply with the requirements of the FTF2 commendations.

She was present. She made not a single comment on the Bill or raised any concerns. She is criticising the GSD for not criticising us on this issue. She sat through that, Mr Speaker. She said nothing. And do you know what she did, Mr Speaker, she voted in favour of the Bill. Good! It was the right thing to do. It was something on which we all had to be united. But she made not one comment. We continue to work with our Moneyval evaluators, Mr Speaker. Even today we are finalising our latest response and this is work in progress, and when we finish we will have to start all over again, because it is a constant evaluation and re-evaluation.

It is about time, Mr Speaker, that the hon. Lady started to support this work rather than trying to undermine it. She needs to support it across all of the private and public sector bodies who are working together to satisfy the evaluators of our compliance. Her comments, Mr Speaker, are irresponsible, unacceptable and certainly not appreciated by the industry. I can tell her that much.

Mr Speaker, frankly, I have to tell her, she said that her father does not deserve to be linked to her mistake. She said it. She huffs and puffs, Mr Speaker, but she said it and when she says it, it is okay but when I am going to deal with it, it is not okay. Well, *she* said, her father does not deserve to be linked to her mistakes. Mr Speaker, like most Gibraltarians, I admired him deeply. As her father, I am sure he would have no problem whatsoever being associated with her mistakes. I would have no problem being associated with mistakes, if my children are being blamed, totally for them. But let us be fair to Sir Joe. He may have been beaten four times by her father, but he has beaten her three times already. The GSLP won the by-election in 2013 when she stood. We won the general election in 2015 when she stood, and we won the general election in 2019 when she stood.

On community care, Mr Speaker, she said: 'We do not want charity here.' She walked in and said, 'A pension for everyone.' That is what she said. She is showing, Mr Speaker, that she has no clue; and she delivered her speech after Sir Joe had delivered his speech, but she just ploughed on. She had issued a statement, Mr Speaker, he had criticised it in detail, she learned nothing from what he expressed were the problems, she just ploughed on. In doing so, she revealed that her plan is just again a disaster for Gibraltar, creating more liabilities and winding up community care completely. That is what she told this House. And she repeated that the fiscal measures in the Budget are tougher on the working and middle classes. Really, Mr Speaker? I have not met any working-class person that holds a captive certificate or a HEPSS certificate, and they are the only ones who are affected by the fiscal measures.

The corporates have had their tax put up from 2.5%. The corporates. How can she say this? It is remarkable, Mr Speaker. How can she say this? We have a regressive tax system that allows the super-rich to pay less is what she said. Nowhere in any electoral material has she ever said that she will get rid of the Cat 2 certificates or the HEPSS certificates. Nowhere! Indeed, she stood for election with the GSD that had brought in the GIBS system, Mr Speaker. So the architects of the current Income Tax Act stood for election in 2011 using the Income Tax Act 2010 as one of the things that they said was one of their greatest achievements, which brought with it the Cat 2 and the HEPSS. How can she say that she does not support that, Mr Speaker? That is the vote that got her into the Parliament.

What happened to raising taxes for the rich? Well, that I did it, Mr Speaker, when she must have been out having a cup of coffee, because she missed it. Because the taxes we have raised are Cat 2 and HEPSS. Did she miss that? She delivered the most brazenly populist speech in the history of this Parliament. 'What kind of value are you giving to the taxpayer by selling the berths?' Mr Speaker, 100% value is the answer because I told the House that if we sold them we will get £25.5 billion which, as they know, is there or thereabouts the cost of the Marina. So we will get the full value back for the taxpayer.

When we develop affordable homes, we get half the value back when people buy 50/50. Mr Speaker, has she not worked that out? Why did she have to ask me the question when I had given her all the information? 'The GHA waiting lists are huge.' Of course they are; we have just come out of the pandemic and we have to find out how we are going to deal with this. But not just us: the NHS, every public health care system which is free at the point of delivery is going through this huge problem. 'People are alone at home, vulnerable and not looked after,' she told us. Well, Mr Speaker on that one we have an objective measure. Of course, there may be people at home today who are lonely. It happens. But insofar as the reach of the state is concerned, does she know what record she defended when she stood for election in 2013? Does she know what she stood for then, whatever she stands for now? Because the Domiciliary Care Budget that she defended was a few hundred thousand pounds. It is now, in a normal year, £2.2 million; and in the COVID year, £3.2 million per year. That is our investment in people who are at home, vulnerable and not looked after, and that is what we have done for those people.

A 320% increase in a non-COVID year; a 427% increase in people who are vulnerable and at home on their own, lonely in a COVID year – 427%! No wonder that they accuse me of spending lavishly; but on the people who matter the most, on those who are vulnerable and who need care in the home. Do you know what inflation has been in that time? It has been 18%. So we took over from *them* something that was a few hundred thousand pounds, and we put it at £2.2 million. That is a 320% increase. Now, because of COVID it has gone up to 427%, when inflation was 18%. Did she know that the record she was defending was the record of spending a few hundred thousand pounds on people who are vulnerable and lonely at home, and that the people she was attacking are the ones who spent these amounts? Or did she not bother to look at page 235 of the Book? Maybe Mr Clinton is right? Maybe we should not have bothered even to print the first one! (*Interjection*) They say it is half the story, but they do not even look to open it, Mr Speaker.

'When are you properly going to house the people at the Queen's Cinema to proper accommodation? It needs to be done immediately,' she said. Okay, but we did it five years ago, or has she forgotten that as well? Has she forgotten that when we were elected, those people lived in the stone block up at Buena Vista and that we moved them to a three-star hotel, which they criticised us for buying to put them in? We have done it already. But when we announced a new workers' hostel, they were all over us like a rash saying that we should not do it.

'The environment is not a problem on planet Picardo,' she said. Well, Mr Speaker, I really do not know how to answer that. I mean, the party that she stood with was the party that conveyed their Chief Minister around in a Jaguar that cost a few hundred pounds to fill and spewed diesel out the back. We immediately sought to go electric to show that we were committed to the environment. We have done all of the things that we have done – not least, move away from the power station that she defended. In the 2013 General Election when we still had not done the

power station, they wanted to do the other one! In the 2015 General Election, the whole battle
 2795 royale between Mr Feetham and me was about stopping the LNG, and they said they would go
 back to a power station on the Upper Rock. That is what she defended. That is what she stood for
 in 2015.

She said, 'The fight against climate change cannot wait.' But yet in the 2015 Election, the effect
 of what she was saying was, 'Let's build a diesel power station at the entrance to the Upper Rock.'
 2800 There are so many contradictions here, that not even Marlene can trust Marlene any more,
 Mr Speaker. On cannabis, Mr Speaker, she says that the announcements that we made this year,
 through Mr Cortes, were announcements that we were making because of the economic crisis
 that we find ourselves in. Where was she when I read the whole of the two pages of my Budget
 speech in 2019 before COVID was even thought of, which dealt with exactly the same cannabis
 2805 issue, Mr Speaker? The problem is not planet Picardo, Mr Speaker, the problem is planet
 Hollywood, Mr Speaker; or planet Marlene – a pointless asteroid which orbits nothing but wanders
 lonely and irrelevant in space. *[A mobile phone rings]*

There it is calling, Mr Speaker. If she does not believe me, she should look it up. She should put
 into Google '1010 Marlene', and what will come out on Wikipedia will be the references, pointless
 2810 asteroid orbiting the sun every five years, and a member of no known asteroid family, all on its
 own. Although, Mr Speaker, given the choices on her side *major sola que con mala compania*.
 Although I can see the Leader of the Opposition already machinating with her. 'He has hit you so
 hard, why do you not you come with me? Let's merge. Look at how he hits you. Come with me ...'
(Laughter) Another contradiction, Mr Speaker.

2815 'This is the budget of decay, because it marks the beginning of the end.' I think she is right,
 Mr Speaker. But by the end of what? At the end of her credibility, obviously.

'The Civil Service is in disarray', she said. Those were her words, I checked in her speech. She
 spent the last election calling them corrupt and now she says that they are in disarray.

'Democracy in Gibraltar is not vibrant. There is no accountability or transparency.' Really,
 2820 Mr Speaker? When hon. Members come here and give their speeches there is no democracy?
 When other people say what they want to say, which is what they are perfectly entitled to say.
 Even writing letters to the Governor which are, frankly, scandalous, and you petition. People can
 say what they like, that is the beauty of our society, Mr Speaker. But we are also entitled to reply.

How is it that the Government loses the right of free speech and to defend itself? Because if
 2825 she likes accountability she will like the fact that I treat her like one of the boys – her phrase, not
 mine – and I go through her speech like I go through their speeches, and I reply with *my* views on
 the things that she said about *me*. Or is it that there is only to be accountability of the Government
 and no accountability of the quarter of a million pounds that sits opposite us?

So now she is going to abstain, she said, Mr Speaker. Well, she said, 'They will accuse me of
 2830 not being consistent.' Mr Speaker, I welcome at least that small sign of self-awareness on her part,
 that she just cannot make up her mind; and, in politics, you have to make up your mind.

This is what she said in 2017 – and the hon. Members of the Opposition might want to cover
 their ears as it does not make pleasant listening to for them:

However, I find the Opposition's unprecedented decision to vote against this Budget irresponsible, cynical and
 completely against the interests of Gibraltarians. Irresponsible, because if it were to take full effect, the
 consequences to the community would be devastating, paralysing our community in its entirety from our schools
 to the economy and the central services.

None other than Sir Peter Caruana himself, the GSD's own, erstwhile leader once remarked
 2835 that it was important for all parliamentarians to vote in favour of a budget, and I quote:

In order not to deprive the Government of funding and the civil servants of their pay. I therefore find this move to
 be little more than a cosmetic and sterile marketing stunt that smacks more of desperation than it does have a
 responsible approach to politics. I have decided instead to put the interests of Gibraltarians first. It has been a long-
 standing tradition for politicians in this House in an act of statesmanship and a responsibility to vote in favour of the
 Budget even if, as in this case, with this one, they have honest doubts about them. I will not deploy gimmicks which

undermine the welfare and civil servants and basic public services, if only symbolically. I will not allow my vote, meant to represent only those interests, to be abducted in this way. I will therefore honour the long-standing convention and vote in favour of the Budget notwithstanding the many criticisms I have previously made.

Tough. Tougher than me!

This is what she said in 2018 – hon. Members had better put the ear plugs in again:

In the light of my interpretation of the Budget in broad terms, I have voiced my criticisms today unequivocally. However, I will be voting in favour of the Budget. The GSD opposition were opportunistic last year and opportunistic again this year. When we vote in the Appropriation Bill, we vote to maintain and fund our essential services. I may have all the reservations in the world, but I cannot vote with the cynicism of the GSD Opposition who seem to want to strip back spending and cause political mischief in this way.'

This is what she said in 2019:

Mr Speaker has 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 to not grind services to a halt.

2840 Shorter every time. So consistency is not her forte, Mr Speaker. Not even Marlene can rely on
Marlene any more, Mr Speaker, because what she is going to do today, by her own definition, is
irresponsible, cynical and completely against the interests of Gibraltar; and in this case, Mr
Speaker, not because I say it, but because *she* says it. Not even Marlene can rely on Marlene any
more. What is clear, Mr Speaker, is that I am from Mars and she is from Venus, obviously.
2845 interstellar opposites; galaxies apart, obviously. She is from the planet Silver Spoon and I am from
the planet Working Class.

I will continue, Mr Speaker, to deliver for those who are really working-class people, because
when she attacks us, she needs to ask herself what has she done for prosperity in Gibraltar? What
has she done to make the Gibraltar that we have today? At the end of the day the GSLP and, in its
time, the GSD have delivered prosperity, and the AACR. But she cannot take credit for that if she
2850 does not want to be equated to her dad. She has every right to come here and say what she likes
for herself, of course she has. But we have every right to defend our record too.

The dictatorship, Mr Speaker, or the negative effect on freedom of speech is the suggestion
that *they* can attack us and that we cannot defend ourselves. If she wants to play with the big
boys – and she used that phrase, not me, because she was the one who used the 'boy' analogy –
2855 she will have to prepare to be tackled. Home truths. She lost in the by-election; she lost in 2015
and in 2019. She is plausible as an actor, but she does not have what it takes. She accused me of
being a second-rate actor so if I go back and say, 'Well, look, if we are judging each other as actors,
I can say that you are plausible, but you do not have what it takes.'

She accuses us of flip-flopping, but she is the one who changes her tricky position whenever it
2860 is convenient. She is a professional flip-flop, Mr Speaker. Even Marlene cannot trust Marlene any
more. She is shallow, shallow, shallow. But, Mr Speaker, in the words of that song, the *Shallow*
song, she was off the deep-end and we watched her as she hit the ground with this speech. It was
a political train crash that would embarrass anybody capable of shame, even ignoring that there
is a recognised medical condition known as the male menopause.

2865 But, Mr Speaker, this year as they all now wash their hands and they leave it to us, we on this
side of the House will not let Gibraltar down. We will not leave Gibraltar without an Appropriation,
because we are a Government that does what needs to be done. They are an Opposition that says
what sounds good, full-stop. *We* act in the best interests of our people; *they* act in the best
interests of their parties. We care *only* about our people; they care only about their votes. For us,
2870 *every penny counts*; for them it is just about counting votes.

So, Mr Speaker, at this time of unity, when our people need to see us working together to
develop growth and pay for the ravages of COVID, she and they are united only to attack us and
to talk down our economy. At this time of hope for recovery they came to talk about decay, in her
case, and austerity in their case. Pandemic and Brexit behind us it is time for us, Mr Speaker, to

2875 make the difference; and we will. Because there is a big difference between not being well off, and being poor. There is a big difference between a lack of affluence, and hardship. There is a big difference between wanting more, and needing more.

No one in Gibraltar will have less than the minimum wage, and our minimum wage is higher than Germany. That is the reality and we have to make this debate real and actual. Mr Speaker, 2880 nothing I have heard in the third-rate speeches from this third-rate Opposition changed my mind, especially from the leader that came fourth in the ranking of party leaders at the last election, and third in the rankings of his own party.

When they talk about the culture of entitlement, Mr Speaker, it is a brilliant discovery that needs to be tackled. When we talk about stopping the culture of the spoilt child of Europe, it is a 2885 terrible thing that we should not have referred to. If that is all they have, Mr Speaker, I am confident in commending the Bill to the House again and calling out to our fellow Gibraltarians that in this debate, in replying to hon. Members opposite, I have been careful to demonstrate how each one of the seven bottles operate thoughts through the weight of the hubris of their presentation here. I make no judgement about the fitness of any of them to govern.

2890 Ten years ago, I was told that I was not fit to govern and yet a decade later I am still delivering speeches from this place. We are not the judges of the fitness of each other, the public will decide that. But because they have made themselves commentators of *our* abilities, I have replied in respect of their own. In the end, Mr Speaker, the public will decide. Of course they will, when that general election comes.

2895 But today, Mr Speaker, as I commend the Bill to the House, I assure everyone in Gibraltar that every public servant will be paid and every public service will be maintained, thanks *only* to the votes of the GSLP Liberal Government on this side of the House. I commend the Bill to the House. (*Banging on desks*)

2900 Mr Speaker, I wonder whether it might make sense, given the hour, to recess for 15 minutes until quarter to six?

Mr Speaker: The House will now recess to quarter to six.

*The House recessed at 5.25 p.m.
and resumed its sitting at 5.47 p.m.*

**Appropriation Bill 2021 –
Debate concluded –
Second reading approved**

Mr Speaker: I now put the question, which is that a Bill for an Act to appropriate sums of money to the service of the year ending on 31st day of March 2022 be read a second time.

2905 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I call a division.

Mr Speaker: The Chief Minister has called for a division, so we will need to vote individually.

A division was called for and voting resulted as follows:

FOR

Hon. P J Balban
Hon. Sir J J Bossano
Hon. Prof. J E Cortes
Hon. V Daryanani
Hon. Dr J J Garcia
Hon. A J Isola
Hon. G H Licudi
Hon. S E Linares
Hon. F R Picardo
Hon. Miss S J Sacramento

AGAINST

Hon. K Azopardi
Hon. D J Bossino
Hon. R M Clinton
Hon. D A Feetham
Hon. E J Phillips
Hon. E J Reyes

ABSTENTION

Hon. Ms M D Hassan Nahon

Mr Speaker: The result of this division is that there are 10 ayes, 6 noes and 1 abstaining, so the Bill is passed by Government majority.

2910

Clerk: The Appropriation Act 2021.

**Appropriation Bill 2021 –
Committee Stage and Third Reading to be taken at this sitting**

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

2915 **Mr Speaker:** Do all hon. Members agree that the Committee Stage and Third Reading of the Bill be taken today?

Members: Aye.

**Supplementary Appropriation (2016/2017) Bill 2019 –
First Reading approved**

Clerk: We continue with Bills for First and Second Reading.

2920 We commence with a Bill for an Act to appropriate sums of money to the service of the year ended 31st day of March 2017. The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the Bill for an Act to appropriate sums of money for the service of the year ended 31st March 2017 be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to appropriate sums of money to the service of the year ended 31st day of March 2017 be read a first time. Those in favour? (Members: Aye.) Those against? Carried.

2930

Clerk: The Supplementary Appropriation (2016/2017) Act 2019.

**Supplementary Appropriation (2016/2017) Bill 2019 –
Second Reading approved**

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the Bill now be read a second time.

2935 The purpose of this Bill is to appropriate further sums of money to meet Government expenditure incurred during the year ended 31st March 2017. This Bill is therefore the annual Supplementary Appropriation Bill required to provide appropriation cover retrospectively for the outturn figures for financial year 2016-17.

2940 The aim of Government has been, always, and continues to be, to present any supplementary appropriation at the earliest opportunity. As I have explained previously to the House, the exigencies of Brexit have, unfortunately, not allowed us to find either the ministerial or the parliamentary time to deal with this and other pressing matters. Although it has not been possible to discuss the Bill itself any earlier, Members of the Opposition have nevertheless had the opportunity to view for themselves not just the level but the areas where additional funding is required, in the first instance, from the forecast outturn figures for 2016 and 2017 as they appeared in the Estimates Book for 2017-18, and subsequently, and more accurately, from the actual figures for that year, as published in the Estimates Book 2018-19. So, the additional funding requirements have, in effect, been made available to hon. Members since the publication of the draft estimates for 2018-19, when they had the first opportunity to debate the additional expenditure requirements. Consequently, the details of this matter have, in effect, been discussed during the course of the 2017-18 appropriation debate.

2950 Mr Speaker, as the House will note, we have aligned the Supplementary Appropriation Bills for the other years for discussion during the course of this session of Parliament. The House will indulge me a little as I comment on these collectively for the purposes of comparison, albeit each Bill will be dealt with separately.

2955 We are about to seek consent for additional amounts spent during the periods 2016-17, 2017-18 and 2018-19, totalling £35.8 million. These figures, viewed in isolation, seem large. However, they need to be put in context. The total estimate for departmental expenditure spent over the three-year period was £1.471 billion, or some 2.4% is what we are talking about as the overspend during the period, and that, of course, in my view, is relatively small.

2960 During the course of the debate, we have heard the Opposition make claims of overspending by the Government in respect of our expenditure. What this shows is that, yes, there has been an

overspend, but it is relatively small in comparison with overall departmental expenditure and reflects a control over expenditure that is, frankly, worthy of some praise to those controlling officers who take their functions seriously, as the numbers demonstrate. Indeed, if one looks at this year-per-year, what you find is that we are actually fine-tuning the Government's level of control over expenditure to keep within budget. So, the overspend in 2016-17 was £18.7 million on a departmental budget of £468.1 million, some 3.99%; in 2017-18, it was £8.3 million on the departmental overspend of £490.3 million some 1.7%; and in 2018-19, the overspend was £8.8 million on a departmental budget of £512.2 million, some 1.7%.

Mr Speaker, to allay the concern that this is just fiscal prudence with recurrent expenditure, let me turn to Improvement and Development Fund (I&DF) supplementary appropriations and the cause of these. Over the three years in question – 2016-17, 2017-18 and 2018-19 – we are seeking supplementary appropriation of some £52 million. In the context of an overall I&DF expenditure of £197.8 million, this might seem a lot, but one needs to delve into the numbers. Overall, spend in those three years was in the region of £193.5 million, so why, you may ask, is a supplementary appropriation of £52 million required? The answer lies in our estimate in revenue for each of those years.

For 2016-17 we received £26.9 million less in revenue into the I&DF than we had projected whilst also spending some £13.9 million less than we estimated, and for 2017-18 we received £25.8 million less in revenue in the I&DF than we had projected whilst also spending some £2.3 million less than we had estimated. Whereas for 2018-19 we received £1 million less in revenue than we had anticipated but spent £11.8 million more than we had anticipated. So, as you can see, Mr Speaker, over the three-year period our spending in total was less than we had provided for, and the reason for the supplementary appropriation is, in essence, a large shortfall in the first two years of predicted revenue for the I&DF.

Mr Speaker, it is clear that, as a Government, we can seek to control expenditure, but we are pretty powerless to make revenue happen when we estimate that it is going to happen and it does not, in effect, happen. In the scheme of things, this shows that our overall management of recurrent and capital expenditure is actually pretty good and lays to rest some of the criticisms over lack of budgetary control by the Members opposite. Sometimes, numbers speak louder than words.

Hon. Members should also know that in the case of the £18.7 million required to cover the additional expenditure incurred under the Consolidated Fund, this represents the amount required in addition to the supplementary provision of £9 million and is already included in the approved Estimates Book under head 47, which is the supplementary provision head.

As has always been the case, a full breakdown of the £28 million – that is to say the £18.7 million and the £9 million of reallocations to be made from head 47 – will be tabled in the House at the next available session of Parliament. This will provide hon. Members with a full and detailed breakdown of the heads and subheads for which this supplementary provision has been applied. The other components of this Bill – that is to say the amount required in respect of the transfer from the Government's surplus and their contribution to the I&DF – are self-explanatory.

I commend the Bill to the House.

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

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

I am grateful to the Government for finally bringing these Bills to the House, as I have repeatedly requested. It should, ideally, be as soon as possible after the financial year. Today, we have three Bills in front of us and the Chief Minister has rolled up his comments in respect of all three in his contribution just now. I will make an observation on the 2017 Appropriation and then I will make a specific contribution on the 2018 Bill when we come to discuss that one, because it is specific to it.

3015 Generically, historically we have had a problem with these supplementaries and the point I have made in the past is that a lot of the supplementary expenditure on the Consolidated Fund is put through, for example in 2017, head 47, which is the supplementary provision. I have a technical problem with that, in that, in my understanding of the way the Constitution is written, we are meant to get a breakdown of all the supplementary expenditure per head of expenditure, instead of which the Government has fallen into the habit of putting it all through supplemental.

3020 I was expecting to debate this particular Bill a long time ago and, in fact, I had prepared something in respect of it and it speaks to the question of how the supplementary head is dealt with.

3025 Mr Speaker, I beg your indulgence. I will quote from *Hansard* from 2008. In the debate of 3rd June 2008, the Father of the House said this about the supplementary funding head, which at that time was called 15B. He said, and I quote:

Let me put it to the Government my understanding of what this subhead should be used for, given that I was the one who introduced it initially. The purpose of the subhead from the day it was brought in, was in fact, to do away with the need that there used to be before this subhead existed, to keep on coming back with Supplementary Appropriation Bills ... two or three times during the course of the year, simply because in every year and in every budget there are unforeseen circumstances requiring either additional expenditure or totally new expenditure.

He goes on, and I think I will quote it:

Look, the guys in the Treasury do not have a crystal ball so that they can identify every single thing that every department is going to need in a budget of £250 million.

– we have come a long way since then –

So, the subhead was there to provide that flexibility. It has been used for that purpose until now. That is to say, to meet unforeseen, additional or new requirements.

3030 And so, Mr Speaker, Sir Joe made it quite clear in his contribution in June 2008, first of all, that the supplementary provisions are meant to be used during the year and not as a head for supplementary appropriations later; and then secondly – and it is perhaps pertinent now, when we talk about when the supplementary appropriation is meant to come to the House. In his time, they used to come to the House two or three times a year for supplementaries, so when the Chief Minister says the Constitution is silent about when to come with a supplementary, what it says is produce the Bill but not actually when it should be heard. The Father of the House was quite clear
3035 that in his time it was understood that if you had an unexpected expenditure you needed approval, and if you needed approval you came to the House, and he created the supplementary buffer to avoid the bureaucratic requirement of having to come each time you were a penny over or a pound over, and he gave himself some headroom.

3040 But again, that goes to show that that headroom is only there for use during the year. I still find it objectionable that the supplementary head in each of these Bills is used to cover the supplementary expenditure for the whole Consolidated Fund and not itemised. Secondly, Sir Joe makes it quite clear that it was not unusual in those days to come back repeatedly to the House during the year to cover the supplementary appropriations, and not indeed wait for three years for it to be debated. So, I would urge the Government, if it is a practice that has fallen into
3045 abeyance, to follow that practice – which to me, as a non-lawyer, is common sense – that when you have supplementary appropriations, and if the buffer that Sir Joe created does not cover it, you do come to the House for authorisation. Otherwise, we have three years' worth of unauthorised expenditure.

3050 The Chief Minister made the point earlier today when he said, in his reply, 'We voted for Sir Peter's supplementary appropriations, and thank God we voted in favour of the Budget, because otherwise ...' Otherwise, what, Mr Speaker? That is, in fact, a very good question, because there

are two Supplementary Bills here that relate to prior periods before the last General Election. What would have happened if there had been a different Government? Or what would have happened if that Government had said, 'Well, actually, Mr Speaker, we are not going to vote in favour of the supplementaries?' That would probably have provoked a constitutional crisis, because it would have been contrary to the provisions of the Constitution. There would have been expenditure incurred which had not been approved by Parliament, and where would that have left the Chief Minister?

And so, Mr Speaker, just as a matter of good practice and sensible conduct of business, I would sincerely urge the Government not to find itself in this position again. It does not do this House any good to have to approve supplementary appropriations from a different parliament, where we could have a completely different set of people in this Chamber being asked to approve expenditure from a parliament that may not have any representatives here. It is just not good practice and it is not good governance.

So, although I am thankful to see these Bills before the House today, I would again urge the Government to be a little bit more proactive in making sure there is time in the parliamentary timetable to hear these Bills. Yes, we have had Brexit, no doubts, but as I made the point before, the Minister for the Environment has brought countless Bills to this House in the same period and we have had all sorts of other finance Bills, in terms of financial services. These Bills – which are not exactly doorstops, they are not the Finance Bill, with the 500 pages, that we had – could be done and tackled quite easily. So I would again appeal to the Government that, in future, it reverts to what would have been seen as good practice in Sir Joe's time and bring the Bills on a regular basis and in good time.

Mr Speaker, that is what I have to say in general about these three Bills, that I have an issue with the supplementaries – the way the supplementary expenditure has gone through, which is the point I made before; and I have an issue also with the fact that these Bills have come to the House so late. That is what I will say on the appropriation for 2017. When we come to the appropriation for 2018, I have a very specific point that I need to make in respect of the Improvement and Development Fund.

Thank you, Mr Speaker.

Mr Speaker: Does any other hon. Member wish to speak on the general principles and merits of the Bill?

The Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, I am grateful to the hon. Gentleman for rolling up his generic point in respect of the three Bills, and I await what he has to say on the I&DF for 2018.

I am told by the Father of the House that what he did was roll up the two different heads that there were, one which dealt with salaries and the other with expenditure, into one head. Certainly by the time I was here in this House what we had was annual publication of Supplementary Appropriation Bills, which were dealt with after the end of the financial year in each case, and the history that I have taken the hon. Gentleman through in the context of our wider debate, shows that in some instances even the publication of those Bills took some considerable number of years. I do not need to remind him, but I did tell him that in 1997, 1998 and 1999 they were not published until 2000, so there was not even the monthly allocation necessary every few months, there was actually not even anything done for a number of years.

Mr Speaker, we are going to continue with the practice that he urges upon us and with which we agree, which is not to go back to the way it used to be done when we used to come here every few months, but to try to come back at least annually, with alacrity, and within a period of the end of the financial year in respect of which we are seeking a supplementary. Not because there is a constitutional issue with coming later, because I explained to him in great detail that there is no time limit under the constitution, but because we think it is good practice. We have fallen behind in that good practice for the reasons I explained to him, but we are not the only ones who have

fallen behind in that good practice, because I have been able to show him that they did that too; and if that is an indication of a lack of good governance, then he is pointing the finger of a lack of good governance also to the party with which he is sitting, for reasons that I have explained in greater detail.

The hon. Gentleman asks what would happen in the eventuality that a new Government were not to approve the supplementary expenditure of a previous Government because there had been a change of government. Well, as I showed him, we approved their supplementary expenditure after a change of government, with no difficulty, because we had voted in favour of the Budget and it was no stretch to vote in favour of the supplementary. And he said, 'Well, in those circumstances, if a government did not approve the supplementary expenditure of a previous administration, there would be a constitutional crisis, and what would that mean for the Chief Minister?'

Well, what would that mean for the former Chief Minister, I guess, because it would be his expenditure that would not be approved. It would hardly be a great constitutional crisis for the incumbent, because all that would happen is that he would leave uncovered the expenditure of the previous administration, although it would be uncovered in the context of the Constitution now operating. In the context of that, of course, a new government has to agree to publish, as a Government Bill, a Supplementary Appropriation Bill that has not been dealt with. So, when I was elected in 2011, in December, I had to give an instruction to publish the Supplementary Appropriation Bill which had been left on the Order Paper and not dealt with by the former administration, and it was published as a Government Bill.

The more interesting question, on which constitutional scholars might like to ruminate for a few months before giving us a view, is what happens if a Supplementary Appropriation Bill falls on dissolution and the next Chief Minister instructs that it should not be republished? Then, there would not be a constitutional crisis because the new Chief Minister would not have failed to pass the Supplementary Appropriation Bill. The previous Chief Minister would find that an Appropriation Bill that he caused to be published but perhaps not moved, if it has not had its First Reading or Second Reading – it could have been through some of its changes or none – would be left unpassed.

So, Mr Speaker, I do not think things are quite as straightforward as the hon. Gentleman would have us believe, and neither does the Constitution say the things the hon. Gentleman says it says, for the reasons I have already outlined more extensively in my contribution on this year's Appropriation Bill. But he can rest assured that we do wish to, ideally, bring these Bills as soon as possible and deal with them as soon as possible, if it is not because of a crisis like Brexit or COVID having delayed us as they have.

Mr Speaker: I now put the question, which is that Bill for an Act to appropriate sums of money to the service of the year ended 31st day of March 2017 be read a second time. Those in favour? (**Several Members:** Aye.) Those against? (**A Member:** No.) Carried. (*Interjection*)

Hon Member: We will be going against.

Mr Speaker: Are you are going against? I see.

Hon. Chief Minister: Sorry, Mr Speaker, did they vote against?

Mr Speaker: The Second Reading is, then, passed by Government majority.

Clerk: The Supplementary Appropriation (2016/2017) Act 2019.

**Supplementary Appropriation (2016/2017) Bill 2019 –
Committee Stage and Third Reading to be taken at this sitting**

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

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

Members: Aye.

**Supplementary Appropriation (2017/2018) Bill 2019 –
First Reading approved**

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Mr Speaker: A Bill for an Act to appropriate sums of money to the service of the year ended 31st day of March 2018, the Hon. the Chief Minister.

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Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that a Bill for an Act to appropriate sums of money to the service of the year ended 31st March 2018 be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to appropriate sums of money to the service of the year ended 31st day of March 2018 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

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Clerk: The Supplementary Appropriation (2017/2018) Act 2019.

**Supplementary Appropriation (2017/2018) Bill 2019 –
Second Reading approved**

Chief Minister (Hon. F R Picardo): Mr Speaker, I would just advise the House that when we get to the Committee Stage and Third Reading, I will be moving amendments to change the date of the Acts as passed because the dates of the Acts as passed will have to read 2021.

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Mr Speaker, I have the honour to move that the Bill be now read a second time.

The purpose of this Bill is appropriate further sums of money to meet Government expenditure incurred during the financial year ended 31st March 2018. This Bill is therefore the annual Supplementary Appropriation Bill required to provide appropriation to cover retrospectively for the outturn figures for financial year 2017-18. As I have explained in my previous intervention although we have not had the opportunity to discuss this Bill earlier, Members of the Opposition will nevertheless have the opportunity to again view for themselves the level and areas in which this additional funding is required.

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Initially, the forecast outturn figures for 2017-18, which appeared in the Estimates Book for 2018-19, and subsequently and more accurately from the actual figures for that year as published in the Estimates Book for 2019-20. The details of this Supplementary Appropriation Bill have therefore, in effect, been discussed during the course of the 2018-19 Appropriation debate.

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Hon. Members should note that in the case of the £8.3 million required to cover the additional expenditure incurred in the Consolidated Fund, this represents the amount required in addition to the supplementary provision of £9 million that is already included in the approved Estimates

3190 Book, under head 52 which is the supplementary provision head. A full breakdown of the £17 million, that is to say the £8.3 million and the £9 million of reallocations to be made from head 52 will be tabled in the House at the next available session of Parliament, giving Hon. Members a full and detailed breakdown of the heads and subheads, for which this supplementary provision has been applied. Other components of the Bill are self-explanatory.

3195 Mr Speaker, just dealing with the hon. Member's point earlier if he will allow me, because it might be helpful for him, the Financial Secretary suggests to me that in the circumstances where the Bills are not approved as he was suggesting, in other words if there is a vote to either not approve a Supplementary Appropriation Bill by a later Government, or if that Bill were not to be passed and not to be published again as a result of dissolution, the Principal Auditor would
3200 probably feature that expenditure in the Book of the amounts that we are talking about in respect of each of those years as 'unauthorised expenditure'. That would probably be the extent of the constitutional crisis that would have to be dealt with. I hope that is helpful to him as an additional view.

3205 **Mr Speaker:** Before I put the question, does any hon. Member wish to speak on the general principles and merits of the Bill? The Hon. Roy Clinton.

Hon. R M Clinton: Mr Speaker, I am grateful to the Chief Minister's last contribution. I am certainly not a constitutional lawyer, but I am certainly interested to see how it would work in
3210 practice.

Mr Speaker, turning specifically to the Bill for the Supplementary Appropriation for the year ended 31st March 2018: in this one, Mr Speaker, I have a slight quandary in the supplementary appropriation for the public undertakings under clause 5(1):

[shall] pay out of the Improvement and Development Fund ... for the year ended 31st March 2018, a further sum not exceeding £30,111,000.

And there is a breakdown of that under Part 4 on page 995 of the Bill.

3215 Before I go into that, Mr Speaker, of course, all the comments I made before about the way head 52 is used and stands in respect of this Bill too.

But, Mr Speaker, my query on this particular Bill is that on Part 4, Public Undertakings of Gibraltar Development Corporation £30 million, I think we all know what that is. That is, in fact, £30 million that was subscribed for shares in the Gibraltar International Bank, if my memory serves
3220 me right. Probably the A-shares, I suspect.

But, Mr Speaker, I have with me the official approved estimate for 2018-19, which has got the various outturns, including Appendix B for the Gibraltar Development Corporation, for the sake of reference page 183. My issue is this, Mr Speaker, in the capital account it says here, 'Capital expenditure, purchase of shares, £30 million'. But on the capital revenue, Mr Speaker, it says 'Loan from Government-owned companies, £30 million.' I remember distinctly, Mr Speaker, asking
3225 questions at the time, and I think we had some discussion as to the origin of that money and whether the Improvement and Development Fund had the power to borrow. So, Mr Speaker, the Improvement and Development Fund actually borrowed for itself £30 million, which were then expended on shares.

3230 Now it may be, Mr Speaker, that technically under Part 4 the £30 million needs to appear as an expenditure of public undertakings, but certainly under 5(1), it has not been proven that the Development Fund would actually be spending £30,111,000. Because the £30 million, Mr Speaker, did not come from the Improvement and Development Fund, but in fact was a loan from a Government company which I assume had nothing to do with the Improvement and Development
3235 Fund.

So I just wonder, Mr Speaker, if the Chief Minister could address that point because, although technically I guess he could argue under 5(1) it is to authorise paying out *up to* £30 million, and of

course the £30 million has come in by way of a loan from somewhere else, he does not need to actually expend the £30 million. But in fact, if that was to be knocked out, in fact that particular clause 5(1) should perhaps read £111,000 rather than £30,111,000, because the £30 million, Mr Speaker, will not be coming from the Improvement and Development Fund.

So that, Mr Speaker, is my contribution in respect of the Bill for this particular year. And I have just noticed Mr Speaker, I may have one complimentary comment to make about the next Bill for 2019 in terms of presentation. But I would be grateful if the Chief Minister could address this point because it may be that he need not actually amend the Bill because the Bill allows expenditure *up to* £30,111,000, but obviously he does not need to go there. But I would venture to suggest, Mr Speaker, that the way the Gibraltar Development Corporation have funded the purchase of those shares in the Gibraltar International Bank that that money in fact did not originate from the Improvement and Development Fund.

Thank you, Mr Speaker.

Mr Speaker: Does any other hon. Member wish to speak on the general principles and merits of the Bill?

The Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, on this side of the House, we are trying to understand what it is that he has proposed. We do not think that we agree with him and we think that actually the reason that he identified would be *why* we would argue it was there is exactly why it *was* there, although he seems to be arguing against himself as to why it is that we put it there. He said ‘the achievements that might argue that’. Mr Speaker, we do not think we argue, we think that is actually why we did it. So, Mr Speaker, I am afraid I cannot help him any further. We will look at the *Hansard* of what he has said to see if there is any issue that he has raised which gives us any cause for concern, but we really do not think that there is any such cause for concern.

Additionally, Mr Speaker, I would just gently say to him that, given that he voted against the Appropriation, I am surprised he is going into so much detail in respect of the Supplementary Appropriation, which he also intends to vote against. So he is looking in great detail at what it is that we are doing in order to tell us that he does not agree, Mr Speaker. So he will understand that I would rather just look at this in the context of the *Hansard* and inform him if there is anything that concerns us, rather than waste the House’s time further today.

Indeed, as we start to look at the next Committee Stage also, Mr Speaker, if that is the attitude they are going to take, they are going to be looking at all of this in great detail in order to vote against it. I will also just gently note, Mr Speaker, that the hon. Lady voted to abstain in the context of the Bill that we have just passed, which was a Bill to provide Supplementary Appropriation for a Budget that she voted in favour of, so I would be very interested to see how she is going to vote now.

Therefore, Mr Speaker, as I commend the Bill to the House this time, I would also call a division in respect of this vote.

Mr Speaker: I now put the question which is that a Bill for an Act to appropriate sums of money to the service of the year ended 31st day of March 2018 be read a second time. Division has been called.

A division was called for and voting resulted as follows:

FOR

Hon. P J Balban
 Hon. Sir J J Bossano
 Hon. Prof. J E Cortes
 Hon. V Daryanani
 Hon. Dr J J Garcia
 Hon. A J Isola
 Hon. G H Licudi
 Hon. S E Linares
 Hon. F R Picardo
 Hon. Miss S J Sacramento

AGAINST

Hon. K Azopardi
 Hon. D J Bossino
 Hon. R M Clinton
 Hon. D A Feetham
 Hon. E J Phillips
 Hon. E J Reyes

ABSTENTION

Hon. Ms M D Hassan Nahon

Mr Speaker: There are 10 votes in favour of the Second Reading of the Bill, 6 against and 1 abstention; so the Bill can be read a second time – or the approval has been granted and the Bill has been read a second time by Government majority.

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Clerk: The Supplementary Appropriation Act (2017/2018) Act 2019.

**Supplementary Appropriation (2017/2018) Bill 2019 –
 Committee Stage and Third Reading to be taken at this sitting**

Hon. Chief Minister: Mr Speaker, I have the honour to move, sorry, that – this is the 2019 one. Mr Speaker, I have the honour to move that a Bill for an Act to appropriate sums of money to the service of the year ended 31st day of March 2019 be read –

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Mr Speaker: If I could interrupt, it is the begging time, Chief Minister.

Hon. Chief Minister: Sorry?

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Mr Speaker: When you say, 'I beg to give notice'.

Hon. Chief Minister: Oh, the earlier one. Sorry. Where am I? (*Interjection*) I see what the hon. Member means. Sorry.

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I beg to give notice of the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree. That is the one. Thank you.

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

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Members: Aye.

**Supplementary Appropriation (2018/2019) Bill 2019 –
 First Reading approved**

Mr Speaker: A Bill for an Act to appropriate sums of money to the service of the year ended 31st day of March 2019. The Hon. the Chief Minister.

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Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the Bill for an Act to appropriate sums of money to the service of the year ended 31st day of March 2019 be read a first time.

Mr Speaker: I now put the question, which is a Bill for an act to appropriate sums of money to the service of the year ended 31st day of March 2019 be read a first time. Those in favour? (**Members:** Aye) Those against? Carried.

3315

Clerk: The Supplementary Appropriation (2018/2019) Act 2020.

**Supplementary Appropriation (2018/2019) Bill 2020 –
Second Reading approved**

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the Bill now be read a second time.

3320 Mr Speaker, the purpose of this Bill is to appropriate further sums of money to meet Government expenditure incurred during the financial year ended 31st March 2019. This Bill is therefore the annual Supplementary Appropriation Bill required to provide appropriation cover retrospectively for the outturn figures for the financial year 2018-19.

3325 Hon. Members should note that, in the case of the £8.8 million required to cover the additional expenditure incurred under the Consolidated Fund, this represents the amount required in addition to the supplementary provision of £9 million that is already included in the Approved Estimates Book under head 54, which is the supplementary provision head. A full breakdown of the £18 million, that is to say the £8.8 million and the £9 million of reallocations to be made from head 54 will be tabled in the House at the next available session of Parliament, giving the hon. Members a full and detailed breakdown of the heads and subheads for which the supplementary provision has been applied. The other components of this Bill are self-explanatory.

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

3335 **Hon. R M Clinton:** Thank you, Mr Speaker.

As I say, the comments I made about the head 54, the way the supplementary provision is used, stand; but I would actually like to compliment the way on the Explanatory Memorandum that we do have appearing now an actual breakdown of the Improvement and Development Fund expenditure between head 101 and head 102. I think it is useful to the House if that continues to be provided in future years as it was perhaps in times past. It does help the House understand what the additional capital expenditure is and I commend the Government for introducing it in this way this year, and I hope it continues in future years. But of course, I would also say that our position on the general principle will be the same and obviously we will be voting against.

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3345 **Mr Speaker:** Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, I am grateful to the hon. Gentleman for his positive comments in respect of the Explanatory Memorandum.

3350 Mr Speaker, I note that in respect of the earlier Bill, again the hon. Lady abstained in respect of the Supplementary Appropriation for a Budget that she had voted in favour of. But, Mr Speaker, what I find utterly remarkable is that the Hon. Mr Clinton has made such a meal of these Supplementary Appropriation Bills, he has mentioned them so many times. In 20 minutes we have got through them and heard him say that he has one or two issues and that is it. I mean, all of this supplementary appropriation or failure to deal with the supplementary appropriation, is really these 20 minutes of him having the opportunity to once again raise tiny issues, which are issues of detail, which I welcome that he should raise, Mr Speaker. But what really does, I think, demonstrate where the Opposition are in respect of appropriations generally, is that they spend,

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in *his* case, months or maybe even longer calling for these Bills to be dealt with, calling for them to be debated. He raises one point in respect of one, and one point in respect of another (*Interjections*) and then he votes against, Mr Speaker. It must be the only time in parliamentary history that a Member *calls* for a Bill to be brought, and alleges breach of the constitution of the failure of the Bill to be brought in order that he can vote against!

So if anybody ever needed evidence, Mr Speaker, that the hon. Gentleman is 'Mr Negative', as I called him during the course of the earlier debate, this is it. I mean, he has really expended a *huge* amount of energy and has made a huge part of his speech all about the failure to bring these Bills, so that he could signify in his case – and in the case of the Members of the official Opposition – their continued 'No' in the vote, Mr Speaker. Well at least the next Supplementary Appropriation Bill will be a very interesting one indeed because it will be the one which will be a supplementary in respect of the Budget for which they voted 'Yes'. In other words, the supplementary expenditure of March 2019-20 over that period. Let's see how they take that, Mr Speaker.

But it has not stopped the hon. Lady that she should – I know that she may be reading something, but I am addressing her – she has decided to vote contrary to the vote that she expressed at the time that we voted on the main Budget that we are now seeking appropriation for in order to complete the supplementary appropriation.

Mr Speaker, if it is helpful to the hon. Gentleman, I think I have got an explanation now in respect of the £30 million, which is I am told that because there had been no provision made and no estimate in respect of the period 2016-17, 2017-18 for those shares, when the call came for that money it is for that reason that it had to be put in specifically because it had not been estimated as a cost. I am quite happy, Mr Speaker, for him to have a conversation with the Financial Secretary outside, to better explain the reason why it was felt appropriate to do it in that way, so it can be seen in the supplementary appropriation.

Mr Speaker, I commend the Bill to the House and, for the reasons I have indicated earlier, I would be grateful if a division could be called on this vote.

Mr Speaker: I now put the question, which is that a Bill for an Act to appropriate sums of money to the service of the year ended 31st day of March 2019 be read a second time.

A division was called for and voting resulted as follows:

FOR

Hon. P J Balban
Hon. Sir J J Bossano
Hon. Prof. J E Cortes
Hon. V Daryanani
Hon. Dr J J Garcia
Hon. A J Isola
Hon. G H Licudi
Hon. S E Linares
Hon. F R Picardo
Hon. Miss S J Sacramento

AGAINST

Hon. K Azopardi
Hon. D J Bossino
Hon. R M Clinton
Hon. D A Feetham
Hon. E J Phillips
Hon. E J Reyes

ABSTENTION

Hon. Ms M D Hassan Nahon

Mr Speaker: Ten Members have voted in favour of the Second Reading of the Bill, 6 have recorded a no and there is 1 abstention; so the Second Reading of the Bill can be done, and it has been done by Government majority.

Clerk: The Supplementary Appropriation (2018/2019) Act 2020.

**Supplementary Appropriation (2018/2019) Bill 2020 –
Committee Stage and Third Reading to be taken at this sitting**

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

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

Members: Aye.

In Committee of the whole House

**Supplementary Appropriation (2016/2017) Bill 2020 –
Clauses considered and approved**

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

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Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the House should resolve itself into Committee to consider the following Bills clause by clause: the Supplementary Appropriation (2016/2017) Bill 2019; the Supplementary Appropriation (2017/2018) Bill 2019; and the Supplementary Appropriation (2018/2019) Bill 2020; as well as the Appropriation Bill 2021.

3405

Clerk: A Bill for an Act to appropriate the sums of money to the service in the year ended the 31st day of March 2017. Clause 1.

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Hon. Chief Minister: Mr Speaker, I have got to move, as I will in respect of each of these first three Bills, that the Bill be renamed 2021 when it becomes an Act.

Mr Chairman: Clause 1, as amended, stand part of the Bill.

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Clerk: Clauses 2 to 5.

Mr Chairman: Clauses 2 to 5 stand part of the Bill.

Clerk: The Schedule.

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Mr Chairman: The Schedule stands part of the Bill.

Clerk: The long title.

Mr Chairman: The long title stands part of the Bill.

**Supplementary Appropriation (2017/2018) Bill 2020 –
Clauses considered and approved**

3425 **Clerk:** A Bill for an Act to appropriate sums of money to the service of the year ended 31st day of March 2018. Clause 1.

Mr Chairman: A small amendment is required.
Chief Minister.

3430 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the same amendment that was proposed in respect of the date to 2021.

Mr Chairman: Clause 1, as amended, stands part of the Bill.

3435 **Clerk:** Clauses 2 to 5.

Mr Chairman: Clauses 2 to 5 stand part of the Bill.

3440 **Clerk:** The Schedule.

Mr Chairman: The Schedule stands part of the Bill.

Clerk: Long title.

3445 **Mr Chairman:** The long title stands part of the Bill.

**Supplementary Appropriation (2018/2019) Bill 2020 –
Clauses considered and approved**

Clerk: A Bill for an Act to appropriate sums of money to the service of the year ended 31st day of March 2019.

3450 **Mr Chairman:** Clause 1, which has an amendment for the year 2020 to 2021, stands part of the Bill.

Clerk: Clauses 2 to 6.

3455 **Mr Chairman:** Clauses 2 to 6 stand part of the Bill.

Clerk: The Schedule.

Mr Chairman: The Schedule stands part of the Bill.

3460 **Clerk:** The long title.

Mr Chairman: The long title stands part of the Bill.

**Appropriation (2021/2022) Bill 2020 –
Clauses considered and approved**

3465 **Clerk:** A Bill for an Act to appropriate sums of money to the service of the year ending 31st day of March 2022. Clause 1.

Mr Chairman: Clause 1 stands part of the Bill.
We have a minor technical issue ... (*Interjection*)
We said clause 1 stands part of the Bill.

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Clerk: Clause 2, head 1, Treasury, subheads 1 to 3.

Mr Chairman: Head 1, Treasury, subheads 1 to 3 stands part of the Bill.

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Clerk: Head 2, No. 6 Convent Place, subheads 1 to 3.

Mr Chairman: Head 2, No. 6 Convent Place, subheads 1 to 3 stand part of the Bill.

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Clerk: Head 3, Office of the Chief Technical Officer, subheads 1 to 3.

Mr Chairman: Head 3, Office of the Chief Technical Officer, subheads 1 to 3 stand part of the Bill.

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Clerk: Head 4, Customs, subheads 1 to 3.

Mr Chairman: Head 4, Customs, subheads 1 to 3 stand part of the Bill.

3490 **Hon. K Azopardi:** Sorry, can I just ask for clarification (**Mr Chairman:** Of course) on that head on Customs? There are nine customs officers there and supernumerary staff, can I just get a bit of clarification on why that is compared to the previous year where there are none?

Chief Minister (Hon. F R Picardo): Mr Speaker, this is the overlap between retirement and training. That is the reason.

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Hon. K Azopardi: I am not sure I follow, if it is the overlap between retirement and training. There is a total increase of staff of nine, and I am really asking why that is.

3500 **Hon. Chief Minister:** In the context of how we run the Training School for Customs, when you become enrolled in the Training School for Customs you are considered to be a customs officer. The reason that there are nine people being trained now, and the number for training is nine, is because they cannot train I think less than eight or nine at any particular time. It does not make sense to run the school for less than that. That is the number of anticipated retirements coming up during the course of the year, that is why it is being run like that.

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Mr Chairman: Head 4, Customs, subheads 1 to 3 stand part of the Bill.

Hon. K Azopardi: Can I also on that one ask on head 4(2) under Rents and Service Charges. (*Interjection*) Yes, 6. The reason ... oh, I see now. That is fine.

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Clerk: Head 5, Income Tax, subheads 1 to 3.

Mr Chairman: Head 5, Income Tax, subheads 1 to 3 stand part of the Bill.

Clerk: Head 6, Parliament, subheads 1 to 3.

3515 **Mr Chairman:** Head 6, Parliament, subheads 1 to 3 stand part of the Bill.

Clerk: Head 7, Human Resources, subheads 1 to 3.

3520 **Mr Chairman:** Head 7, Human Resources, subheads 1 to 3 stand part of –

Hon. K Azopardi: Yes, I was just going to ask there –

Mr Chairman: I will rectify that.

3525 **Hon. K Azopardi:** Sorry, I was going to ask there on Establishment for clarification on the AAs. There are 25 posts there. Can I get some information on that?

3530 **Hon. Chief Minister:** Yes, Mr Speaker. This is the place where the AAs who were recruited are held in the Book to be deployed around the service where necessary, and that is where the hon. Gentleman will see them. This year at least, Mr Speaker, they may then eventually make their ways into other parts of the Book.

Mr Chairman: Head 7, Human Resources, subheads 1 to 3 stand part of the Bill.

3535 **Clerk:** Head 8, Immigration and Civil Status, subheads 1 to 3.

Mr Chairman: Head 8, Immigration and Civil Status, subheads 1 to 3 stand part of the Bill.

3540 **Clerk:** Head 9, Financial Secretary's Office, subheads 1 to 3.

Mr Chairman: Head 9, Financial Secretary's Office, subheads 1 to 3 stand part of the Bill.

Clerk: Head 10, Government Law Offices, subheads 1 to 3.

3545 **Mr Chairman:** Head 10, Government Law Offices, subheads 1 to 3 stand part of the Bill.

Clerk: Head 11, Public Service Support Unit, subheads 1 and 2.

3550 **Mr Chairman:** Head 11, Public Service Support Unit, subheads 1 and 2 stand part of the Bill.

Clerk: Head 12, Office of the Deputy Chief Minister, subheads 1 to 3.

3555 **Hon. K Azopardi:** Sorry, on 2, subhead 19, the Algeciras Ferry, there is a significant increase there. Perhaps the Government can provide us some information on why they think those costs will be much more significant this year?

3560 **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, the costs incurred under this subhead have now terminated, or will terminate, because there is no longer any support for the ferry, and the figure does not include the contribution made by the United Kingdom, nor does it include the costs paid by the actual users of the ferry. So that figure will actually be considerably less.

Mr Chairman: Head 12, Office of the –

Hon. D Bossino: Mr Chairman, may I also ask the Deputy Chief Minister why the increase under head 12(8) which is entitled, or described as a UK Parliamentary Consultancy – so from the actual figure of 2018-19 it goes from £60,000, to the estimated expenditure under that head which is £113,000.

Deputy Chief Minister: Mr Speaker, this relates to an increase in costs and salaries. Salaries. An increase in costs and salaries.

Mr Chairman: Head 12, Office of the Deputy Chief Minister, subheads 1 to 3 stand part of the Bill.

Clerk: Head 13, Civil Aviation, subheads 1 to 3.

Mr Chairman: Head 13, Civil Aviation, subheads 1 to 3 stand part of the Bill.

Clerk: Head 14, Environment, subheads 1 to 3.

Mr Chairman: Head 14, Environment, subheads 1 to 3 stand part of the Bill.

Clerk: Head 15, Collection and Disposal of Refuse, subheads 1 to 3.

Mr Chairman: Head 15, Collection and Disposal of Refuse, subheads 1 to 3 stand part of the Bill.

Clerk: Head 16, Upper Rock Tourist Sites and Beaches, subheads 1 to 3.

Hon. D Bossino: Mr Chairman, may I ask why the significant increase in head 16(iv) which is on the GDC staff, clauses from 17 to 26? *(Interjection)* So, head 16(iv). So you have Gibraltar Development Corporation staff, Establishment, first page.

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Page ...? **(A Member:** Page 58.) Page 58. **(A Member:** Yes.)

Yes, Mr Chairman, I believe this is because they used to appear under the Tourist Board, and now they come under the Upper Rock and Beaches which is part of the Environment.

There have been GDC staff who are now identified under this head.

Hon. D Bossino: Hence the significant increase in the actual figure for 2018-19 to the estimated figure under head 16(2)(10), which is contribution to GDC staff services. Is that the reason why?

Hon. Prof. J E Cortes: Clearly they have to be paid. *(Interjection)* It is a move from where they were, it is not additional staff.

Hon. D Bossino: May I ask the Minister to go to head 16(2)(15) which is described as 'Sites and Management Systems'. There was no provision for that in 2018-19 or in 2019-21. And then it shoots up, the estimated figure, to £550,000. Can I ask what that is?

Hon. Prof. J E Cortes: Yes, this is in relation to the new ticketing system for the Upper Rock section of the Nature Reserve.

Hon. K Azopardi: Can the Minister perhaps give us a bit more information as to why the projected expenditure is £550,000 and in the two-year period we have just had it is £615,000? I appreciate it is a new system, but is that a contractual expenditure?

3615 **Hon. Prof. J E Cortes:** This is a new system which did not exist in the previous period, and then there are contractual arrangements which will come into play, and have come into play over the last period that we have been considering here. It did not exist before. *(Interjection)*

Yes, indeed, Mr Chairman, this produces additional revenue and, without going into all the details, it gives us the ability to track all visitors in real time and so on. I could explain further but for these purposes it is a new arrangement which did not exist in the period before this two-year financial year, so it is new.

3620 **Hon. D Bossino:** Is it as a result of the contractual arrangements with Wright Tech Ltd which I think was the subject of the Question and Answer session in the last meeting?

3625 **Hon. Prof. J E Cortes:** Indeed, that is part of that, we have already referred to in that Question and Answer session.

Hon. D Bossino: Is there any connection with the reduction in security services, which is further up? If I can assist the Minister, it is under 12 and it goes down from ... I mean, the increase is not that significant but it is an increase in any event.

Hon. K Azopardi: It is a reduction.

3635 **Hon. D Bossino:** Is it? No, £165,000 goes up to £210,000.

Hon. Prof. J E Cortes: It really is not an increase if you consider the previous figure is for two years, and this is virtually identical. For one year, it is half of what was the case over two years. No significant difference there.

3640 **Mr Chairman:** Head 16, Upper Rock Tourist Sites and Beaches, subheads 1 to 3 stand part of the Bill.

Clerk: Head 17, Education, subheads 1 to 3.

3645 **Hon. E J Reyes:** Mr Chairman, the subhead 2(7) under the very general title of 'Gibraltar College', there is £40,000. What exactly is the £40,000 for?

Hon. Prof. J E Cortes: These are general expenses, particularly in relation to the Gibraltar College, and there has been again no significant change from in fact the actual expenditure in 2018-19 which was £37,788 and it is £40,000 here.

3650 **Hon. E J Reyes:** Yes, but when the Minister says general expenses in respect of what is it, the equivalent of what in 2, for example, (21), where schools have electricity and water. Is this a separate provision so that the College is not included there? Is that what it is?

Hon. Prof. J E Cortes: The College has different expenses in the sense that there are training courses and fees to be paid, and so on. There is a wide range of expenses in relation to the Gibraltar College which have always been put in the Book separately.

3660 **Hon. E J Reyes:** Yes. The only thing is looking, because there are subheads for training, if it is
for a two-hour training and development course? If it is for staff, the teacher-training expenses,
or before that the Community Teacher's Centre. But perhaps for future reference we might have
3665 a subdivision or whatever, because Gibraltar College is a very general title which no other school
seems to enjoy the privilege of being allocated some more money that you can dip anything into
there.

Hon. Prof. J E Cortes: I do not have a comment on that, it is just this is the way it has been
done. I think it shows the belief we have in the Gibraltar College. It is a different kind of institution,
it is run differently. I do not think I would like to subdivide every single school, and I make no
3670 apology for it. But I do not think it is anything that would certainly, particularly worry me.

Hon. E J Reyes: And also, Mr Chairman, on subhead 2(38), Hot Lunches for School. I see that in
2019-21 there was a total expenditure of £270,000. Has the Minister got any further information
on how that expenditure was actually incurred?

3675 **Hon. Prof. J E Cortes:** Yes, Mr Chairman, I think the hon. Member will recall that during the
first term the decision was taken that there would be no charge for the food in order to introduce
the system, and that is largely what that takes account of. There is no specific provision now, as
he may also be aware of – or he will be aware – the firm that did it went into administration. We
3680 are now in the process of identifying new potential suppliers, but we are not in a position yet to
identify the costs. Which in any case would be minimal to the Government because in future it
would be the families paying for the food unlike what was happening in the first term when this
was introduced.

3685 **Hon. E J Reyes:** And, I do not know, Mr Chairman, does the Minister happen to have by chance
the figures of how many children actually benefited from those lunches?

Hon. Prof. J E Cortes: Not here. I would be very happy to either answer a formal question or to
let the hon. Member know behind the Speaker's Chair. I do not have that information here.

3690 **Hon. K Azopardi:** Mr Chairman, can I ask on Establishment if we could take a page back, as it
were, on the increase in industrial staff from 174 to 273. That is an increase of 100 posts. Can the
Minister give us some information on the reason for that?

3695 **Hon. Prof. J E Cortes:** Yes, that is in relation to the fact that we now have much larger schools
with much more surface area, and the bulk of those is taken up in a larger number of cleaners to
keep it up to the standards that we require.

Hon. K Azopardi: So the increase in 100 is essentially cleaners, is it?

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Hon. Prof. J E Cortes: Yes, Mr Chairman. It is essentially cleaners.

Hon. R M Clinton: Sorry, Mr Chairman, under subhead 40 on Contractors' Services, there is a
line that appears for 2021-22 of £450,000 for facilities management. I would be grateful if the
3705 Minister could advise what that is in respect of?

Hon. Prof. J E Cortes: Yes, Mr Chairman, clearly when you have large schools which are quite
sophisticated in their equipment and their furnishings, and so on, you need a maintenance
agreement and this is in relation to a facilities management agreement that we are discussing the
3710 detail of, in order to ensure that the schools are properly maintained.

Hon. R M Clinton: Sorry, Mr Chairman, if I can just clarify with the Minister. Is he talking about equipment or is he talking about the fabric of the building?

3715 **Hon. Prof. J E Cortes:** I am talking about a facilities management agreement in order to ensure that the equipment is fine, the lifts are fine, the air conditioning works. It is a whole gambit of requirements. So essentially it is both: equipment, premises and utilities in the sense of lifts, air conditioning and so on.

3720 **Hon. D Bossino:** But is that for all the schools, or is it just for the comprehensives?

Hon. Prof. J E Cortes: This is mainly for the two comprehensives, which are the most sophisticated by way of equipment and so on.

3725 But just to add, you cannot build these schools and then forget about them for the next 10 years, so we really have to have a proactive management system and this is what this is going to ensure.

3730 **Hon. K Azopardi:** Sorry, can I just ask, pulling the thread from what the Hon. Minister explained before that they have got 100 more industrial staff as a result of the new schools and so on. So if the Minister goes to head 17, subhead (2) Industrial Wages and on Basic Wages, and accounting for the fact that we have had a two-year period for the last Budget, it still suggests that there was more money paid in terms of basic wages, as industrial wages, at a time when the establishment was much lower with industrials. Can he clarify that?

3735 **Hon. Prof. J E Cortes:** Yes, in fact for that period of time there were cleaners, but they were on a supply basis and therefore they would not be reflected in the complement. They were cleaning but they were employed as supply cleaners.

3740 **Hon. K Azopardi:** I think the Hon. Minister has misunderstood the question. I think I am really saying the opposite. There appears to have been money paid by way of industrial wages *higher* than the projection for this year, that is what I am saying, when in this year there are 100 posts more. So I am saying how is it that the basic wages would have been higher at a time when there is 100 less posts?

3745 **Hon. Prof. J E Cortes:** Mr Chairman, you can add another £300,000, if you go down to Temporary Assistance, which will cover the additional supplies and you have got to pool them together in order to understand that.

So to the industrial wages, you would have to add another £300,000, and that brings it much closer to what happened the year before.

3750 **Mr R M Clinton:** Sorry, Mr Chairman, I just have one question, coming back to facilities management. In Establishment the Walthay Director of Estates, one person in 2019-20, and in 2021-22 that position appears to have disappeared. Is this in any way related to the Facilities Management Contract? Or why is it that the position of Director of Estates is no longer to be filled?

3755 **Hon. Prof. J E Cortes:** It is indirectly related. Stretching it a bit, that individual retired and has not been replaced; and at the same time we are developing this facilities management arrangement which in a way will cover some of that. But it is only very far stretched, and I would not link them directly.

3760 **Hon. K Azopardi:** Can I ask on head 2, subhead 16 Scholarships and on Discretionary Awards. There is a projection there of £600,000 and in the two-year period previously £2.7 million, so

making a loose calculation it suggests a 50% reduction. Is that the situation that the Government are projecting a reduction on discretionaries to that extent?

3765 **Hon. Prof. J E Cortes:** We have already made a public statement on this. We will allow all existing students who are successful in getting accepted for future years, but clearly the budget for discretionary has been reduced. We have made no secret of this and that is reflected in the Book.

3770 **Hon. Chief Minister:** But, Mr Speaker, reduced from the highest numbers we have ever seen before. (**A Member:** Yes, I know.) So, if the hon. Gentleman looks at £959,000 in 2018-19, that was the highest number ever paid before in the context of discretionary, and it has got the two rolled-up years, Mr Speaker, there. And this year we are aiming for £600,000 which was, I think, closer to what we paid in 2017-18, so all we are doing is going back to them with an overall figure
3775 for scholarships of £16.6 million, which is still where we were in 2018-19.

Mr Chairman: Head 17, Education, subheads 1 to 3 stand part of the Bill.

Clerk: Head 18, Gibraltar University, subheads 1 and 2.

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Mr Chairman: Head 18, Gibraltar University, subheads 1 and 2 stand part of the Bill.

Clerk: Head 19, Heritage, subheads 1 to 3.

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Mr Chairman: Head 19, Heritage, subheads 1 to 3 stand part of the Bill.

Clerk: Head 20, Culture, subheads 1 to 3.

Mr Chairman: Head 20, Culture, subheads 1 to 3 stand part of the Bill.

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Clerk: Head 21, Driver and Vehicle Licensing, subheads 1 to 3.

Hon. R M Clinton: Sorry, Mr Chairman, just one line item under subhead 2(12) Postage Expenses, projected £50,000. The outturn for two years was £35,000, and given that we are moving to e-Government-type services I am just curious as to why, given that in 2018-19 they spent about £3,000 and they are now projected for £50,000?

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Minister for Minister for Transport (Hon. P J Balban): Mr Speaker, I have not been able to hear the hon. Gentleman very well, I have got a problem with my ears, but I think he has asked about why postage expenses have remained up regardless of whether we are carrying out e-Government services. I think that has been due to COVID with counter services and collections, work has changed to postal services by registered mail. That is what I have got here.

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It is that a lot more things are being sent by post to avoid people coming to the counter because of COVID restrictions. So, instead of asking people to come and collect their items, the items have been sent to them, and that is why the cost of postage is as such.

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Hon. E J Phillips: Mr Chairman, just in relation to head 21(2)(17), the incentive scheme for importation of hybrid vehicles. Whilst obviously we understand that escalated during the principal COVID period from 2019 to 2021, for reasons that have been articulated before this House, can the Minister just explain in a bit more detail as to what that actual cost is? It just describes it generically as an 'incentive scheme importation of hybrid vehicles'. Is there any more detail about that?

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Hon. P J Balban: This was an incentive scheme the Government had in terms of cashback for people who purchased a hybrid vehicle. *(Interjection)*

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Mr Chairman: Head 21, Driver and Vehicle Licensing, subheads 1 to 3 stand part of the Bill.

Clerk: Head 22, Technical Services, subheads 1 to 3.

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Mr Chairman: Head 22, Technical Services, subheads 1 to 3 stand part of the Bill.

Clerk: Head 23, Social Security, subheads 1 to 3.

Mr Chairman: Head 23, Social Security, subheads 1 to 3 stand part of the Bill.

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Clerk: Head 24, Economic Development, subheads 1 to 3.

Mr Chairman: Head 24, Economic Development, subheads 1 to 3 stand part of the Bill.

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Clerk: Head 25, Statistics Office, subheads 1 to 3.

Mr Chairman: Head 25, Statistics Office, subheads 1 to 3 stand part of the Bill.

Clerk: Head 26, Procurement Office, subheads 1 to 3.

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Mr Chairman: Head 26, Procurement Office, subheads 1 to 3 stand part of the Bill.

Clerk: Head 27, Health, subheads 1 to 3.

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Hon. E J Phillips: Yes, Mr Speaker, in relation to Health, the Establishment at page 214 of the Book, there was reference made in speeches and indeed in reply from the Chief Minister in relation to the consultant clinical psychologist. That does not appear to feature ... It features specifically within the book at page 214, but I understand that there is no provision to replace the consultant clinical psychologist, which is a particularly key role, as I understand it.

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I understand also that the associate psychologists would require supervision of the consultant clinical psychologist from a regulatory perspective, so I was just wondering why that has zeroed out in the full-time position for 2021-22. Is it the intention of Government *not* to provide for that position moving forward?

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Mr Chairman: If I could intervene just for a moment, we have not got to that page yet. Let's continue and stick to head 27, Health, and then perhaps we can discuss, you can raise the matter when we – *(Interjections)*
Head 27, Health, subheads 1 to 3 stand part of the Bill.

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Clerk: Head 28, Gibraltar Health Authority – Elderly Residential Services section, subheads 1 and 2.

Mr Chairman: Head 28, Gibraltar Health Authority – Elderly Residential Services section, subheads 1 and 2 stand part of the Bill.

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Clerk: Head 29, Care Agency, subheads 1 and 2.

Mr Chairman: Head 29, Care Agency, subheads 1 and 2 stand part of the Bill.

Clerk: Head 30, Equality, subheads 1 to 3.

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Mr Chairman: Head 30, Equality, subheads 1 to 3 stand part of the Bill.

Clerk: Head 31, Policing, subheads 1 to 3.

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Hon. K Azopardi: So maybe just on subhead 1, on the Emergency Provision. Perhaps some clarification there, because it has gone from a fairly small actual expenditure in 2018-19 of £18,000; £67,000 over two years to £300,000. So just some clarification as to what it is intended to provide for and then what is expected?

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Hon. Chief Minister: Mr Speaker, here it is about hon. Members seeing the discretionary overtime in that period, as compared to the emergency booked, which was £18,000. Yes? What we are saying is it should be booked as emergency because when, particularly with the Police, the way that they explain what is done in the context of this overtime, is what we think is emergency overtime. In other words it is demand-led overtime. It is required. It is not something that you choose to do.

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The *choose* to do is what we think is at zero, and should be done in the context of the resources available. The *need* to do, we are saying should be provided for under *emergency* overtime. That is everything that is demand-led, everything which is investigation, etc., etc. So it is there, we are just shifting between the columns to move it toward what we think is a more appropriate explanation for that sort of overtime.

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Hon. K Azopardi: Okay, I am grateful for that explanation.

In that case, then, and given that the expenditure was £1.3 million last year and over £568,000 for 2018-19. Is that perhaps an under-provision?

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Hon. Chief Minister: We do not think it is, Mr Speaker, in the way that we have provided for it, we do not think it is. But traditionally what you want to do in the context of these heads, the hon. Gentleman may remember, is not provide so much that it might become a field that people plough with gusto. So if there is a need for more, Mr Speaker, especially in this head, then of course it will be provided and we will come back to this House and seek supplementary.

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Mr Chairman: Head 31, Policing, subheads 1 to 3 stand part of the Bill.

Clerk: Head 32, Gibraltar Law Courts, subheads 1 to 3.

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Mr Chairman: Head 32, Gibraltar Law Courts, subheads 1 to 3 stand part of the Bill.

Clerk: Head 33, Justice, subheads 1 to 3.

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Hon. K Azopardi: Mr Chairman, yes, on subhead 10 of 2, National Security, Centralised Intelligence System, that £816,000, that comes from another head of expenditure in the previous Budget? Is that correct?

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Yes, Mr Chairman, that is the case.

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Hon. K Azopardi: The Minister can clarify that £816,000 is a contractual fee. Is that right?

Hon. Chief Minister: Mr Speaker, I would not use the word 'contractual' to describe that. I would say it is a figure that we paid under the arrangement that we have with the provider of

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the NCIS system, with whom we have a dispute as to the contract. So I would not use the word 'contractual', I would not think it is appropriate.

Mr Chairman: Head 33, Justice, subheads 1 to 3 stand part of the Bill.

Clerk: Head 34, Prison, subheads 1 to 3.

Hon. K Azopardi: On that, can I ask on Establishment, on Prison, there are 13 more prison officers, and the reason for that?

Hon. Miss S J Sacramento: Mr Chairman, this arises out of negotiations that go back a couple of years ago, and the complement was increased a couple of years ago. This now means that there would be more prison officers on duty at different shifts.

Hon. K Azopardi: So the complement would have increased. Are they actually in post now?

Hon. Chief Minister: Yes, Mr Speaker, because there are no vacancies in the Book.

Mr Chairman: Head 34, Prison, subheads 1 to 3 stand part of the Bill.

Clerk: Head 35, Drug and Alcohol Awareness and Rehabilitation Services, subheads 1 to 3.

Hon. E J Phillips: Mr Chairman, just in relation to one payroll, salaries are reflected at £96,000 for the estimate for this year. Could the Minister explain in that context other charges 21 and 23 where the secondment and the relief cover respectively for the estimated years, £360,000 and £237,000 respectively? Could the Minister explain what that is about, insofar as the salary being at £96,000 for the three individuals that are currently in the establishment?

Hon. Miss S J Sacramento: Mr Chairman, these are the costs for Bruce's Farm, and they appear here. But in terms of substantive staff of Bruce's Farm, they would have Care Agency contracts. So because they appear under this chapter they will appear as seconded to this Ministry; and the relief cover relates to those who do not.

Hon. K Azopardi: Is the Minister saying it is not new people because of this change in numbers, really. All we are asking for is to understand why it jumps from, in effect, £100,000 to £237,000?

Hon. Miss S J Sacramento: Mr Chairman, this represents a change in the presentation of the figures, but there has not been an increase. It is exactly the same, it is just a different structure in the way it is presented.

Hon. K Azopardi: If the Minister can clarify, because I think on this side we are just not understanding the change in presentation, because we are comparing the same item in respect of previous years, and we are just not understanding how it is a change in presentation points. Perhaps she can explain.

Hon. Miss S J Sacramento: Mr Chairman, this is because this is the predicted forecast outturn, and if we look at the one figure, it is in relation to two years, but we predict in relation to this year, obviously, for it to be only one year, and therefore that is why it is less. But the structure – *(Interjection)* no, it is less. *(Interjection)* Secondment is less.

Mr Speaker, the structure, the numbers, the complement remains the same. There has not been an increase in relation to the number of staff at Bruce's Farm. *(Interjection)*

Hon. K Azopardi: Yes, I mean, the Minister has said that ... It is just that we are seeing the relief cover figure is in effect the same as a two-year figure in the other column, so it is double what would have been paid in 2018-19. We are trying to understand that.

3970

Hon. Miss S J Sacramento: Mr Chairman, the figure for relief cover increases because at the moment there are more vacancies of substantive posts. So this is essentially an adjustment because the payment for these will come out of the relief cover vote.

3975

Mr Chairman: Head 35, Drug and Alcohol Awareness and Rehabilitation Services, subheads 1 to 3 stand part of the Bill.

Clerk: Head 36, Civil Contingency, subheads 1 to 3.

3980

Mr Chairman: Head 36, Civil Contingency, subheads 1 to 3 stand part of the Bill.

Clerk: Head 37, Fire and Rescue Service, subheads 1 to 3.

Mr Chairman: Head 37, Fire and Rescue Service, subheads 1 to 3 stand part of the Bill.

3985

Clerk: Head 38, Airport Fire and Rescue Service, subheads 1 and 2.

Mr Chairman: Head 38, Airport Fire and Rescue Service, subheads 1 and 2 stand part of the Bill.

3990

Clerk: Head 39 Housing, subheads 1 to 3.

Mr Chairman: Head 39, Housing, subheads 1 to 3 stand part of the Bill.

3995

Clerk: Head 40, Employment, subheads 1 to 3.

Mr Chairman: Head 40, Employment, subheads 1 to 3 stand part of the Bill.

Clerk: Head 41, Youth, subheads 1 to 3.

4000

Mr Chairman: Head 41, Youth, subheads 1 to 3 stand part of the Bill.

Clerk: Head 42, Sport and Leisure, subheads 1 to 3.

4005

Mr Chairman: Head 42, Sport and Leisure, subheads 1 to 3 stand part of the Bill.

Clerk: Head 43, Financial Services, subheads 1 to 3.

Mr Chairman: Head 43, Financial Services, subheads 1 to 3 stand part of the Bill

4010

Clerk: Head 44, Gambling Division, subheads 1 to 3.

Hon. D Bossino: Mr Chairman, can I ask the Hon. Minister, again, it is very similar to the point I raised in relation to the Upper Rock, I think it was, there is an increase in GDC staff from five to nine. Is that as a result of a reorganisation as well? It is in head 44(iv).

4015

Minister for Digital, Financial Services and Public Utilities (Hon. A J Isola): Sorry, could the hon. Member refer to what the question is? An increase the staff from 10 to 12?

Hon. K Azopardi: No it is the section just above that, so it is from the GDC staff, and it is a considerable increase from five to nine.

Hon. A J Isola: I think this must be a restructure. We have not increased the number of staff. There was an increase around 18 months ago, with a new regulator where we took on the regulation of machines within the retail outlets around Gibraltar. I am not aware of any increase that than that, but I can check and come back. *(Interjection from the Hon. Chief Minister)*

Oh, I see, yes. So the one I am referring to would be one of the two because there has been a switch in the establishment, with an extra GDC and one less from the public service.

But I can happily check and come back to the hon. Member.

Mr Chairman: Head 44, Gambling Division, subheads 1 to 3 stand part of the Bill.

Clerk: Head 45, Digital Services, subheads 1 to 3.

Hon. K Azopardi: I was just going to ask the Minister for, again, clarification on the payroll salaries of £684,000 where it is zero for previous years. Is that expenditure that was somewhere else in the Book before and it does not involve new posts? Or is it new posts and, if so, how many new posts are we talking about?

Hon. A J Isola: No, this was previously the Ministry linked with ITLD, which now have their own head, a little bit later on. This is now, in fact, the Ministry Office so the people who work to me are within this head. They were previously there before, obviously, there is no change, it is the same number of people. But the heads have changed and they have come from somewhere else. These are not new people, but ...

Hon. Chief Minister: This is the Ministry.

Hon. A J Isola: Yes, this is the Ministry Office.

It is a restructure involving a number of different Ministries because two years ago I think it came under the Ministry of Commerce. Then it was divided and Minister Daryanani took over parts of Commerce, so some of the people that have gone and others that have come in are from the restructuring of the different businesses. There are different Ministries, there is also Town Planning, which was with Mr Balban previously. It is a complete restructure which I am happy to share with him.

Mr Chairman: Head 45, Digital Services, subheads 1 to 3 stand part of the Bill.

Clerk: Head 46, Information Technology and Logistics Department, subheads 1 to 3.

Hon. K Azopardi: And there again, the same point I was going to ask, just for confirmation for the record. There are not new posts in the £1.4 million – on salaries?

Hon. A J Isola: These are all exactly the same people restructured from the Ministerial restructuring that we have done.

Mr Chairman: Head 46, Information Technology and Logistics Department, subheads 1 to 3 stand part of the Bill.

Clerk: Head 47, Utilities, subheads 1 and 2.

Mr Chairman: Head 47, Utilities, subheads 1 and 2 stand part of Bill.

Clerk: Head 48, Town Planning and Building Control, subheads 1 to 3.

Hon. D Bossino: Could I ask the Minister, what are the charges? There is an entry there which says 'Other charges'. So what is it referring to? It is at the very end. *(Interjections)*

4075 The figures are pretty much consistent it seems, although it seems to go up in the bunched-up financial years.

Oh, I see. No, it does not quite add up. *(Interjections)*

Mr Chairman: You are on Town Planning at the moment ... *(Interjections)*

4080

Hon. D Bossino: Sorry, if I may, by way of clarification, at the very end there is a line which says 'Other Charges'. Is that meant to correlate with 2, on the page opposite? And if it is meant to, the numbers do not quite match. *(Interjections)*

Town Planning and Building Control, page 142 ...

4085

Mr Chairman: The carry-forward is 434 and the 1,000 additional makes it up to 435. *(Interjections)*

Head 48, Town Planning and Building Control, subheads 1 to 3 stand part of the Bill.

4090

Clerk: Head 49, Broadcasting, subheads 1 and 2.

Hon. K Azopardi: I thought there, perhaps clarification of the contribution to GBC, which is obviously going up, just to understand the extra half a million?

4095

Hon. A J Isola: Is the hon. Member looking for a breakdown of the £5.2?

Hon. K Azopardi: I think we are trying to understand the increase in roughly £500,000, from what was the expenditure in 2018-19, which would have been replicated in previous years.

4100

Hon. A J Isola: From what I am seeing on the rather long list of a very large number of different payments, it seems to be just a general increase ... I mean, this payroll is up, other charges are up, licensing costs are up, and I think the combination of those is the difference between the £4.7 of 2018-19 to the £5.2 of today.

4105

Mr Chairman: Head 49, Broadcasting, subheads 1 and 2 stand part of the Bill.

Clerk: Head 50, Gibraltar Regulatory Authority, subheads 1 and 2.

4110 **Hon. K Azopardi:** On subhead 2 there, the contribution to the GRA, again that has gone up a good £500,000 on a single year. Perhaps some clarification on that?

Hon. A J Isola: Thank you, Mr Chairman.

The number has been kept to the same amount as it was last year's, it is exactly half of what was there previously. The last two years have been at that rate.

4115

Mr Chairman: Head 50, Gibraltar Regulatory Authority, subheads 1 and 2 stand part of the Bill.

Clerk: Head 51, Tourism, subheads 1 to 3.

4120

Hon. D Bossino: Mr Chairman, can I ask the Minister how provision for this year was going to be accounted for? It does not seem to be set out here. I am not sure how that is going to work.

Minister for Business, Tourism and The Port (Hon. V Daryanani): Well, Mr Chairman, it is something, as I said in my Budget speech, we will be taking our time to take this decision. So at the moment because, as I said, we have not discussed exact remuneration or anything of that sort.

4125

Hon. D Bossino: So, as things stand, it is not currently provided for in the Budget Book. Is that correct? Is my understanding correct?

Hon. V Daryanani: No, it is not. As I have said, we do not know the remuneration so we cannot really provide for anything if we are not aware of it yet.

4130

So the answer to your question is that it is not provided for.

Mr Chairman: Head 51, Tourism, subheads 1 to 3 stand part of the Bill.

4135

Clerk: Head 52, Business, subheads 1 to 3.

Mr Chairman: Head 52, Business, subheads 1 to 3 stand part of the Bill.

Clerk: Head 53, Postal Services, subheads 1 to 3.

4140

Mr Chairman: Head 53, Postal Services, subheads 1 to 3 stand part of the Bill.

Clerk: Head 54, Office of Fair Trading, subheads 1 to 3.

4145

Mr Chairman: Head 54, Office of Fair Trading, subheads 1 to 3 stand part of the Bill.

Clerk: Head 55, Port, subheads 1 and 2.

Mr Chairman: Head 55, Port, subheads 1 and 2 stand part of the Bill.

4150

Clerk: Head 56, Maritime Services, subheads 1 to 3.

Hon. D Bossino: Mr Chairman, can I take the Minister to 2(16) which is headed Maritime Accident Investigation Expenses? There seems to be a considerable increase for the estimate for this coming year of £150,000. Can he explain why that is the case?

4155

Hon. V Daryanani: Mr Chairman, this includes £100,000 to accommodate an MOU with the UK Marine Accident Investigation Branch.

4160

Mr Chairman: Head 56, Maritime Services, subheads 1 to 3 stand part of the Bill..

Clerk: And finally for clause 2: head 57, Gibraltar Audit Office.

Hon. R M Clinton: Sorry, Mr Chairman.

4165

Can the Minister advise – or somebody advise, yes, the Chief Minister – why there is a headcount decrease of two projected for the coming year?

Hon. Chief Minister: The hon. Gentleman can read that either as a projected headcount reduction of two, or a projected headcount in maintenance of two more than when they were in office. There were 17 and there are now 19 instead of 21, Mr Speaker, because for the reason I have indicated, we are not proposing to provide for vacancies. So he can see where the reduction is, he can see that it is one less auditor and one less assistant auditor that is provided for at the moment.

4170

Hon. R M Clinton: Mr Chairman, yes, I can see that. *(Interjection)*

4175

Hon. Chief Minister: I would see that one auditor was previously overstated, that is to say the figure was wrong in the previous Budget Book. It is in the footnote there: one auditor previously overstated. So in fact it is a reduction from 20 to 21.

4180

Mr Chairman: Head 57, Gibraltar Audit Office, subheads 1 to 3 stand part of the Bill.
Clause 2 stands part of the Bill.

Clerk: We now move to clause 3.

Head 59, Contributions to Government-Owned Companies, subhead 1.

4185

Hon. R M Clinton: Mr Chairman, I know I have asked before, but I do not suppose the Government would be willing to give a breakdown of the companies to which this £30 million would be attributed?

4190

Hon. Chief Minister: All of that money goes to Gibraltar investment Holdings Ltd, Mr Speaker.

Mr Chairman: Head 59, Contributions to Government-Owned Companies, subhead 1 stands part of the Bill.

4195

Clerk: Head 60, Transfer from Government Surplus, subhead 1.

Mr Chairman: Head 60, Transfer from Government Surplus, subhead 1 stands part of the Bill.

Clerk: Head 61, Contribution to the Improvement and Development Fund, subhead 1.

4200

Mr Chairman: Head 61, Contribution to the Improvement and Development Fund, subhead 1 stands part of the Bill.

Clerk: Finally, Head 62, Contribution to the COVID-19 Response Fund, subhead 1.

4205

Mr Chairman: Head 62, Contribution to the COVID-19 Response Fund, subhead 1 stands part of the Bill.

Clause 3 stands part of the Bill.

4210

Clerk: Clause 4, head 58, Supplementary Provision.

Mr Chairman: Head 58, Supplementary Provision, (1) Supplementary Funding stands part of the Bill.

Clause 4 stands part of the Bill.

4215

Clerk: Clause 5, Improvement and Development Fund. Head 101, Works and Equipment, subhead 1.

4220

Mr Chairman: The Improvement and Development Fund, head 101, Works and Equipment, subhead 1 stands part of the Bill.

Clerk: Head 102, Projects, subheads 1, 2, 3, 4, 5 and 6. *(Interjections)*

Hon. E J Phillips: Mr Chairman, just in relation to subhead 4, 102 (t) –

4225 **Hon. K Azopardi:** My apologies, Mr Chairman, I did have a question on 101, if I may?
On the contribution to the Housing Works Agency of £4 million, there, can the Minister explain what that item is for?

4230 **Minister for Employment, Housing, Youth & Sport (Hon. S E Linares):** Yes, it is recurring maintenance, refurbishment and everything that we need to do for when houses are given in. The Housing Works Agency deals with that, and therefore what we do is we subcontract to smaller companies who actually do the turnover of the houses.

4235 **Hon. K Azopardi:** If that is the case and we just go across and there is no money provided for in the previous Budget or in 2018-19, is that because that sum was somewhere else in the Budget?

Hon. S E Linares: If the hon. Member goes to page 177, it says: Housing works and repairs, the Principal Housing Officer, that the money is there, which is £11 million of two years has now gone to the Housing Works Agency.

4240 So basically what it means is that the controlling officer of the moneys now goes to the Housing Works Agency.

Mr Chairman: Head 101 Works and Equipment, subhead 1 stands part of the Bill.

4245 **Hon. R M Clinton:** Mr Chairman, I just have a question on head 102, subhead 5 Equity Funding. I am conscious, Mr Chairman, I have a question on a contribution to the Gibraltar International Bank for 2019-21, but I am just curious as to why there is a provision for an extra £5 million for 2021-22?

4250 **Hon. Chief Minister:** Mr Speaker, as I understand it is because of the growth of deposits in the Bank may require that the capital adequacy ratios be supplemented by an additional payment which we would be ready to provide if necessary.

4255 **Hon. E J Phillips:** Mr Chairman, just in relation to subhead 4, Other Projects (t) The Construction of Central Park, which I assume is the Midtown Park, there is an additional £100,000 for 2021-22, and that is obviously for the year ending 31st March 2022. I was just wondering why this line features on the basis of the disclosure that the Trusted Novus Bank were effectively donating the entire sum to the Government?

4260 It is just the additional £100,000 that is all.

Hon. Chief Minister: Mr Speaker, because the Book was done four months ago and the unsolicited donation that I referred him to came after that. So what he is seeing is the running costs of the works and the cost at that time, and there will obviously be a mechanism by which the money comes into the Government General Account.

4265 **Hon. E J Phillips:** Just one further question on head 102, subhead 4(z)(q), Sustainable Traffic, Transport and Parking Plan. I think we were given, understanding questions previously, that there was a one-off amount for the plan to be prepared and I was just wondering whether the Government could give more information as to why it expects to be spending another £500,000 on a *plan*. I just wanted to know how that works.

4275 **Hon. P J Balban:** Mr Chairman, the price of the Plan itself moneys that were paid in previous financial years that was to address the actual document itself. Any other projects relating to the Sustainable Traffic Plan is also referred to as a Sustainable Traffic Plan, and that is where that money goes, to projects coming from that plan, the plan itself.

Mr Chairman: Head 102, Projects, subheads 1 to 6 stand part of the Bill.
Clause 5 stands part of the Bill.

Clerk: Clauses 6 and 7, Gibraltar Development Corporation.

4280

Mr Chairman: Page 186. Gibraltar Development Corporation stands part of the Bill.

Clerk: Borders and Coastguard Agency. That is at page 211.

4285

Hon. K Azopardi: Sorry, on the Borders and Coastguard can I ask on the contribution from the Consolidated Fund, the increase there? It is a bit more than, obviously, if you divide the last couple of years by two. But can we have an explanation for that increase, given that a couple of years ago, it was at 6.7, so it is in effect another million?

4290

Hon. Chief Minister: Mr Speaker, there is the inflationary increases in 2019-20, which are not reflected; and the addition of a total of three additional officers in the period to the whole of the organisation, that have been paid for out of that contribution.

Mr Chairman: The Borders and Coastguard Agency stands part of the Bill.

4295

Clerk: Gibraltar Health Authority.

Hon. E J Phillips: Mr Chairman, insofar as the Establishment on the very last line before the carry-forward element is there, and you will see an italicised 'Consultant Clinical Psychologist' and there has been a little bit of a debate in the context of the principles. But can the Government confirm why it has not seen fit to replace that key position within the Establishment, given the fact that the associate psychologists would need to be under the supervision of a consultant clinical psychologist?

4300

Hon. Miss S J Sacramento: Mr Chairman, I regret to inform the hon. Gentleman that his conspiracy theory does not wash, and I will explain why. Mr Chairman, a psychologist – (*Interjection*)

4305

Well, no, Mr Speaker, because then he went on to say about this crucial post being abolished etc., etc. and it is not, and I will explain now, Mr Speaker. He is making assumptions before knowing the answer, and I will now explain, Mr Speaker. A psychologist is an allied health professional and, as such, it is not appropriate to refer to an allied health professional as a consultant. So a psychologist is a *clinical* psychologist, as opposed to a *consultant* clinical psychologist, so that inappropriate description in the previous Book has been corrected. A consultant clinical psychologist goes to zero here, but if we turn over the page to page 215, and we go to clinical psychologist we will see that it goes up from two to three. So it is reflected there.

4310

There are three people in total, whereas before it was represented as two and one, it is now represented as three and they all carry the same title, which is the appropriate title for an allied health professional and not a doctor. Usually a consultant is the term that is used in reference to doctors, and not allied health professionals.

4315

So the hon. Gentleman can rest assured that the post has not been abolished. It has just been correctly renamed in the Book.

4320

Hon. E J Phillips: Just one further. I am grateful for the clarification. It is obviously an error by whoever drafted this section, but if you look at 216, Supernumerary Posts, Clinical Psychologists, it is anticipated that there will be two this financial year.

4325

Can the Minister give a bit more information as to the supernumerary nature? So are these two new clinical psychologists that will be working to supplement ... Sorry, 216 in Establishment,

halfway down 'Supernumerary Posts' towards the far right and then a further two clinical psychologists that are provided on a full-time basis.

4330

Hon. Miss S J Sacramento: Mr Chairman, that is because people are already there, over and above the establishment. I do know, however, that since one of them has retired and left Gibraltar, we will have to re-evaluate what we do going forward with the post. But this column here on 216 represents people who are actually there, and that is why they are supernumerary to the complement, they are over and above and in addition to.

4335

Hon. D A Feetham: Mr Speaker, I just have a question.

Page 220, Recurrent Payments, when I was preparing for the response during the Budget speech, I noticed that if one looks at the 2019-21 figures for Europol Paediatric Centre and the PCC, so the estimate comes to £2.6 million for two years but it then comes in at £1.65 million, which is the forecast outturn.

4340

Now, first of all can the Minister explain essentially what appears to be a reduction of about a million? Secondly, if the Minister would care to look at the actual estimate for this year, which is obviously for one year, the estimate is £1.284 million for both. When, if we divide the forecast outturn for the last two years by two, it comes in at £825,000. So there is an increase. I just wonder why the fluctuation between those various years?

4345

Hon. Chief Minister: Mr Speaker, because we were not in actual occupation paying rent for the full part of the financial years in question that he is referring to, in the earlier years.

4350

Hon. D A Feetham: But if one looks at the – *(Interjection)* Well, I suppose it could be the explanation. I was just looking at the estimate that came in at £2.6 million, the estimate for 2019-21 is £1.3 million per year, obviously, if we divide it by two. I suppose the explanation is that when it was estimated it was just an estimate, whereas now there is an actual and it just takes into account part of the two years. Is that the answer?

4355

Hon. Chief Minister: I think that is right, Mr Speaker, and additionally it may be that there might have been entry costs, so to speak, that we might have provided for some costs as we took over those facilities. But that, what he is seeing for 2021-22 is the first what we might call full-year effect. Yes? And that is the number that he needs to look at going forward. Those are the numbers each year that he needs to monitor. He should not rely on the first one because they are the first years, not full year of rent, but may include some moving-in costs, etc.

4360

Hon. K Azopardi: Can I ask on Sponsored Patients, which is subhead 37? So there, it went from £11.4 million in 2018-19 and then over the last couple of years it is £33 million, which averages out to over £16 million per year. So it is a jump of £5 million per year. I am not sure how that breaks down in terms of 2019-20 and 2020-21, but can the Minister perhaps explain to us why the big jump is there? And how confident is she that the £13.5 is a fairly solid estimate, which is already £2 million over 2018-19. But, given the expenditure over the last couple of years, which seems very high, I am not sure where that is coming from.

4365

4370

Hon. Miss S J Sacramento: Mr Speaker, I am looking into why there is this jump in sponsored patients in the last two years. One of the things that I do know is that there are, from time to time, some very complicated cases where for a handful of cases the costs do mount up. But having said that, I am looking at the reasons for this increase in expenditure in the last two years. It is not something that I have had the opportunity to do yet, of course I have not been in post for a year yet and pretty much all of my attention has been devoted to COVID. But now that I am being able to look at things with more detail, I am looking at the reason as to why these costs are much higher in the last two years.

4375

4380 **Mr Chairman:** Gibraltar Health Authority stands part of the Bill.

Clerk: Gibraltar Health Authority – Elderly Residential Services section.

4385 **Mr Chairman:** Gibraltar Health Authority – Elderly Residential Services section stands part of the Bill.

Clerk: Care Agency.

4390 **Mr Chairman:** Care Agency stands part of the Bill.

Clerk: Housing Works Agency.

Mr Chairman: Housing Works Agency stands part of the Bill.

4395 **Clerk:** Gibraltar Sports and Leisure Authority.

Mr Chairman: Gibraltar Sports and Leisure Authority stands part of the Bill.

4400 **Clerk:** Gibraltar Electricity Authority.

Hon. K Azopardi: Well, perhaps only in relation to 17 on Fuel, there appears to be a big jump from 2018-19, although I imagine extrapolated against the last couple of years, it is a reduction. Perhaps the Government could explain that aspect? How is it going to work out cheaper than the last couple of years?

4405 **Hon. A J Isola:** If you look at the 2021, which is on page 248 under Fuel Costs, *(Interjection)* number 23, can you see that in 2018-19? *(Interjection)* No, 2018-19 – 21,563?

4410 Yes, if the hon. Member is looking at fuel on recurrent payments, on subparagraph 17, which is the £6 million. If you then go to the next page right at the top, subparagraph 23 if you go to 2018-19, you are looking at 21.5. So 21.5 plus 6 is 31, and you then compare that to the 14.5 plus the 500,15 – that has dropped from the 21 plus 6 to the 14.5 with the 5.

That is being added to the temporary generators with the capacity they had to the full new energy power station. *(Interjection)* Less diesel.

4415 **Hon. K Azopardi:** And with the cost of fuel coming down, is that what it is?
Can the Minister also explain on page 27, Shell LNG, there, so that particular figure £6.5.

Hon. A J Isola: Mr Chairman, obviously we are buying L&G, not diesel, so there is a difference in the pricing. The cost that he is referring to here, the 6.5 is the cost of the LNG plant.

4420 It is the annual payment for the plant, not fuel.

Hon. R M Clinton: Sorry, Mr Chairman, if the Minister could clarify: my understanding was that the Shell LNG plant was a joint venture with Credit Finance and Shell. So how is this a contribution to the capital, what appears to be the capital cost of the plant? Is that what he is saying?

4425 And is also the £11.5 million contribution to ES, also capital contribution to the plant?

Hon. A J Isola: To be able to use the plant, in respect of the ownership of it, the GA pays for the use of the plant. That is what we pay to use the plant. *(Interjection)* Then that is the repayment to the joint venture that you have just referred to, of which we own half.

4430 **Hon. R M Clinton:** So, just to be clear, this obviously has nothing to do with LNG itself as a fuel? This is just – I do not know how to describe it – a usage fee for the plant?

I presume that we get the LNG, I imagine, through line 17's fuel, or is that a combination of LNG and diesel fuel, other fuel? And that we get the fuel at cost? Is that what the Minister is saying?

4435

Hon. A J Isola: Thank you, Mr Chairman.

In the subparagraph 27, the £6.5, there is nothing now relating to fuel cost. That is the sheer use of the facility, the company is called Shell LNG Ltd, which makes that payment. The entire fuel costs for both diesel and LNG is in subhead 17, Fuel, £14.5 million for this year.

4440

Hon. R M Clinton: I am grateful to the Minister, Mr Chairman.

In terms of line 17, can he provide – if he has an analysis, of that £14.5 million between LNG and other fuel?

4445

Hon. A J Isola: LNG is around £13 million of that £14.5 million and diesel is the 1-point-something.

4450

Hon. D A Feetham: May I also ask in relation to ... You see, the Minister explained these figures the £6 million he said should be added, that is at 2018-19 should be added to the £21 million; and that therefore there was not as much of an increase in respect of the other years where you see fuel, which is £30.5 million and then it is £14,500,000 for one year, so you multiply that by two is it nearly gets to the £30 million. But what we are not seeing is much of a reduction in the cost of fuel through the move into LNG.

4455

Or am I mistaken in relation to this and I am reading this incorrectly? I thought one of the points about moving into LNG was also that the cost of fuel would come down?

4460

Hon. Chief Minister: Yes, Mr Speaker, he can see that effect if he looks at the 2021, which is the actual for subhead 23 the Fuel Costs that he sees there, at subhead 23. He adds that, Mr Speaker, to the actual for line 17, Fuel, that is the total amount of fuel that we were paying before. Yes? So that is the almost £27 million, £28 million. Yes? That is what he needs to compare to the £500,000 left under 23, and the £14,500,000. When you look at that, that is a total of £15 million versus £28 million. *That* is the reduction – ignoring the year in the middle which gives you double the numbers – that is the reduction in one year of going from the fuel that we had before to the fuel that we have now. So almost, Mr Speaker, *half* the fuel. But for more megawatts and no pollution, Mr Speaker, no knocks.

4465

Hon. D J Feetham: So £18,550,000 million, added to the £30, 520,000 compared to the £500,000 and the £14,500,000.

4470

Hon. Chief Minister: No, no, no, Mr Speaker, ignore the two-year effect, because the two-year effect – (*Interjection*) no, no, no ignore the two year effect, because the two-year effect is also when we were moving from one fuel to another. So you are not going to have a good picture of one year's worth of fuel by just dividing by two. Ignore that year, because that is the transition year from diesel to LNG.

4475

Go to the last full year of diesel. The last full year of diesel is better given by going to 2018-19 and if you look at that, Mr Speaker, it is £21,500,000 million plus £6,000,000. So £27,500,000 million. That is a full year effect of diesel.

4480

Come now to this year, a full-year effect of very little diesel – just enough to keep the engines that might need to operate on diesel – and *all* LNG – it is a total of £15 million, the half million that is left and the £14, 500, 00 million that is there.

So that is a reduction of almost half, and for more megawatts. More bang for our proverbial buck, Mr Speaker. *(Interjection)*

4485 Yes, indeed, of course, Mr Speaker. The £6.5 million that we were looking at earlier, which is a payment to the plant, we get half of the profit that arises in respect of that £6.5 million payment into the LNG facility.

Mr Chairman: Gibraltar Electricity Authority stands part of the Bill.

4490 **Clerk:** Gibraltar Port Authority.

Mr Chairman: Gibraltar Port Authority stands part of the Bill.
Clauses 6 and 7 stand part of the Bill.

4495 **Clerk:** The Schedule, as amended.

Mr Chairman: The Schedule, as amended, stands part of the Bill.

Clerk: The long title.

4500 **Mr Chairman:** The long title stands part of the Bill.

**Supplementary Appropriation (2016/2017) Bill 2021;
Supplementary Appropriation (2017/2018) Bill 2021;
Supplementary Appropriation (2018/2019) Bill 2021;
Appropriation Bill 2021 –
Third Reading approved: Bills passed**

Clerk: The Hon. the Chief Minister.

The Chief Minister (Mr F R Picardo): Mr Speaker,

4505 I have the honour to report that the Supplementary Appropriation (2016/2017) Bill 2021; the Supplementary Appropriation (2017/2018) Bill 2021; the Supplementary Appropriation (2018/2019) Bill 2021; and Appropriation Bill 2021 have been considered in Committee and agreed to, with some amendments, and I now move that they be read a third time and passed.

Mr Speaker, I call a division in respect of each of those votes.

4510 **Mr Speaker:** I now put the question, which is that the Supplementary Appropriation (2016/2017) Bill 2021; the Supplementary Appropriation (2017/2018) Bill 2021; the Supplementary Appropriation (2018/2019) Bill 2021; and the Appropriation Bill 2021 be read a third time and passed.

4515 Those in favour of the Supplementary Appropriation –
A division has been called for the four Bills.

Clerk: The Supplementary Appropriation (2016/2017) Bill 2021:

A division was called for and voting resulted as follows:

FOR

Hon. P J Balban
Hon. Sir J J Bossano
Hon. Prof. J E Cortes
Hon. V Daryanani
Hon. Dr J J Garcia
Hon. A J Isola
Hon. G H Licudi
Hon. S E Linares
Hon. F R Picardo
Hon. Miss S J Sacramento

AGAINST

Hon. K Azopardi
Hon. D J Bossino
Hon. R M Clinton
Hon. D A Feetham
Hon. E J Phillips
Hon. E J Reyes

ABSTENTION

Hon. Ms M D Hassan Nahon

4520

Mr Speaker: The result of the division on the Supplementary Appropriation (2016/2017) Bill is as follows: there are 10 ayes, 6 noes and 1 abstention. The Bill is passed by Government majority.

Clerk: Third Reading of the Supplementary Appropriation (2017/2018) Bill 2021:

A division was called for and voting resulted as follows:

FOR

Hon. P J Balban
Hon. Sir J J Bossano
Hon. Prof. J E Cortes
Hon. V Daryanani
Hon. Dr J J Garcia
Hon. A J Isola
Hon. G H Licudi
Hon. S E Linares
Hon. F R Picardo
Hon. Miss S J Sacramento

AGAINST

Hon. K Azopardi
Hon. D J Bossino
Hon. R M Clinton
Hon. D A Feetham
Hon. E J Phillips
Hon. E J Reyes

ABSTENTION

Hon. Ms M D Hassan Nahon

4525

Mr Speaker: The result for the Third Reading of the Supplementary Appropriation (2017/2018) Bill is: 10 yeses, 6 noes and 1 abstention. The Supplementary Appropriation Bill is therefore passed by Government majority.

Clerk: Third Reading of the Supplementary Appropriation (2018/2019) Bill:

FOR

Hon. P J Balban
Hon. Sir J J Bossano
Hon. Prof. J E Cortes
Hon. V Daryanani
Hon. Dr J J Garcia
Hon. A J Isola
Hon. G H Licudi
Hon. S E Linares
Hon. F R Picardo
Hon. Miss S J Sacramento

AGAINST

Hon. K Azopardi
Hon. D J Bossino
Hon. R M Clinton
Hon. D A Feetham
Hon. E J Phillips
Hon. E J Reyes

ABSTENTION

Hon. Ms M D Hassan Nahon

4530

Mr Speaker: The division result on the Supplementary Appropriation Bill (2018/2019) is as follows: 10 ayes, 6 noes and 1 abstention. The Supplementary Appropriation (2018/2019) Bill 2020 is therefore passed by Government majority.

Clerk: Third Reading of the Appropriation Bill 2021:

FOR

Hon. P J Balban
Hon. Sir J J Bossano
Hon. Prof. J E Cortes
Hon. V Daryanani
Hon. Dr J J Garcia
Hon. A J Isola
Hon. G H Licudi
Hon. S E Linares
Hon. F R Picardo
Hon. Miss S J Sacramento

AGAINST

Hon. K Azopardi
Hon. D J Bossino
Hon. R M Clinton
Hon. D A Feetham
Hon. E J Phillips
Hon. E J Reyes

ABSTENTION

Hon. Ms M D Hassan Nahon

Mr Speaker: The result for the Appropriation Bill 2021 through a division is as follows: there were 10 ayes, 6 noes and 1 abstention. Therefore that means that the Appropriation Bill 2021 has been passed by Government majority. *(Banging on desks)*

ADJOURNMENT

4535 **The Chief Minister (Mr F R Picardo):** Mr Speaker, I move that the House should now adjourn until tomorrow at 3.30 in the afternoon, where we shall start to deal with hon. Members' Questions.

4540 **Mr Speaker:** I now propose the question which is that this House do now adjourn to Tuesday, 27th July at 3.30 p.m.

I now put the question which is that this House do now adjourn until Tuesday, 27th July at 3.30 p.m. Those in favour? (**Members:** Aye.) Those against? Passed.

This House will now adjourn to Tuesday 27th July at 3.30 p.m.

The House adjourned at 8.31 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.36 p.m – 6.40 p.m.

Gibraltar, Tuesday, 27th July 2021

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<i>The House adjourned at 6.40 p.m.</i>	56

The Gibraltar Parliament

The Parliament met at 3.36 p.m.

[MR SPEAKER: Hon. M L Farrell BEM GMD RD JP *in the Chair*]

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

SUSPENSION OF STANDING ORDERS

Standing Order 7(1) suspended to proceed with Questions

Clerk: Meeting of Parliament, Tuesday, 27th July 2021.
Suspension of Standing Orders, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to move, under Standing Order 7(3), to
5 suspend Standing Order 7(1) in order to proceed with the laying of documents on the table.

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

PAPERS TO BE LAID

Clerk: Papers to be laid, the Hon. the Chief Minister.

10 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to lay on the table the Rates of Tax (Amendment) Rules 2021; High Executive Possessing Specialist Skills (Amendment) Rules 2021; the Energy Deductions (Amendment) Rules 2021; the Energy Performance (Deductions) (Amendment) Rules 2021; the Income Tax (Allowances, Deductions and Exemptions) (Amendment) Rules 2021; and the Qualifying (Category 2) Individuals (Amendment) Rules 2021.

15 All of which, Mr Speaker, give effect to the measures I announced during the course of my address on the Appropriation Bill.

Mr Speaker: Ordered to lie.

20 **Clerk:** The Hon. the Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, I have the honour to lay on the table the Annual Report
25 of the Mental Health Board 2020 and the Annual Report of the Mental Health Board 2021.

Mr Speaker: Ordered to lie.

Questions for Oral Answer

EMPLOYMENT, HOUSING, YOUTH AND SPORT

Q93/2021

Laguna Estate Children's Play Park – Closure dates and necessity

Clerk: Answers to Oral Questions. We commence with Question 93/2021 and the questioner is the Hon. E J Reyes.

Hon. E J Reyes: Mr Speaker, can Government provide details of dates when the children's play park adjacent to St Anne's and Notre Dame Schools at Laguna Estate has been closed for public use since it was refurbished, together with details as to why such closures were necessary?

Clerk: Answer, the Hon. the Minister for Employment, Housing and Sport.

Minister for Employment, Housing, Youth and Sport (Hon. S E Linares): Mr Speaker, before the handover was completed a survey/snagging was undertaken and the protective rubber flooring in some areas was deemed to be of substandard quality. This was seemingly addressed but has been rejected once again as it is still not acceptable. The contractor has assumed responsibility and will replace the faulty/defective areas. Materials have been ordered with an expected completion and opening date of the end of August at the latest.

Hon. E J Reyes: Thank you very much, Mr Speaker, but in the meantime I believe the park had been open for some use, so although the Minister has given us the explanation of why he is chasing up the unacceptable snagging order, what were the actual dates then that the park was not available? This is what leads to the confusion of park users of why some days it is and some days it is not. Perhaps we can get the picture of *when* it was actually available?

Hon. S E Linares: Mr Speaker, as I understand it the park has not quite been available, only the parts where the football might have been, but not the actual playing area for the children where the rubber flooring was supposed to have been. Therefore we are in very close contact with the Tenants' Association because, quite frankly, we are not happy about how that has panned out.

We will not have substandard flooring for our children and therefore we have gone back to the contractor, as I said, and they will have to put it right – and not at the taxpayer's expense. They will have to do it at their own cost and we will not open the park until it is safe for the children to be there.

Like I said, when I say at the end of August *at the latest* it is because I am putting pressure on the contractor to finish these works.

Mr Speaker. Next question.

Q94-96/2021

Sporting facilities –

Outdoor cricket; new sports facilities; Europa rugby pitch

Clerk: Question 94. Hon. E J Reyes.

65 **Hon. E J Reyes:** Mr Speaker, can the Minister for Sport explain why there are no outdoor cricket facilities available at present in Gibraltar and which, therefore, has forced the Gibraltar Cricket Association to play all its outdoor games in Spain?

Clerk: Answer, the Hon. the Minister for Employment, Housing and Sport.

70 **Minister for Employment, Housing, Youth and Sport (Hon. S E Linares):** Mr Speaker, I will answer this question together with Questions 95 and 96.

Clerk: Question 95. The Hon. E J Reyes.

75 **Hon. E J Reyes:** Mr Speaker, can the Minister for Sport update this House with details of what facilities still require remedial or completion works at all the newly built sports facilities, together with details of revised expected completion dates?

Clerk: Question 96. The Hon. E J Reyes.

80 **Hon. E J Reyes:** Can the Minister for Sport provide a revised date by when the dip at the southern end of the rugby pitch at Europa Sports Ground will be satisfactorily repaired?

Clerk: Answer, the Hon. the Minister for Employment, Housing and Sport.

85 **Minister for Employment, Housing, Youth and Sport (Hon. S E Linares):** Mr Speaker, following the very positive meetings held recently, I am pleased to report that the sub-contractor in question will arrive in Gibraltar very shortly to complete all pending works at the Lathbury Sports Complex. It is still envisaged that this complex will be ready just in time or very soon after
90 Community Use season 2021-22 has commenced.

Whilst in Gibraltar, the contractor will also complete the minor works required at the Europa Sports Complex, including the dip at the south end of the rugby pitch.

95 Finally, the contractor responsible for the installation of the cricket wicket has accepted that it was not fit for purpose and, as such, will repair at no cost to the taxpayer. This has been the underlying reason as to why the Gibraltar Cricket Association has had to play fixtures in Spain

Hon. E J Reyes: Thank you for those explanations, Mr Speaker.

100 I see in respect of Questions 95 and 96 the Minister has given us an indication he hopes it will be ready for the time of Community Use and locations for the 2021-22 season. But does he have any indication, after the good news that the contractor has accepted certain responsibilities, when will the cricket outdoor facilities ... When are those as such expected to be available?

105 **Hon. S E Linares:** Well, Mr Speaker, as I said, there are, I think, three parts to the outside pitches. One is Lathbury, in general, which needs to be completed and, like I said, I am happy that at least the contractor is now giving us what I would say is the *third* timeline because they have given us a timeline but obviously, due to COVID, they have not been able to travel to Gibraltar, and that has been the main reason why we are still struggling with these facilities. That is Lathbury, and that is one completion, because it will all be done together.

110 Whilst in Europa, there are two issues. There is the one that the hon. Member mentioned,
which is the dip at one end, and that will be done by the subcontractor that does the turf *and* the
main contractor. Then there is the other part, which is the wicket itself. The subcontractor that
put up the wicket at the beginning, which we thought was not fit for purpose, that contractor has
subcontracted to a specialist company that will be doing the wicket. We are hoping that they will
be here pretty soon to do the actual wicket because the wicket, as the hon. Member knows, is
115 probably the most important part of what is cricket.

Hon. E J Reyes: Thank you, and again I can reassure the Minister it is not 'probably' but it is
'definitely' the most important part in a cricket pitch.

120 **Mr Speaker:** Next question.

Q97/2021
Victoria Stadium –
Memorandum of Understanding

Clerk: Question 97. The Hon. E J Reyes.

125 **Hon. E J Reyes:** Can the Minister for Sport *now* provide this House with a copy of the
Memorandum of Understanding signed with the Gibraltar Football Association in respect of the
Victoria Stadium and its facilities?

Clerk: Answer, the Hon. the Minister for Employment, Housing and Sport.

130 **Minister for Employment, Housing, Youth and Sport (Hon. S E Linares):** Mr Speaker, I now
hand over a copy of the Memorandum of Understanding. I am happy to discuss any further details
if the hon. Member would like to speak behind the Speaker's Chair. This is a copy of the
Memorandum.

MEMORANDUM OF UNDERSTANDING
Regarding operational and management functions in connection with Victoria
Stadium and the Development Area

Between

1. GIBRALTAR SPORTS AND LEISURE AUTHORITY, a body corporate established under section 3 of the Gibraltar
Sports and Leisure Authority Act, 2002 with offices at Bayside Sports Complex, Bayside Road, Gibraltar, GX11
1AA (GSLA): and

2. GFA NATIONAL STADIUM LIMITED, a company incorporated in Gibraltar with registered address at 57/63
Line Wall Road, Gibraltar, GX11 1AA and company registration number 117155 (GFANSL).

Background

(A) GSLA performs a number of functions and duties, among which are: (a) providing, operating and managing
sports and leisure facilities and developmental programmes in connection with sport and leisure for the
community, and supporting registered sports associations and educational establishments: (b) employing
persons for the proper discharge of its functions; (c) administering and inspecting all facilities provided by it
so as to ensure the effective and efficient operation of such facilities.

(B) The sports and leisure facilities operated and managed by the GSLA include the Victoria Stadium at 18
Winston Churchill Avenue, Gibraltar GX11 1AA within the area of land bounded to the south by Bayside Road
to the east by the CEPESA site at Winston Churchill Avenue to the north by the airport runway and to the west
by the Tercentenary Hail and other GSLA facilities, and being part of Crown Property No. 1400.

(C) GFANSL is a subsidiary of GFA Limited (GFA), the national governing body of the sport of association
football in Gibraltar. The GFA is a member of the Federation Internationale de Football Association (FIFA) and
of the Union of European Football Associations (UEFA).

(D) Under a Deed of Agreement dated 29 March 2018 GFANSL was granted a Licence to enter and remain upon the area of land mentioned in (B) (and referred to in the Deed as the Development Area), during which time GFANSL and GSLA will share possession of the Development Area for the License Period of thirty-six months, in return for a capital payment (now fully paid), with a view to being granted a Lease and in the meantime converting the Development Area into a UEFA Category 4 National Football Stadium (Works). Any extensions to the Development License will be applicable to this MOU when read with (9) below.

(E) GFANSL wishes to ensure that the GSLA's present operational and management functions in connection with the Development Area are retained for a period not to exceed the Licensing Period (unless otherwise extended by the parties and subject to the provisions of this MOU).

OPERATIONAL AND MANAGEMENT SERVICES

1. GSLA will, at no cost to GFANSL, provide services within the Development Area in relation to the following areas: operation, general maintenance and supervision of facilities (except for and during GFA matches, whether local or international), safety (except for and during GFA matches, whether local or international), pitch maintenance, event management and tours.

2. GSLA has, at no cost to GFANSL and without prejudice to the generality of paragraph (1), the following specific responsibilities within the general areas identified in paragraph (1):

a. managing all Development Area events and superintending activities run by sports associations, schools and any other entities under GSLA remit and/or with active agreements/commitments (excluding the GFA, FIFA or UEFA):

b. ensuring that the Development Area is compliant with relevant requirements under all relevant legislation (including, without limitation, health, safety and environmental legislation and codes of practice);

c. managing the Victoria Stadium (and any other properties under the control of the GSLA within the Development Area) in relation to the pitch, the facilities in general and the maintenance of both:

d. managing access to the Development Area and crowd control on both event and non-event days, including managing all accreditation (except during GFA event days, when GSLA will be responsible only for allowing access to GFA-accredited media and other relevant individuals/entities for local matches after clearance by a GFA delegate):

e. cleaning of the Development Area and its facilities;

f. deciding staffing levels (including supervision of teams for non-GFA events) and external security agencies as appropriate;

g. liaising with external sporting bodies (excluding FIFA and UEFA), concert promoters, and other event owners to provide services for the delivery of third party events:

h. managing all safety and service delivery matters relating to Victoria Stadium operations:

i. liaising with external bodies (excluding UEFA) in respect of all VIP visits; and

j. insuring and maintaining in force insurance policies with reputable insurance companies to cover all relevant potential liabilities in the field of public liability, professional indemnity, third party liability, employer's liability and all other types of insurance cover as may be typically required (or be desirable) in connection with the operation of a sports and leisure facility.

STAFF

3. GSLA will, at no cost to GFANSL, deploy such existing employees as it, in its sole discretion but in consultation with GFANSL, considers necessary to meet its commitments pursuant to this MOU (see also 2f. above).

4. GSLA employees deployed to the Development Area pursuant to this MOU remain under the exclusive directions and instructions of the GSLA.

5. It is understood that the duties of the GSLA employees will not be altered from their present ones, and that the working group that has been established between the GFANSL and GSLA will work closely on scheduling etc. and similar staff matters.

6. Communication between GFANSL and GSLA regarding employee matters will be via nominated officers of the working group.

7. For the purposes of this MOU. GSLA employees are all those persons employed by the GSLA under a contract of employment and any person engaged by the GSLA as an independent contractor or persons employed by any sub-contractor engaged by the GSLA who are wholly or substantially engaged in the provision of operational and management services at the Development Area.

8. Nothing in this MOU authorises GFANSL to take any disciplinary or other action against a GSLA employee involved in the provision of the services. Where GFANSL alleges that a GSLA employee misconducts himself or is incompetent or negligent in his duties it shall advise the working group in writing of the allegation.

DURATION OF SERVICES

9. It is understood by both parties that, unless other-wise agreed by the parties, GSLA will not provide the operational or management services in the Development Area described in this MOU after the Lathbury Sports Complex becomes operational PROVIDED THAT GSLA will continue to provide such services in cases where the Works have not been commenced before the expiry of the Licence Period because of requests made by the GSLA and/or Her Majesty's Government of Gibraltar to delay the Works for any reason whatsoever.

10. GFANSL will, in any event, make best efforts to take over the Development Area's operational and management services as soon as practicable, and in any event no later than the expiry of the Licence Period SAVE where the Works have not been commenced before the expiry of the Licence Period because of requests made by the GSLA and/or Her Majesty's Government of Gibraltar to delay the Works for any reason whatsoever.

11. In tandem with the efforts referred to in paragraph 10. GSLA will hand over to GFANSL operational use of certain areas within the Development Area in their entirety, in consultation with GFANSL, so that the latter can manage these independently as soon as possible. It is noted by both parties that a good working precedent is the handover of the Annex building, where the GFA will house members of staff within office space.

12. Despite paragraphs 10 and 11. the parties acknowledge and agree that the GSLA shall, in consultation with GFANSL, continue to have uninterrupted use of the Victoria Sports Hall until such time as it is demolished or the GSLA no longer wishes to use it, whichever is the earlier.

AREA

13. The area to which this MOU applies is the Development Area defined in the Deed and delineated in red in the plan attached to the Deed.

SPECIFIC RESPONSIBILITY FOR GFA, FIFA or UEFA FOOTBALL MATCHES

14. The responsibility for admittance and marshalling of spectators during GFA, FIFA or UEFA football matches (whether national or international) shall lie with GFANSL.

GOOD INDUSTRY PRACTICE — FOOTBALL PITCH (PLAYING SURFACE)

15. With respect to the football pitch playing surface at Victoria Stadium, GSLA employees will, in consultation with GFANSL, use that degree of skill, care, prudence foresight and operating practice which would reasonably and ordinarily be expected from time to time of a non-specialised operator or facilities management contractor under the same or similar circumstances. The GSLA, will not accept any financial or other liability for damage done to the said pitch in the course of maintaining and operating it, save as may result from failure to exercise such degree of skill; care, prudence. foresight and operating practice.

NECESSARY CONSENTS

16. GFANSL shall ensure that it obtains all permits, licences. permissions, consents, approvals, certificates and authorisations (whether statutory or otherwise) which are required for the performance of any of its activities in the Development Area, whether required in order to comply with this MOU, legislation, or the Deed, and GSLA shall. to the extent necessary, assist GFANSL to obtain these.

ADDITIONAL OR ALTERNATIVE SERVICES

17. If an emergency arises. GFANSL may, at no cost to GFANSL, request GSLA, to use its best endeavours to procure that such additional or alternative employees as may be required by GFANSL to ensure that the emergency is dealt with and normal operation of the facilities resumes as soon as is reasonably practicable. GSLA shall not be obliged to provide any service that it is neither qualified nor competent to provide.

MISCELLANEOUS

18. GFANSL must ensure that GSLA employees are not impeded from accessing the Development Area in order to discharge their duties during events organised by the GFA. To this end, GFANSL will instruct its security providers and any other third party service providers not to hinder access by GSLA employees. Relevant accreditation must be provided to GSLA staff well in advance of the "lock down" period.

19. This MOU shall be interpreted in light of the Deed. but where an inconsistency arises between this MOU and the Deed, the terms of the Deed shall prevail.

NATURE OF MOU

20. This MOU is does not create legal rights or obligations on either party.

Mr Speaker: Next question.

135

Q98/2021

**Government rental homes –
Unlawful occupation**

Clerk: Question 98. The Hon. E J Reyes.

Hon. E J Reyes: Can Government inform this House how many cases of possible unlawful occupation of Government rental homes are currently being investigated by the relevant authorities?

Clerk: Answer, the Hon. the Minister for Employment, Housing and Sport.

Minister for Employment, Housing, Youth and Sport (Hon. S E Linares): Mr Speaker, the Housing Department is currently investigating three cases of unlawful occupation of Government rental homes.

Mr Speaker: Next question.

Q99-101/2021

**Laguna, Glacis and Moorish Castle Estates –
Refurbishments completion**

Clerk: Question 99. The Hon. E J Reyes.

Hon. E J Reyes: Can Government provide this House with an estimated date by when all refurbishment works at Laguna Estate should be fully completed?

Clerk: Answer, the Hon. the Minister for Employment, Housing and Sport.

Minister for Employment, Housing, Youth and Sport (Hon. S E Linares): I will answer this question together with Questions 100 and 101.

Clerk: Question 100. The Hon. E J Reyes.

Hon. E J Reyes: Can Government provide this House with an estimated date by when all refurbishment works at Glacis Estate should be fully completed?

Clerk: Answer, the Hon. the Minister for Employment, Housing and Sport.
Question 101. The Hon. E J Reyes.

Hon. E J Reyes: Can Government provide this House provide this House with an estimated date by when all refurbishment works at Moorish Castle Estate should be fully completed?

170

Clerk: Answer, the Hon. the Minister for Employment, Housing and Sport.

Minister for Employment, Housing, Youth and Sport (Hon. S E Linares): Mr Speaker, all original contracted works at Laguna Estate and Glacis Estate have now been completed. However, the new lift installed at the northern end of Archbishop Amigo House in Glacis Estate is scheduled to be completed by the end of September 2021. The replacement of the flat entrance doors to Constitution House and Referendum House is projected to be completed by the end of the current calendar year.

In respect of Moorish Castle Estate, all original contracted works have been completed. However, there are still some minor reinstallment works pending which are scheduled to be carried out very shortly.

Mr Speaker: It was not reinstallment, it was reinstatement of works.

Hon. E J Reyes: The Minister said there were still some works at Moorish Castle. Does he have any idea what are the nature of those works, because I think he gave a very general heading, about 'minor' or whatever, but this is to do with the roofs, it is to do with the Lifts like he has highlighted for certain blocks down in Glacis Estate.

Does he have had some indication, please?

Hon. S E Linares: Mr Speaker, the answer to that is that in Moorish Castle, I think, they are at the snagging, and looking out for ... Because if it is minor – and it is reinstatement, thank you, Mr Speaker – works, it would not mean major works, and therefore I would suspect that these are little bits and pieces like a tile loose, or whatever, which the contractor has left. And, again, the Housing Works Agency goes round looking that every detail is finished, so I would suspect that those are the minor works mentioned here.

Hon. K Azopardi: Mr Speaker, if the Hon. the Minister has said that the original scope of works has been done in Glacis and Laguna – and just taking Glacis as an example – I am sure the Hon. Minister has been approached by tenants as we have. If you walk around Glacis, while the original works may have been done, it is clear that it still needs ongoing maintenance and if they had done the snagging, for example, there are hanging loose cables and bits and pieces. They are works of that type that it is obvious, on just a walk through the estate, would need to be done.

Has the Government taken that up with the contractor? If it is issues that have emerged *since* the original works were done, what is the Government doing about those issues?

Chief Minister (Hon. F R Picardo): Mr Speaker, this question was about the refurbishment works, and the Hon. Minister's answer has been about the refurbishment works to confirm, but all of the works contracted have already been dealt with. That is why it is *not* an issue for us to take up with the contractor, and these are not issues of snagging. In many instances, Mr Speaker, there will need to be works which were not provided for in the refurbishment because they are works that emerge later, or they are works that are required, which could not have been envisaged at the time of the refurbishment.

So, Mr Speaker, the Government will continue to invest in our estates. We will continue a programme not just of maintenance but also of improvement of our estates. In the case of issues like cables, we have had a difficulty which was not part of the refurbishment, but in wanting to tidy things up, in many instances the cables do *not* relate to Government services and utilities, they relate to services which are contracted by the tenants and, in some instances, we have given tenants notice that unless they provide access to their homes so that we can assist them with the cables being hidden and no longer hanging, we will have no alternative but to cut the cables. In other instances we are trying to deal with it in different ways.

We have been in contact for many years with the Committee of Glacis Estate, and we have done excellent work with the Committee of Glacis Estate to ensure that the estate is in the best possible state. We will continue to work with tenants at Glacis Estate to ensure that we continue to provide the best possible refurbished and maintained estate for all tenants, as we have, Mr Speaker, in all of the estates, which we have refurbished, many of them already, including Glacis Estate and many to come.

Although, of course, when we spend money on those issues we are attacked here and, Mr Speaker, despite the answers that we give here, on social media, with the same issues that we have replied to here, despite those answers by Members opposite.

Mr Speaker: Next question.

Q102-103/2021

Tender homes 2018 –

Remaining unsold; head leases handed over

Clerk: Question 102. The Hon. E J Reyes.

Hon. E J Reyes: Can Government provide updated details of how many homes, inclusive of rooms composition, remain unsold from those which went out to tender in 2018 namely: 104 at Europa Walks Estate, 30 at Trafalgar Heights, 10 at Naval Hospital Hill, 5 at Lake Ramp (Buena Vista) and 12 at Prevost House and Phillimore House?

Clerk: Answer, the Hon. the Minister for Employment, Housing and Sport.

Minister for Employment, Housing, Youth and Sport (Hon. S E Linares): Mr Speaker, the details of properties on which –

Mr Speaker: You need to say that you are answering the question together with Question 103.

Hon. S E Linares: Sorry. I will answer this question together with Question 103.

Clerk: Question 103. The Hon. E J Reyes.

Hon. E J Reyes: Can Government confirm that the head leases for the homes sold by tender at: Europa Walks Estate, Trafalgar Heights, Naval Hospital Hill, Lake Ramp (Buena Vista), Prevost House and Phillimore House, have now been handed over to their respective Management Companies?

Clerk: Answer, the Hon. the Minister for Employment, Housing and Sport.

Minister for Employment, Housing, Youth and Sport (Hon. S E Linares): Mr Speaker, the details of properties on which completion sales are pending are as follows: in the Europa Walks Estate — two 2-bedroom houses and one 4-bedroom house; in Trafalgar Heights — three 3-bedroom flats; in Naval Hospital Hill — one 4-bedroom house; in Lake Ramp — all sales have been completed; and in Prevost House and Phillimore House — six 3-bedroom flats.

The head leases of the homes sold at Trafalgar Heights and Naval Hospital Hill have been transferred to the respective management companies. The head leases of the homes sold at Europa Walks Estate and Prevost House and Phillimore House have not yet been transferred to the respective management companies. The transfer of the Europa Walks Estate is in its final

stages. The head lease which includes properties at Lake Ramp, was transferred to the management company of the Ramps in 2012.

270 **Hon. E J Reyes:** Mr Speaker, in answer to Question 102, the Minister listed the houses as they remained unsold. Can the Minister shed some light whether ... I think in a previous answer, perhaps Dr Garcia was the one who gave me some details. Is he still going down the list, also of the original bids offering those, or have we exhausted that list and these will be coming out to tender once again?

275 **Hon. Dr J J Garcia:** Mr Speaker, yes, all of them have been allocated and it is a question of simply sometimes it is allocated to a particular individual then they come to complete, and it has to go to the next one. It is a process that takes time.

280 **Hon. E J Reyes:** Yes, thank you.

Just to double-check, so if someone is allocated but then he is unable to complete, for a variety of reasons that he and I can well imagine, there are still those in the reserve list which will not be coming out to tender, but rather there should be sufficient bids there to complete the transactions hopefully, the sooner the better?

285 **Deputy Chief Minister (Hon. Dr J J Garcia):** That is right, Mr Speaker, there is plenty of demand for each of them, so if the first one does not complete, it will go to the next one and they will carry on down the list. Eventually if there is nobody else on the list then it will come out to tender.

290 **Hon. E J Phillips:** Just one short question, Mr Speaker.

In relation to Question 102, does the Minister have any information as to how many of these who have acquired these properties have at least been able to take advantage of these offers, are freeing up or releasing Government tenancies?

295 **Hon. S E Linares:** Mr Speaker, I do not think there was a specific condition that you had to leave a Government house like we do with, for example, the affordable homes. So I would suggest that anybody who has bought there and is living currently, or has actually been successful in buying and leaves a Government house, they just have to give back their house to the Government. But there was not any sort of concentration of trying to sell it to people in the – (*Interjection*) I would not have it with me, no.

300 **Hon. E J Reyes:** Mr Speaker, yes, I understand what the Minister is saying and it is acceptable. But, just to clarify, although it came through as a supplementary, would Mr Speaker feel it would be in order if, after the summer recess, we posed that question more specifically of how many of those purchasers actually returned a Government flat, so that gives the Minister time to look at the record.

Would that be in order with Mr Speaker as well?

310 **Hon. S E Linares:** Mr Speaker, in order to help the hon. Member, I do not mind looking into the Department and finding out of those who have bought actually released a Government tenancy. I have no issue. I will write to the hon. Member if he so wishes.

Mr Speaker: Is that helpful?

315 **Hon. E J Reyes:** Even better, thank you, Mr Speaker.

Mr Speaker: Next question.

Q104-5/2021
Government housing –
Rent debt; arrears repayments

Clerk: Question 104. The Hon. E J Reyes.

320 **Hon. E J Reyes:** Can Government provide details as to how many tenants are currently in debt in respect of rents payable for Government housing as at 30th June 2021?

Clerk: Answer, the Hon. the Minister for Employment, Housing and Sport.

325 **Minister for Employment, Housing, Youth and Sport (Hon. S E Linares):** Mr Speaker, I will answer this question together with Question 105.

Clerk: Question 105. The Hon. E J Reyes.

330 **Hon. E J Reyes:** Can Government provide details as to how many tenants are currently in default of their housing arrears repayment agreements, with dates as from when these arrears are overdue, together with details of what action Government is taking against these tenants in order to recover the outstanding debts?

335 **Clerk:** Answer, the Hon. the Minister for Employment, Housing and Sport.

Minister for Employment, Housing, Youth and Sport (Hon. S E Linares): Mr Speaker, there are currently 1,126 tenants in debt in respect of rents payable to the Housing Department as of 30th June 2021, 369 of which are in default of their Housing Arrears Repayment Agreements.

340 As the hon Member would appreciate, many of these tenants tend to fall out of their repayment agreement for different personal circumstances. Therefore, and although the Department is continually in contact with each of these debtors, the point is that it is not uncommon for tenants' personal circumstances to change, resulting in periods where they go from adhering to their repayment plan, to once again defaulting on their monthly repayment agreement.

345 The Housing Department, Mr Speaker, takes continued action towards all such tenants in arrears with the aim to recover debt. By way of example, the Enforcement & Compliance Section undertake as part of their duties the following measures: face-to-face meeting with tenants; increased communication with tenants in arrears; revised arrears agreements; non-urgent repair works for tenants in arrears are not considered; tenants in arrears are not entitled to parking permits, sheds or berths; no inclusions or exchanges permitted to those in arrears; actively liaising with other Government Departments to take monies directly from wages; instigating legal proceedings when all voluntary arrangements have failed and there is no other method of recovery available; and currently exploring other means from where to recover these arrears.

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

360 The information provided mainly in respect of the question being asked in Question 105, I asked there for dates, because I know previous Ministers for Housing have also done as much as possible to try and get these arrears – something that I think is unanimously supported in this House. But I asked for dates, because although I understand what the Minister is trying to get at, that there could be personal circumstances; for example, a family may need to travel to the UK and be temporarily housed at a Calpe house, because they are undergoing certain medical treatments. So therefore, there could be a lapse in payment ...

365 Word of mouth says that there are those who tend to have debts outstanding from quite a number of years back, and are not even making some sort of effort to catch up. The reason behind

my asking for dates is to see whether they are relatively short-term debtors or whether they are sort of those very long-term debtors that may soon require more drastic and perhaps formal court actions, if need be, to recover debts which belong to the people of Gibraltar.

370 **Hon. S E Linares:** Mr Speaker, there are currently 555 tenants that have agreements. From the 1,126 tenants I can tell the hon. Member that 675 tenants are in arrears of less than £1,000. I capped it at £1,000 because, like the hon. Member says, if there is somebody who has not been able to pay for six, eight or 10 months even because of whatever circumstances – £1,000 I would think is already getting into default because of the amount. For example, in Mid-Harbours you pay
375 an average of £120 a month for rent, and then that accumulates and within 10 months it is £1,200. So this is where I am capping it off.

I can tell the hon. Member that there is another list which we have, which are long-term debtors and those amount to even up to £20,000. Quite frankly, those tenants I would suggest that they have not even paid rent for *years* ... And those are the tenants that I am looking closely
380 at the Housing Act for, in order to go and get all those debts back. These date from when the hon. Member's party was in Government as well, where these have been accumulating. In fact, it is ironic that many of them were housed in Mid-Harbours when they had very, very big debts; and what they were told was, 'You sign on this piece of paper, come into an agreement with us to pay your debts, and you are going to get a brand new house'! Well, they have got the brand new house
385 and the next day, or the next month, they were defaulting on their payments, and these are long-term arrears.

We need to recover those arrears and I am quite out for changing the law, if we have to, to make the law harder for those people who pay debts. (*Interjection*) And I hope that we will get the support from the other side, because I think it is totally unacceptable. I said it in my Budget
390 speech that there would be people – and, of course, we are bound by data protection and all that, but you would be very surprised at the people who owe money to Government, and they owe a lot of money, and this is totally unacceptable.

Like I said in my Budget speech, as well, if there are people who have never paid rent because they have not been *able* to pay rent because they are people in social, they are people who have
395 lots of children and they have no employment, we will be the first to help them out via rent relief. So I am just saying that this is part of a review that I want to do with the Housing Act to back us up, because I think it is totally unacceptable that these people owe so much money to the Government.

400 **Hon. K Azopardi:** Well, we all agree with that. Certainly if there are people who cannot pay because of social circumstances, they are in a different category to people who, if the Minister has identified or the Department has identified people who are simply *unwilling* to pay, that would be unacceptable, and of course he will have our support in that.

Is the Minister suggesting in relation to the answer the way he has given it, that he has got to review the Housing Act, that the Government feel that it does not have the mechanism available
405 to it to pursue some of these debts? Is that what he is suggesting? And can I just ask him, I do not know if he has got the number in front of him, but I believe that the historic answer has been given to us on this side of the House that the total number of arrears hovered around £4.8 million, or something like that. Is it still around that figure, or is it a different figure?

410 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the Government's view is that the amendments that we have already made to the Housing Act have enabled us to do more than we were able to do, but not enough and not everything that we need to do in order to be able to be as coercive as we need to be in the context of some of the *recalcitrant* debtors that we have in particular.

415 The Government has already, hon. Members may recall – I think before the hon. Gentleman was here – amended the Housing Act so that arrears of rent payable to the Government no longer have the benefit of the Limitation Act defence accruing to them. That was already dealt with.

But, in order to be able to be as coercive as we need to be, we need to have different powers under the Housing Act to the powers that we would usually have in the context of the recovery of debt. So we will be considering bringing to the House an amendment to the Housing Act.

In terms of the *amount* of debt, I think as the answer given by the hon. Gentleman has already disclosed, that in the period of the pandemic we have not been as careful to enforce in respect of any person falling behind in any particular month, and that has given rise to an increase in the amount, which is standing at I think £5.5 million, if my memory serves me right, Mr Speaker.

Hon. E J Reyes: Can I double-check some figures with the Minister?

From the 1,126 who can be classified as debtors, he said that 369 of those have already, on top of that arrears agreement ... The total number of people who have arrears agreements are 565, so if we take away the 369 who are still currently defaulting, that just gives us the number of 196 who are people with arrears agreements who are fully compliant. I think I have got that correct mathematical calculation.

But then he said that 675 tenants have arrears of less than £1,000, and we are grateful for his calculations, that is about nine or 10 months' worth of rent. But if you divide that 675 from the huge number of debtors, it means we would still have 451 tenants who owe over £1,000.

I am grateful to the Minister who gave us an example of someone who could possibly owe us – well, not *possibly*, sorry, but *owes* over £20,000 – but that 451, does he have an indication, are we talking of just slightly over £1,000? Or are we talking of a figure that is perhaps closer to £20,000? Or perhaps the Minister needs more time in order to be able to give us some sort of breakdown. I have no idea whether the 451 are closer to the £1,000 mark in arrears, or closer to the £20,000 mark in arrears.

Hon. S E Linares: Mr Speaker, the figure that the hon. Member gives of 450-odd is actually 430 and those are *historic* arrears of people who, like I said, had been owing money to the housing since they were in Government. These are historic debtors and so the accumulation of debt by *them* are the ones that we need to recover.

It is an exercise that I am actually doing currently, which is to find out how many of those owe before 2011, because they owe a lot of money before 2011.

Hon. E J Reyes: That sheds some light. But he did mention that there was one example of someone owing around the £20,000 mark – those 430, so we know, are they closer to the debt of £20,000 or are they closer to the £1,000 debt?

Hon. S E Linares: Mr Speaker, there are lots who owe that amount of money. Like I said, the exercise that needs to be done – and I am doing it, because I believe that these debts are very historical. I mean, like I said, from the 430 there might be a few that owe £1,000 or a bit more, or in fact from the whole lot there are 675, like I stated. But there is a big chunk of people, 400-odd, who owe historical money; and those people are the ones I am saying that owe money and they can afford it. Nothing has been done since then and we are doing it now.

I am grateful to the Hon. Minister, for example, Minister Sacramento, who took action like for example taking the parking off, not allowing them to have a shed, not allowing them to have a berth. I can guarantee to hon. Members that I am looking at other ways and means to recover that money.

Mr Speaker: Next question.

Q106-7/2021

Portacabin –

Date details; Youth Club relocation

465 **Clerk:** Question 106. The Hon. E J Reyes.

Hon. E J Reyes: Can the Minister for Housing provide details as to the purpose of a 'Portacabin' situated between Brother O'Brien House and George Jeger House at Glacis Estate, together with details as from what date this Portacabin has been placed there and its estimated removal date?

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Clerk: Answer, the Hon. the Minister for Employment, Housing and Sport.

Minister for Employment, Housing, Youth and Sport (Hon. S E Linares): Mr Speaker, I will answer this question together with Question 107.

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Clerk: Question 107. The Hon. K Azopardi.

Hon. K Azopardi: Mr Speaker, when will the Laguna Estate Youth Club be relocated out of Glacis Estate?

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Clerk: Answer, the Hon the Minister for Employment, Housing and Sport.

Minister for Employment, Housing, Youth and Sport (Hon. S E Linares): Mr Speaker, the Laguna Youth Club is being properly served at its present location. The Youth Service Team is delivering great programmes and projects and I am very satisfied with the current location and works delivered. Be that as it may, and since building a new Youth Club is a manifesto commitment I am happy to say that plans have already been approved and gone through the planning process. A Head of Charge has also been included in the Estimates Book and once funding is available, HM Government of Gibraltar will swiftly proceed to engage with a contractor to commence the works.

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In respect of the portacabin, this is currently being used as a storage area for the youth club, since December 2017. The Youth Service Team is currently working on a possible solution for its removal.

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Hon. K Azopardi: Mr Speaker, on the issue of the youth club, if I can ask that question. I do not if my hon. colleague has supplementaries on the portacabin, but on the youth club itself – two questions, really, if I roll them up it is easier. First of all, can he advise us of the location identified for the provision of a new youth club for Laguna?

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Secondly, does he have any kind of idea of timescale for the commencement of the works necessary? I do not know if it is a new-build or a refurbishment of an existing building.

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Hon. S E Linares: Yes, Mr Speaker.

Firstly, he has asked for the location. The location would be in the car park between the GibOil and the Laguna Club. There is a car park outside and there are already plans to do it there. That is the location that we would be using.

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As to the timeframe. Well, the hon. Member should be thinking of, it is a manifesto commitment. We have to recover from the COVID-19 and when we have funds available for this manifesto commitment we will do so. At the moment, we are not in a position ... And, like I said, it is not urgent. It would be urgent if we will not be delivering the programmes that we are delivering from Glacis. We are using the youth club in Glacis and it is serving the purpose pretty well, because it is around the whole area that we have many children.

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I am happy to say, like I said in my Budget speech, that these programmes are serving the young people very well, especially nowadays when, with COVID, they had been locked up at home.

They are delivering very excellent programmes and the delivery is just as good whether it is in Glacis or Laguna. So this is a manifesto commitment but not a priority until we have the funds.

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Hon. E J Reyes: Mr Speaker, in respect of the portacabin, the Minister has confirmed that its present use is storage for the youth club. However, I am told that the original purpose when that portacabin was set there was to serve as a secure storage area for the contractor who was carrying out the refurbishment works, and so on at the Glacis estate. One can understand if that was the case then, on having moved the club to the Glacis area, you may as well take advantage of that ...

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But is it not possible – given that the portacabin is taking up much value-needed and worth-its-weight-in-gold parking spaces – for that storage portacabin, which is used just occasionally, it is not something that is used every day by the youth club or the access users ... Is it not possible to relocate that somewhere and thereby release the much-needed parking space for the tenants within Glacis Estate, who will be entitled with adequate access to park there?

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Hon. S E Linares: Mr Speaker, I am happy to say to the hon. Member that was a discussion that we had with the Tenants' Association only about three weeks ago, of which the new Committee from the Glacis Estate came to see me – as I do very often have meetings with the Tenants' Association, and that was one of the issues that they brought up. My answer to them was exactly my answer to the question, which is that I am trying to get the Youth Service who have things stored there, to see if they can find some other adequate place like the Youth Centre, or just taking away the things that they have inside the portacabin in order for us to remove the portacabin, so the removal of the portacabin is in hand. The only thing is that I have to co-ordinate that with the Youth Service.

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Mr Speaker: Next question.

TRANSPORT

Q108/2021

Cycle pop-up lanes – Installation plans

Clerk: Question 108. The Hon. E J Phillips.

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Hon. E J Phillips: Mr Speaker, can the Government state whether it has any plans to install cycle pop-up lanes to pilot test cycle lane efficacy?

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

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Minister for Transport (Hon. P J Balban): Mr Speaker, pop-up bicycle lanes are a well-established means to trial out proposed bicycle lanes throughout many cities. These pop-up lanes saw a proliferation during COVID-19 lockdowns where cities scrambled to try to make in-roads and trial out segregated bicycle lanes. Where necessary and if valuable to do so, Government will install pop-up cycle lanes for this purpose.

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Hon. E J Phillips: Mr Speaker, I am grateful for the answer and, obviously, 'where necessary to do so' was the key point of the answer to that question. I think many people of course admire the Hon. Minister, insofar as his abilities insofar as promoting cycling is concerned in our community; obviously, they were not shared by his predecessor, insofar as the discontinuing of the cycling

scheme that he himself, when he was previously the Minister for Transport, imposed in Main Street.

But what I would say is from his Budget speech there was no, if I can say, 'commitment' to the use of pop-up cycle lanes. Has he identified at this stage any areas that would benefit from testing out that proposition on our streets?

Hon. P J Balban: Mr Speaker, I do not think there is a need to commit to pop-up cycle lanes, because pop-up cycle lanes are a tool that one uses to see whether there is any viability or any grounds to actually have a proper segregated bicycle lane in a given area. So, again, it is still early days for me and I am just trying to get my feet under the table once again.

But, for example, if you look at maybe a road like, just for the sake of any road, like Europa Avenue, for example, which has been closed for years on end. If one was to see whether there is any real ability to be able to place a Cycle Lane there, then I would always propose a trial whereby you bring out all your street furniture, prepare a segregation area and try it out and see the adoption rate. See how cyclists use it and how they feel; and then see how it interacts with traffic flow. Based on that, you can then have a very good idea of whether it works.

This, during COVID, is something that cities employed, because there was no time to create real infrastructure, solid and permanent infrastructure. Again, it would have been cost-effective to do so. So by using these systems you could then trial and see whether it works or not. There are many roads that you can trial using pop-up cycle lanes in Gibraltar and then see for yourself whether they work or not.

Hon. E J Phillips: Just one further question. It is difficult to see where the Government is going with this area because in the Budget speech there was a real, if I can say, and I am not trying to be contentious, but a lack of commitment to this specific infrastructure, this pop-up cycle lane infrastructure in order to harness, as he said in his speech, and mark social change and help protect cyclists. Then you try to rationalise with what the Minister said later on in his speech by saying that there was very little in the way of infrastructure other than one cycle lane across the runway and some bicycle parking.

What I am trying to do is test the Government's policy insofar as also its commitment towards cycling. I understand the difficulties in Gibraltar, we all do, and I know those that advise him clearly have advised the Minister previously that there are clear difficulties installing infrastructure that allows for safe cycling, Mr Speaker. But what I am trying to elicit is what are the plans moving forward?

We all acknowledge the health benefits. What I am trying to ascertain from the Hon. the Minister for Transport is what are the actual plans that he is looking at at the moment to install those lanes?

Hon. P J Balban: Mr Speaker, there was part of your Budget speech ... that I did not agree with. There was a comment, and in fact you used the point you have just said about bicycling across the runway. You said it was like an admission that that was the only possible place to have a segregated bicycle lane, that is how you phrased it in your Budget speech ... which I do not agree with.

I think there are a lot of places in Gibraltar where there is potential for bicycle lanes, but we have to see exactly how we place them. We have to measure roads correctly, because we are looking at certain roads and we say, 'There is no way that we can add a bicycle lane within this road.' But what you do need to look at is the actual width and that is necessary girth of a given road and see how wide they really are, because there is a minimum road width ...

If there are HGVs that run along that road, then we give them a bit more space with their corners and curves. You need to allow a space for the road, to be able to turn around these corners. So, given, if you can find that space with the roads I can guarantee you something, if you look at the road, the dual carriageway outside the comprehensive schools, and look at the girth

between the central reservation and the barriers, four cars could fill it side-by-side. Look next time you are there, between the actual herding barriers and the central reservation, they are at least for four lanes, they are on one side of the road. So clearly there is scope there to have a section for cycling.

But what we do have to be very careful about is, and I was under the impression originally – and I have done a little research in this field – that a segregated bicycle lane was important to do, regardless of the length of the bicycle lane. So I thought to give safety, at least in a small place is better than no cycling at all. In the research you realise that in fact every time the bicycle lane joins the main road and the cyclist needs to look back and check there are no cars coming, there is a point of conflict. And, at that point of conflict, there is always a risk of a collision, or an accident, or a problem in that conflict zone between the cyclist and the road.

If you think about the runway, if you have ever cycled across the runway, when you get to the end of the runway heading towards the frontier and the Police post there, you notice it is quite an ask to look back for any cyclist. So at that point when you have to come back and veer on to the road, there is where you have to be most careful. So what we are looking at is extended areas and you need to find areas that you can link together, so that initially you may say: phase 1, you may see a section of different bicycle lanes. But then with phase 2 and phase 3 you need to find a link between them, so maybe you link a school to a Government estate, or a private estate, and see that at least you now have a link for children who want to cycle to school and you have the beginnings of some sort of routes where they can cycle, for example, from Montagu Gardens or from Gib 5, or from one of those estates to a school without having to meet a car.

So this is what you need to start looking at and those are the options that you need to start exploring to make it truly reasonable, and to make it truly meaningful, which is what you want to do. This is something that people do doctorates in, cycling infrastructure. This is not something which is as straightforward as painting lines on a road, because you can create more harm than good.

So, coming back to the hon. Member, to come full circle. Pop-up cycle lanes are a tool that we can use where we want to try and see whether something will work or not. In some places you know that they will work, in others it may be difficult. But that is our commitment and I am pretty sure – I have not got a copy of that section of the manifesto, and I stand to be corrected – but there is something regarding pop-up cycle lanes on our 2019 Manifesto. *(Interjection)*

Hon. E J Phillips: It is a fairly simple point and it is just to clarify, in fact, what the Minister thinks I said. In fact I did not say that the only lane that was available for Gibraltarians to cross the frontier ... it was actually exactly the words I was reading from his speech. That is exactly what he said. I did not say that. In fact, what he said was:

When it comes to cycling, Gibraltar has very little in the way of infrastructure other than one cycle lane across the runway and some bicycle parking.

That is what you said. *(Interjection)* Mr Speaker, that is what the Hon. Minister said. *(Interjection)*

What I would say, Mr Speaker, I think one of the major concerns amongst cyclists – and he knows, because I know that he has mentioned this in his speech, and I agree with him – is that people are scared to cycle in Gibraltar, and that is the key. What is it that the Government is trying to do to try and avoid the fear factor, because clearly that is the a big issue here, isn't it? On our streets it is very difficult. You and I cycle and I know many people in this House also cycle, but it is the question of how scared people are on our roads and what is the Government doing about that process to try and encourage much more cycling in our community in a safe way, especially amongst children?

Hon. P J Balban: When a cyclist is a commuter, that is when I think you really get into the nitty-gritty and find out and realise what traffic does, and you are there at the peak times to try to get to work and having to really defend yourself within this road network. That is when you realise how things work. I agree. I think, one, if you ask any cyclist, and there are many people who have bought bicycles during lockdown. Many people would ask me, because they are genuinely interested in seeing how I get around, they say, 'Oh, that's good, I would really like to try that but I am worried, I am concerned, I am scared' ...

That is one of the main points that keeps coming up. People are scared of going on the road. They will do it on a Saturday morning, they may do it on a Sunday morning, they may do it in the evenings, but they are scared. This was one of the reasons why originally I set up that ability to be able to cycle down Main Street and Irish Town, because it was a place which was segregated, there were no cars there, and people who want to try would be able to at least have a try at cycling. I am glad the hon. Member has raised this, because what we need to do is make our streets safer. I know there is a question later in which we will touch upon ways of making our streets safer – like it or not, or think it is good or not, or popular or not. There are many things that we can do to make our roads safer.

One of the things is to try to educate cyclists, educate pedestrians, educate road users and car drivers, etc., to be able to respect each other. I think that is the most important key and that is what will give us partly a Green Gibraltar, because if we can encourage people to adopt sustainable, alternative forms of transport I think we are on a way on a path to be able to get to where I think we all want to be. I think no matter how much we all love our cars, and we all own cars, we all love to drive, but I think at the end of the day we really want, deep down, a Green Gibraltar. By making our roads safer and encouraging our children to cycle, I think that is a good step in the right direction to be able to slowly make inroads.

This is going to take many, many years. In Amsterdam it was 1960 when the amount of fatalities on their roads meant that there was a massive upsurge of the people and they went out protesting and saying, 'You have got to do something about this.' It is 2021 now and Amsterdam now, for some years, has been a truly cycling city. We are in the Ice Age in terms of cycling. We need to be patient, and I do not think it is 'you and us', or 'us and them', I think it is something which we have all got to want. And we have to accept it is not just about cycling, it is walking as well. We have to make walking pleasant, so people say, 'I will walk instead of driving 500 metres.' Why not?

Mr Speaker: Next question.

Q109/2021

Highly polluting cars and motorcycles – Government actions

Clerk: Question 109. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government state what it is doing to persuade drivers of highly polluting cars and motorcycles from coming into Gibraltar polluting our streets and increasing traffic on our roads?

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

Minister for Transport (Hon. P J Balban): Mr Speaker, EU Emission Standards are the strictest and most respected in the world. All Member State vehicles need to conform with their own roadworthiness tests which check that the vehicle conforms to these standards.

Cars and motorcycles that conform to these standards and have a valid roadworthiness certificate are permitted to enter Gibraltar in the same way that local vehicles are permitted to enter Spain, and hence the EU.

Hon. E J Phillips: Mr Speaker, whilst I am grateful for the regulatory lesson on those vehicles that can travel between our land border with Spain, obviously the point that this question is seeking to address is the fact that the volume of traffic coming from the frontier is clearly having an effect on the environment. The Hon. Minister for the Environment and I had an exchange as to the volume of traffic and what is impacting on our air quality.

Really the central theme in this question, of course, is what are the Government doing about that? Whilst he talks about the freedom of cars and traffic coming across our border, there must be schemes to avoid that flow of traffic so that our streets are freer. We have just gone on from one question, so that people have a sense of cycling around our community without the fear of being scared about doing so, Mr Speaker. So, therefore, one of the big issues that we have is the *amount* of volume, polluting trucks that are coming in from Spain, particularly 50 cc motorcycles that are highly polluting, and cars.

What I was trying to get at is, are there any initiatives for park-and-ride schemes or any other initiatives that the Government is looking at to try to avoid just that sheer volume coming across the frontier and affecting the air quality that we all breathe? The bad air that we are breathing.

Hon. P J Balban: Mr Speaker, as I said, what I was alluding to in my question about physically stopping cars from coming across the border, that would not happen because we have free passage in both ways. But I think that the STTPP is a document which sometimes is misunderstood or not given the credit that it deserves, because it is a blueprint. It is a blueprint for our future in terms of road traffic and it is in the environmental document. It is something which we all should be grasping at. But as partly hidden within the STTPP – and it is not so hidden, really – is the things that were happening, the initiatives that were going on, that were heading towards something that would eliminate or stop and reduce the amount of cars coming through the frontier.

One of those things was the residential parking scheme. At the moment, it is very easy for someone coming across into Gibraltar who works in Gibraltar, to bring in their car. They can come into Gibraltar and find free parking in many places and they are able to park, and that is what people look for – free parking encourages them to come through. With the residential parking scheme the plan was that every section of Gibraltar would be zoned, and all Gibraltar would eventually be zoned, so only people belonging to those zones would be able to park their cars, and in doing so there would be less free parking ... Well, there would be very little free parking for people coming across the border.

So what will happen, what was expected was that there would be a transition of either people will start looking for alternative ways of coming in, because if they want to pay for parking – and I think that is crucial. If people have to pay for parking, I do not think they would want to try to come in to have to pay for eight hours of parking. People come into Gibraltar to make a living and take it back out, and use as much of it as possible. So, by doing this, cars will then pay for parking. They would not want to and you may see more people walking in, or more people coming in by public transport, or they would be cycling in ... Whatever method that they saw fit for their abilities or their wishes. That is one of the schemes that was there, that would eventually ... My intention is to continue with the residential parking scheme, which is a very complex thing to develop because it needs a lot of study, you need to look at every single parking space and you need to measure. It is not as easy as it looks, like bringing out a plan and off you go. So this is why it takes so long.

The other thing was also to encourage people coming across the frontier, if they are going to come in with their cars to fill up, or whatever; or tourists. We have dealt with cross-frontier workers perhaps, but not with people who are going to come in anyway with their cars. So trying to siphon them into a facility like a park-and-ride, where cars can stop there and let their

750 passengers out, as happens in cities like Oxford. Oxford became a park-and-ride, there was a massive uproar when it happened, because people generally wanted to get into the city of Oxford in their cars ... Nowadays, it is the story of Main Street, telling people that Main Street will be open for cars again. It will not happen, though, people will not accept it, so those are tools and ways that we can address them ... And based on the results of those schemes, then you can see whether
755 we need to look at further initiatives.

But that is just to summarise two tools that we have to be able to reduce the influx of vehicles coming through the frontier.

Mr Speaker: Next question.

Q110/2021

**Sustainable Traffic, Transport and Parking Plan –
Disagreement and views**

760 **Clerk:** Question 110. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government state what ideas contained in the Sustainable Traffic, Transport and Parking Plan that the former Traffic Minister did not agree with, and does the current Minister concur with those views?

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

Minister for Transport (The Hon P J Balban): Mr Speaker, the position of the Government is that we are all broadly in agreement with everything in the Sustainable Traffic, Transport and
770 Parking Plan. Every Minister has a different style of implementing policy. There are, however, no policy differences between us.

Hon. E J Phillips: Mr Speaker, I am grateful for that because it was obviously very clear before the Minister took over his new portfolio, again, that there were certain aspects of that plan which
775 his predecessor did not agree with and he was quite vociferous about it in interviews with GBC. So I was just trying to drill down on what aspects of that fairly expensive plan – £500,000 a year, as it is understood, from the Budget – that he did not agree with, or does agree with. Because he did say in the previous question that the plan is misunderstood, because it is an environmental document. But he says it is a complex document that is misunderstood. So what I was trying to
780 just ascertain as to the Government's policy, is that the STTPP is that document that has, as you said, broad agreement. But those areas with which Mr Daryanani disagreed, are those areas that the Hon. Minister disagrees with or orders that you agree with?

Chief Minister (Hon. F R Picardo): Mr Speaker, the Government answers for the Government's
785 actions, not to come here to answer questions about what hon. Members might like to think they can ask us are the things that we each think about, each particular policy of the Government. There is something called 'collective responsibility'. We answer *for* the Government, Mr Speaker. The Government has a policy which is the STTPP, and that is the policy of the Government, and it has not changed.

790 I am delighted, nonetheless, Mr Speaker, to hear the hon. Gentleman urging the STTPP upon us, because he spent a lot of time in this House trying to tell us that the STTPP is wrong in many regards and trying to pull us away from it. Today, he seems to have at last become an advocate for the STTPP and, on behalf of the Government, given that the STTPP is our policy, I very much welcome that.

795 **Hon. E J Phillips:** Mr Speaker, I know that the Chief Minister would like to create something from nothing, but what I am trying to do is test their policy on the STTPP. Their former Minister who was axed from the job has been very clear in what he has said, Mr Speaker, he does not agree with certain parts of the plan. Now the current Minister is standing up and saying it is a misunderstood environmental document, and all I am trying to do is ascertain which parts of the plan – which members of the public pay £500,000 a year for – which parts of it that Mr Daryanani has expressed reservations about or does not agree with, whether the Minister agrees with those or not?

800 It is a very, very simple question, I am not trying to be funny about it. I am not trying to have any conflict between myself and the Chief Minister over the issue. It is an expensive plan, it is an expensive implementation process of this plan. I am just trying to find out which areas under the STTPP plan did not have the agreement of the former Minister for Transport?

810 **Hon. Chief Minister:** So, Mr Speaker, what the hon. Gentleman is obviously transparently trying to do is to find what he thinks are the seeds of conflict between Ministers on a policy of the Government. I mean, it is transparent, and it is obvious; and, Mr Speaker, it is so transparent and it is so obvious that even if there were those seeds of conflict between us, we would have seen him coming and we would not be giving it away. Because he wants to then use that to suggest that there is a difference between Ministers and the fundamental issue, which is the STTPP, which has cost so much money and therefore we have wasted public money. That is the thought process; 815 it is transparent, it is obvious, Mr Speaker.

But the one thing I have to say, Mr Speaker, is that the hon. Gentleman he sees there, the former Minister for Transport and the current Minister for Tourism, has not been axed from his job. He was a Minister, and he *is* a Minister. The thing, Mr Speaker, that the hon. Gentleman has been trying to become since 2007 has not successfully become, and the only people who I can think of who have been axed from their jobs were the 10 members who represented the party he 820 now represents who were sacked by the people of Gibraltar on 9th December 2011.

Mr Speaker: Next question.

Q111/2021
JT Security –
Cost and arrangements of traffic direction

825 **Clerk:** Question 111. The Hon. K Azopardi. *(Interjections by the Hon. Chief Minister)*

Hon. K Azopardi: Sometimes there are answers and sometimes there are not answers, and perhaps the Chief Minister ... *(Interjections by the Hon. Chief Minister)*

I am going to try to ask the Question on the Order Paper if the Hon. the Chief Minister keeps quiet from his sedentary position, Mr Speaker. I cannot ask a Question if the Hon. Chief Minister continues to talk over me in respect of ... *(Interjections by the Hon. Chief Minister)* 830

Mr Speaker: Let us refocus and allow the Leader of the Opposition to ask the question. *(Interjections)*

835 **Hon. K Azopardi:** Indeed, and thank you, Mr Speaker, that is exactly what I am trying to do. *(Interjections)*

Mr Speaker, at what cost and under what formal arrangements are JT Security directing traffic at the border queue?

840 **Clerk:** Answer, the Hon. the Minister for Transport.

Minister for Transport (The Hon P J Balban): Mr Speaker, JT Security do not direct any traffic at the frontier. In fact, these services are provided by GPMSL parking management officers. The Government of Gibraltar and GPMSL have an arrangement in place where they provide staff to marshal vehicles and direct traffic at the land frontier with Spain as and when required by the
845 Government of Gibraltar, and/or any duly authorised representative body of the Government of Gibraltar. The costs form part of the monthly fee which covers all aspects of this arrangement.

Hon. K Azopardi: Mr Speaker, the reason for the question is because I was on my way to Spain – and I do not go there that often, (*Laughter*) but I was there, and I was actually directed into the border queue by JT Security. It was a person wearing a JT Security uniform outside a JT Security van.
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The Hon P J Balban: Mr Speaker, that was not a question, but I can guarantee that there is no contract with JT Security. What that person was doing with a JT Security uniform on, I will ask the company that we contract these services to as part of the arrangement. (*Interjections*) But no, it is GPMSL that deal with this.
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Hon. K Azopardi: Is there some kind of relationship between GPMSL and JT Security? And the Hon. Minister spoke about a monthly fee, can he perhaps give us a bit of information on the monthly fee of GPMSL?
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The Hon P J Balban: Sorry, I did not catch the last bit of the question, but if I may I will just elaborate on what you asked about JT and GPMSL. The owners of both companies are similar, as far as I am aware, so it could be perhaps that the officer forgot to change one uniform for the other. I do not know.
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Then you asked another, but I did not hear that part of –

Hon. K Azopardi: Yes, what I then went on to ask is because the Hon. Minister, in his original answer was talking about GPMSL has 'arrangements' and it is all part of the monthly fee, and I was wondering what the monthly fee was.
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The Hon P J Balban: Mr Speaker, I do not know what the monthly fee is, it would have been in the contract for some fee divided by the number of months the contract runs through. I do not know what the monthly fee is off hand, I am afraid.
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Mr Speaker: Next question.

Q112/2021
Speed limits –
Impact analysis and benefits

Clerk: Question 112. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Following the Minister of Transport's latest statement saying he would like our roads to have a 30 kilometre per hour speed limit, has the Minister conducted any velocity and impact analysis to come to such a conclusion, and what benefits those would bring in terms of probability and severity of accidents?
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885 **Clerk:** Answer, the Hon. the Minister for Transport.

Minister for Transport (The Hon P J Balban): Mr Speaker, no, there is no need to conduct any velocity and impact analysis tests to come to the conclusion that lowering the speed limit has a positive impact on road safety and the severity of accidents. We would, however, not implement new speed limits without a wider consultation.

Hon. Ms M D Hassan Nahon: Mr Speaker, can I ask the Minister how his assertions tally with the Commissioner of Police's article the *Gibraltar Chronicle* about a week ago, I think it was, where he said that this will not work and that 30 kilometres per hour is too slow and will have a knock-on impact on the volume of traffic, because if people are going slow it will slow things down, inevitably – that is a quote.

Would it maybe not have been appropriate to inquire with the RGP or the Commissioner of Police before making a statement like this?

The Hon P J Balban: Mr Speaker, first and foremost, I think we need to go back and see the grounding for this statement that the hon. Lady is talking about. This was as a result of an interview by the *Gibraltar Chronicle* when I took up the post as Minister for Traffic and Transport, and to say this was just a general interview about the things and initiatives that were happening, my thoughts on different things. We spoke about buses, we spoke about pedestrians and we spoke about many, many aspects of the traffic plan, and parking ...

One of the things that we touched upon, perhaps the most sensational – and I think that was one of the most sensational things that came out, because it ended up as a headline – was the idea of reducing the speed of traffic. The reason, and we will come back to the previous question in the Order Paper, when we had spoken about the fear that people have of cycling in Gibraltar and what would make it better and make them want to perhaps try cycling? One of the things was speed and that is what people keep saying: 'If cars drove round slower then we would wish to try cycling.'

Now, I think the hon. Lady would have to ask the Commissioner why his views are that it would not work, because there are many reasons why this may not work. It could be reasons of whether more people will disrespect the 30 kilometres per hour and there will be more FPNs, more fines, and it will be impossible to be able to get those through the system. Again, you will need to ask the Commissioner of the Police. But I think that you need to look also at the grounding and whether the hon. Lady thinks that this is something that I just dug up and am saying, 'Oh, well, let's just reduce speed limits' or whether this was something which is well grounded. I think the evidence out there is usually in favour of reducing speed limits.

Whether some people will agree and some people will disagree, and that is what this is all about. Some people in positions like the Commissioner of Police may say it may not work, because he may feel that cars may not respect it and we would need to maybe place speed cameras throughout all of Gibraltar. That is something that may be a consequence of this and it may be something which might not be possible to do. So, again, we may need to look at ...

I do not think that anyone around – I *hope*, that no one in this House would disagree with the fact that reducing speed is something which is a stupid idea, or something that does not make sense because just by ... Really, we need to push this focus, because this is the only opportunity I may have, and it is recorded. The speed limit that we travel in Gibraltar, and it is only three roads in Gibraltar that we will allow 50 – let's be clear, we are not talking about the M6 or the M1, we are talking about a couple of hundred metres-worth of road along Queensway and on Rosia Road, Winston Churchill Avenue and some parts of Europa Road.

But at 50 kilometres per hour, an accident – there is an 85% likelihood of a pedestrian or a cyclist fatality. At our speed limit, there is 85%. At just 30 kilometres per hour, there is a 10% likelihood of a pedestrian or cyclist fatality, if that were to happen. If one of my friends, or one of my colleagues, or one of my children, or one of my family happened to have an accident, I know

at what speed I would rather they were having an accident, if they were cycling or walking and they were hit by a car.

940 So I hope no one is saying that this is a stupid idea because, 'We really want to go at 50 because it is more fun', or whatever. So, if you look at the evidence out there ... I mean, the United Nations, for example, the Child Health Initiative Global Ambassador, recommends that anything above 30 is a death sentence. So the United Nations are pushing for a reduction in speed limits, as is happening in Spain. 'El Pais' reported a bid to reduce speed and road deaths in Spain, and are rolling out 30 kilometres per hour throughout many cities in Spain. Then you have Ireland, you 945 have Paris, you have most cities in Europe ...

We talk about cities, where there is not a road going in each direction, we are talking of roads where there are three lanes in one direction and three lanes in the other. They are cities; we are a village. So imagine what Gibraltar is in terms of the footprint of Paris and that we cannot think for one minute that 30 ... It is a question of maybe having a medium 40.

950 Now, when you look at the applications that come to the Traffic Commission, and I am talking about on a monthly basis, one of the most popular requests we get in the Traffic Commission are people requesting road-calming measures. So people think that even when the speed limit is low there are cars going too fast. They want speed humps. So really the people themselves – and this is a bit like, 'I'm alright, Jack ... at the moment it is not speeding along my road, I want a speed 955 ramp if you cannot bring the speed limit down.' And we are committed in our manifesto for road-calming measures, it is something which we have in our manifesto, so I think it is something ...

We are seeing an incredible amount of speed ramps which are uncomfortable for everyone – uncomfortable for cars, for law-abiding drivers who have to go over the ramp as well, and it affects your suspension, it affects your car or the services it needs. It is uncomfortable for cyclists, 960 uncomfortable for a scooter. But these are sometimes the only way of bringing our speeds to a reasonable level, and it is the difference between the car and the pedestrian and the cyclist, which gives you the risk of fatality. That is the reason why I said we would look at this and see whether there was any mileage in this. Personally, I think it is a great idea because we are following others who are light years ahead of us in that respect.

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Hon. Ms M D Hassan Nahon: Mr Speaker, I thank the Minister for his answer. I am sure you can imagine myself, as a mother of children who drive, as well, and for the general population. Of course a lower speed limit can translate to more safer measures and I do not disagree with him at all, but my point was about the difference in messaging. The Government talks about collective 970 responsibility. I think they also have a duty to have collective messaging.

When you have the Commissioner of Police saying one thing and the Ministry saying something else, my question is: would it not be better for both of them to send out a unified message; and can he understand how not sending out a unified message will cause confusion?

975 Will he be meeting with the Commissioner? Will they agree on a strategy, or a messaging strategy that will translate to the people from a unified position, which will make them understand what the actual thought process and the strategy going forward is in terms of our roads, and not different points of view?

The Hon P J Balban: Mr Speaker, it is an absolute shame that it has been as a matter and as a 980 result of certain things that have happened, that have brought this into light in a way ... It has not happened in the way that it should have been.

As I said, the *Gibraltar Chronicle* did a general interview. The line was speeds. GBC picked up on it and I think it has been a series of unfortunate events but I do not think anyone ... I have spoken to the Commissioner of Police about it, and we will speak about it. He is onside and 985 probably we need to discuss the reasons and how we could maybe work together with my colleagues, with a consultation. There are certain things that we know happen and, just like everyone around this table, I know that the Commissioner of Police, it is something which he is very, very keen on, seeing a safer Gibraltar. He does his campaigns, every week he has got his

officers out there catching people speeding, catching people drinking and driving, and so forth.
990 And everything to do with road safety is something which he is very proactive about.

I have a very good relationship with the Commissioner of Police and we do meet and we talk, and we will continue and we will see what the reasoning is. I am pretty sure I know the reason and it may be due to logistics, but one thing that we cannot deny and I do not think anyone can deny ... I know there is a lot of bantering on social media, and a lot of people who obviously you
995 can see. It is a shame because we need to move, I think, and I am happy by the response I have received today and I think everyone is in agreement with certain needs. No one has come up saying, 'This is a bad idea.' On the contrary.

So I think that we need to now focus and maybe review and see where we go, because it is part of what I think we *all* want, which is a safer Gibraltar, it is a greener Gibraltar and anything
1000 we can all do collectively I think will be positive to reach our goals.

Mr Speaker: Next question.

BUSINESS, TOURISM AND THE PORT

Q113/2021

**Redibikes scheme –
Abolishment**

Clerk: Question 113. The Hon. E J Phillips.

1005 **Hon. E J Phillips:** Can the Government state why it has abolished the Redibikes scheme?

Clerk: Answer, the Hon. the Minister for Business and Tourism.

Minister for Business, Tourism and the Port (Hon. V Daryanani): Mr Speaker, the Redibike
1010 scheme was discontinued at the start of the first lockdown, after advice from Public Health. This gave me the opportunity to look at the costs involved and uptake. The uptake was extremely low and the cost was very high.

I was looking at introducing new schemes, with more modern and trendy bicycles, with the view to make it more attractive to users. The next step was to put out an expression of interest so
1015 that the Government would not have to bear the cost for this project.

Hon. E J Phillips: Mr Speaker, I am grateful for the answer, insofar as Redibikes are concerned. It just strikes me when we are looking at the policy, insofar as cycling, of the Government ... I do not want to test the patience of the Speaker in going over old territory that has been covered by
1020 previous questions, but the point is that this Government has been encouraging cycling for a number of years. We suspend cycle lanes in Main Street, and we now abandon of course and discontinue – the word he used – the Redibikes, for the COVID reasons that he has articulated.

My question really is, on the one hand we need to encourage this type of activity and, whilst of course it must be cost-effective to have this facility available to the public and tourists alike,
1025 when does the Government foresee moving quickly with this project into the future? Because if we are encouraging cycling, and that is a core policy of Green Gibraltar and a child-friendly city, I would have thought that this type of policy is something that should take some sort of priority in the Government's initiatives for cycling more generally.

So I would be grateful to know a bit more detail as to when these new trendy bikes are going
1030 to be rolled out.

Hon. V Daryanani: We will make an announcement when we are ready. It will be my colleague the Minister for Transport who will be leading on this project if he wants to pursue it.

1035 **Hon P J Balban:** Mr Speaker, may I? As much as it has been because I am pro-cyclist, as we all know, I think a cycling scheme in any city is something positive, and it is something that you see in most cities. Unfortunately, I have rarely seen – I think there have been one or two schemes that actually make money. These things are not there to make money, they are there to provide a service. Although it hurts me, I have to agree with the hon. Member to my right. I think the technology is changing very quickly, so what was good last year is no longer good this year. So the problem we have is that, yes, it becomes very expensive and, amazingly, the fixtures start giving way, as happened to previous incarnations of similar schemes; and they find tricks on how to take bicycles away. Now there are electric bicycles and there is a new life out there of ways of getting around in this new world of ours with electrification.

1045 So it came to the point where, I agree, Redibikes was a scheme which had outgrown its usefulness, and I think now there are other systems out there which we need to make a collective decision on because now may not be the right time to invest in such a scheme. Again, I would love a scheme to be in place, but again is it the right time? Because if people are scared of cycling on our roads at the moment, is it the right time to invest money, if they are scared? Or should we concentrate our efforts on infrastructure and giving people that comfort to be able to get the cyclists? These cycles must also be possible for tourists to be able to use them with a credit card, and our scheme was not, it was one of the older versions whereby you had to be a member of the club, and you had to be online. So it had its limitations.

1050 I think we have evolved from there now but I would question myself whether now is the right time to do this. I perhaps would like to see more people out there, more bravehearts out there on the two wheels before we invest – or ask somebody to invest – that sort of money again.

Hon. K Azopardi: Mr Speaker, can I just ask, as the Minister for Tourism answered the question originally, is it because he answered the question because of this historic involvement in Traffic, or is it that the Government see the Redibikes scheme, or its replacement, as a tourism initiative and not a transport initiative? And can I just add that, given everything the Minister for Transport has explained in relation to his review on cycle lanes, etc., does the Government agree that it should be a transport-driven initiative, whatever replaces the Redibikes?

1065 **Hon. V Daryanani:** Well, Mr Speaker, to answer the first part of this question, the reason why I answered this question was because I was Minister for Transport at the time, and it has nothing to do with Tourism.

Mr Speaker: Next question.

Q114/2021
February's oil spill –
Clean-up operation

1070 **Clerk:** Question 114. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government state the total costs to the taxpayer of the clean-up operation of last February's oil spill?

1075 **Clerk:** Answer, the Hon. the Minister for Business and Tourism.

Minister for Business, Tourism and the Port (Hon. V Daryanani): Mr Speaker, I can confirm that there has been no cost incurred to the taxpayer regarding the oil spill caused by the vessel *AM Ghent* in February this year.

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Hon. E J Phillips: Mr Speaker, just one question in relation to that. Is that because ... there clearly was some form of cost, but was that recovered by the Government insofar as the financial penalties that were imposed? Or how did it work in that way?

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Hon. V Daryanani: The hon. Member asked whether there has been any cost to the taxpayer, and the answer is that there has been absolutely no cost whatsoever to the taxpayer.

Hon. K Azopardi: I think we would like to understand how that works. Is it because there has been a reimbursement from people who accepted liability? Is it that they accepted liability before any payment needed to be made?

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What is the nature of the answer?

Chief Minister (Hon. F R Picardo): Mr Speaker, the Government has had full reimbursement of all the costs to which it was put as a result of the oil spill and there has therefore been no cost to the taxpayer.

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Hon. K Azopardi: Can I ask what was the amount reimbursed to the Government?

Hon. Chief Minister: Yes, Mr Speaker, he can, and when he gives specific notice of the question we will be able to provide the information.

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Hon. K Azopardi: So do I take it that the Chief Minister does not have that information today?

Hon. Chief Minister: Mr Speaker, we do not have that information today, because we have not been asked that question today. (*Interjection*)

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Mr Speaker: Next question.

Q115/2021
Parcel post –
UK proportion over land

Clerk: Question 115. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise what proportion of parcel post from the UK is being received over land?

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Clerk: Answer, the Hon. the Minister for Business and Tourism.

Minister for Business, Tourism and the Port (Hon. V Daryanani): Mr Speaker, there is no parcel post being received over land.

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Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer, as I note that certainly between 2016-17 there was about a 50% drop in commercial air freight and I have been advised by staff working in parcel post that the post is arriving over land. Is the Minister actually certain as to his information, that no post is coming over land to Gibraltar from the UK?

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Hon. V Daryanani: Mr Speaker, if the hon. Member is asking me whether there is currently any post coming over land, the answer is no. Currently there is no post coming over land.

1125 **Mr Speaker:** Next question.

Q116/2021
Port Advisory Council meeting –
Points of concern

Clerk: Question 116. The Hon. D J Bossino.

1130 **Hon. D J Bossino:** On 4th June 2021, it was announced that the Minister for the Port chaired his first meeting of the Port Advisory Council, can he provide further detail of what were the main points of concern raised at that meeting?

Clerk: Answer, the Hon. the Minister for Business and Tourism.

1135 **Minister for Business, Tourism and the Port (Hon. V Daryanani):** Mr Speaker, as this was my first meeting with the Port Advisory Council, the meeting took the form of an open agenda. A variety of issues were raised by members such as Brexit, opportunities to increase business, the Port's value proposition, the Port's size and capacity/limitations, marketing opportunities in the current climate and the impact of the pandemic. Mr Speaker, I have asked members of the
1140 Advisory Council to report back to me on their views on (i) the way forward for the Port; (ii) how we can market the Port more; and (iii) what further assistance can be provided by Government in their opinion for consideration at the next meeting. I intend to have regular meetings with this Council

Hon. D J Bossino: I would like to thank the Minister for his full reply.
1145 Can I ask him just by way of clarification, did he say that he *intends* to have more regular meetings with the Council rather than he *tends* to have, because I think this was the first meeting? On that basis, just to pull one further string, if I may, once he wants to clarify that point ... In relation to Brexit, one of the concerns that I raised during the course of my intervention in the debates in relation to the Appropriation Bill, was the issue about crew changes and the concern
1150 that some of the operators have in this context in relation to Schengen and the possible immigration controls, and I offered the Chief Minister the opportunity in his reply to deal with this issue. Can he expand on that at all, or is he not in a position to do so because we are currently in negotiations?

1155 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I recognise that the hon. Gentleman said that in his Budget address and I did not specifically address it. The reason I have not is because I addressed the issue specifically on a television programme where I was specifically asked the question. I pointed to different parts of the Schengen regulation that provided for that. I think if the hon. Gentleman wishes, I can share with him the transcript of that part of my answer.

1160 **Mr Speaker:** Next question.

Q117/2021
Flights to Morocco –
Commencement of flights

Clerk: Question 117. The Hon. D J Bossino.

Hon. D J Bossino: Can the Government state when flights to Morocco will be expected to recommence?

1165 **Clerk:** Answer, the Hon. the Minister for Business and Tourism.

Minister for Business, Tourism and the Port (Hon. V Daryanani): Mr Speaker, presently, we are working to bring these flights as soon as possible and at reasonable dates. This is urgent and important for our Moroccan community but we are, of course, caught by the problems COVID continues to create.

Royal Air Maroc have indicated their desire and willingness to restart flights as soon as they are possible and viable.

1175 **Hon. D J Bossino:** Presumably, in relation to viability, the stumbling block must be COVID. Can he confirm that is the only stumbling block at this stage?

Hon. V Daryanani: Yes, Mr Speaker, COVID and the ensuing lockdown in Morocco, and the uncertainty that they have, they do not want to start something that they are unsure about. But I expect to have meetings with Royal Air Maroc soon after the summer.

1180 **Mr Speaker:** Next question.

Q118/2021
Crane falling into sea –
Details and measures implemented

Clerk: Question 118. The Hon. D J Bossino.

1185 **Hon. D J Bossino:** Can the Government provide details of the incident which occurred in the first week of July, this year, which resulted in a crane falling into the sea; and what measures have been implemented to prevent such an incident from reoccurring?

Clerk: Answer, the Hon. the Minister for Business and Tourism.

1190 **Minister for Business, Tourism and the Port (Hon. V Daryanani):** Mr Speaker, this incident is currently under investigation by the Health and Safety Inspector. I am therefore unable to provide any further information until the investigation has been completed.

1195 **Hon. D J Bossino:** Thank you.
Can the Minister state is he in a position to state now when he expects that investigation to complete, at all?

Hon. V Daryanani: No, Mr Speaker, but I can get back to him with that information over the next couple of days.

DIGITAL, FINANCIAL SERVICES AND PUBLIC UTILITIES

Q133/2021

New Development Plan –

Publication date

1200 **Clerk:** We now move to Question 133. The questioner is the Hon. D J Bossino.

Hon. D J Bossino: Can the Government state when it expects to publish the new Development Plan from the 2009 one?

1205 **Clerk:** Answer, the Hon. the Minister for Digital and Financial Services and Public Utilities.

Minister for Digital, Financial Services and Public Utilities (Hon. A J Isola): Mr Speaker, Expressions of Interest were invited for suitably qualified consultants to undertake the review and preparation of a new Gibraltar Development Plan, in August 2019.

1210 Consideration of the submitted bids was delayed due to COVID-19. However, the Procurement Board has now concluded its assessment and the Government is currently considering its recommendations.

As hon. Members are aware, Government is assessing which projects are critical in order to expend on these projects only. A decision has not yet been made.

1215 From the submitted bids, it is anticipated that it would take approximately 18 months to two years to complete the work.

Hon. D J Bossino: On that basis, does he have any idea as to costs at this stage?

1220 Secondly, all told, when does he expect that the whole process is likely to come to fruition? In other words, when does he expect that we will have the next development plan on his desk and ready for publication?

Hon. A J Isola: Mr Speaker, with relation to the cost, the bid has not yet been completed, and so I would steer well clear of detailing any costs.

1225 In respect of when this will be, the decisions that Government need to take, firstly, are if this is critical and if it is deemed to be, it would start sooner; if not, it would start later. So I could not wish to give him a date as to when we would hope this to be completed by.

Mr Speaker: Next question.

Q134/2021

Global minimum tax rate –

Developments

1230 **Clerk:** Question 134. The Hon. D J Bossino.

1235 **Hon. D J Bossino:** Following the OECD's recent statement establishing a new framework for international tax reform in which a global minimum tax rate of 15% has been proposed, can the Government provide details of any developments in this connection? Of course this question was filed before the Chief Minister made his announcement during his public address about the increase from 10% to 12.5%. But perhaps the Minister can provide any further developments in this regard?

Clerk: Answer, the Hon. the Minister for Digital and Financial Services.

1240 **Minister for Digital, Financial Services and Public Utilities (Hon. A J Isola):** Mr Speaker, the Hon. the Chief Minister explained the developments in his Budget speech in relation to this matter, and I have nothing further to add at this stage.

1245 **Hon. D J Bossino:** Mr Speaker is the figure of 15% set in stone? Is that the direction of travel?

Chief Minister (Hon. F R Picardo): Did the hon. Gentleman say the figure of 15%? Mr Speaker, that is a matter which is being considered in the G20, the G7 and the OECD, and we await development in that respect.

1250 **Mr Speaker:** Next question.

Q135-6/2021

**Travel passport and vaccination certificates –
Government policy; access to EU COVID Digital Vaccination Certificate scheme**

Clerk: Question 135. The Hon. E J Phillips.

1255 **Hon. E J Phillips:** Mr Speaker, can the Government state the Government's policy in respect to the provision of recognised travel passport and vaccination certificates?

Clerk: Answer, the Hon. the Minister for Digital and Financial Services.

1260 **Minister for Digital, Financial Services and Public Utilities (Hon. A J Isola):** Mr Speaker, I will answer this question together with Question 136.

Clerk: Question 136. The Hon. E J Phillips.

1265 **Hon. E J Phillips:** Mr Speaker, are Government in discussions with the EU or UK so as to ensure that Gibraltar vaccinated persons can benefit with arrangements similar to, or can access, or be recognised by the EU's COVID Digital Vaccination Certificate scheme?

Clerk: Answer, the Hon. the Minister for Digital and Financial Services.

1270 **Minister for Digital, Financial Services and Public Utilities (Hon. A J Isola):** Mr Speaker, the Ministry for Digital and Financial Services has been working closely with the UK's Department of Health & Social Care to develop an app similar to the NHS COVID Pass. This work is already at a very advanced stage.

1275 The UK has agreed that Gibraltar can link to the NHSx Public Key Infrastructure (PKI) signing server as soon as it is made available, meaning that when our COVID Vaccine App is live, the QR code on our app will be serviced by the UK's PKI solution, verifying its authenticity.

When the UK completes its Interoperability Agreement with the EU, which it has not yet, Gibraltar will also benefit from this arrangement.

1280 In the interim, the Ministry for Digital and Financial Services has developed a COVID Vaccination Certificate, which follows the same format as the NHS COVID Pass. This certificate carries additional security features such as silver foil-printed logos, micro lettering and fluorescent ink.

We are also working closely with the Foreign, Commonwealth and Development Office to ensure that countries recognise Gibraltar's new vaccination documents as a valid form of demonstrating one's COVID-19 vaccination status.

Hon. E J Phillips: Mr Speaker, I am grateful for the answer to 135 and 136. One of the issues, obviously, that presents people travelling during this intervening period before those certificates are established and there is interoperability, as the Minister for Digital Services has said: how will it work with those travelling, for example, tourists from Gibraltar, for instance, that might be travelling from Malaga into other parts of Spain or, indeed, the Balearics or the Canary Islands, where those countries will require translated versions of EU digital passports, insofar as the vaccination record is concerned? Has the Government thought about how that will work? Because I have had a number of people who have approached me in respect of those concerns as to whether they have the NHS certificate with the barcode and other features that the Minister has described.

How would it work though if, what I am being told, those countries and those territories are seeking e-recognition of that particular document? How does that work in the intervening period? Is it just wait and see how it works on the ground? Because that is the confusion among travellers at the moment, that is what I am being told.

Hon. A J Isola: Mr Speaker, my understanding is that the NHS Covid Pass, which is a letter or certificate like ours, which is in English, is being accepted widely. The understanding we have is that ours, specifically for that reason, has been made in an almost identical format to that one, so that those receiving them understand what they are seeing when they see one, on exactly the same style paper from the same supplier, with exactly the same security codes and in very much the same format. So we are not translating those. My understanding is that there is no requirement to translate them and consequently these appear to be being accepted.

We will wait and see, but our understanding is that the UK NHS COVID Pass is what people in different European countries are accepting as sufficient evidence of your vaccine record.

Hon. E J Phillips: Can I just ask, obviously we are transitioning to that arrangement, but has the Minister received any reports other than ... I mean, we have had some reports about perhaps people not being able to board flights to, I think, Malta has been mentioned before. But, other than that, has the Minister received any reports of a sort of positive nature that people have been able to travel with the possession of the standard certificate letter that the GHA has been issuing until now?

Hon. A J Isola: Mr Speaker, no. Other than the cases that the hon. Member is referring to, I have not heard of people having difficulty with either the GHA or now the NHS. The reason for following the NHS is obvious, our intention is to have the same app as theirs using their PKI to service ours. So following with them on the journey of the COVID pass is the first step towards full integration into the app.

It seems extraordinary in this day and age that we should be having to have paper certificates, but that is what we have, and that is what we need to have until such time as they, firstly, fix their own PKI, so we can link in; and, secondly, when they reach the Interoperability Agreement with the EU, which hopefully will be soon.

Mr Speaker: Next question.

Q137/2021

**GIB ordinary A-shares –
Reason for purchase; Tier 1 ratio**

Clerk: Question 137, the Hon. R M Clinton.

1330

Hon. R M Clinton: Mr Speaker, can the Government advise why it purchased £5 million-worth of Ordinary A-Shares in the Gibraltar International Bank on 25th March 2021; and what was the Bank's Tier 1 ratio before and after this injection of additional capital?

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Clerk: Answer, the Hon. the Minister for Digital and Financial Services.

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Minister for Digital, Financial Services and Public Utilities (Hon. A J Isola): Mr Speaker, as a result of the success of the Gibraltar International Bank in attracting deposits, the Bank has requested support from the Government of Gibraltar for the purposes of meeting its capital ratio regulatory requirements. This increased capital has been injected by the issue of the Ordinary A-Shares referred to by the hon. Member.

Mr Speaker, as deposits continue to grow faster than had been anticipated, it is likely that further capital injections will be required in the near future and a similar method of injecting capital will be adopted.

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Mr Speaker, we are not able to disclose the Bank's Tier 1 ratio before or after the capital injection. These regulatory requirements are managed by the Bank's executive.

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Hon. R M Clinton: Mr Speaker, I appreciate what the Minister is saying about Tier 1 and Tier 2 ratios, but surely the Government would have asked what the effect of the capital injection would be on the capital. Therefore, I would imagine the Minister will have the information available to him in terms of the adequacy of the capital injection as to whether the £5 million will be sufficient. That is my first supplementary, Mr Speaker.

1355

The second supplementary is: the Father of the House mentioned in answer to a previous question as to the roll-over of the £150 million facility, and he gave the impression, or certainly gave *me* the impression that it was either/or – either renew the £150 million facility for the Government *or* inject £5 million of capital. But it would appear, Mr Speaker, that the Government has in fact done both, renewed the £150 million *and* injected the £5 million of capital.

Can the Minister shed any light on that aspect and, of course, my previous question?

1360

Hon. A J Isola: Mr Speaker, in respect of the first part of the question, the information in respect of the financial aspects of the bank and its needs are always managed by the Financial Secretary or myself, so he would have possibly that information. It is not something that I would ordinarily be engaged with.

1365

In respect of the second question that the hon. Member asked, in respect of the either/or, my understanding is that it is neither one nor the other. I cannot recall precisely what, but I am being informed that it is not either/or.

1370

The amounts that we are giving, we are staggering over a period of time because the assessment made at the time by the Financial Secretary was wait and see as to how the deposits in the bank would hold as a result of COVID, and whether they would increase, stay the same, or decrease, which would have an impact on the amount of capital the bank may require. As a result of that, we found that deposits have continued to increase, hence the need for the increased capital payments which had been made and will continue to be made in the amount of £5 million each.

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Hon. R M Clinton: Mr Speaker, I have two further supplementaries. In respect of the staggering of capital contributions to the bank, obviously we have seen £5 million in the financial year ended

31st March 2021, and we have seen in the estimates book an extra £5 million for the financial year ended 2022. Is the Minister aware of any other projected capital injections going ahead? If so, up to what quantum are we are talking about in terms of injections?

1380 Then, secondly, I do not think the Minister mentioned in his Budget speech, although he talked about the growth of deposits, he has not mentioned the profitability of the bank. Can he advise the House that the bank is indeed still profitable and that this injection of capital, in fact, has nothing to do with unforeseen losses, let's say, in the year 2020?

1385 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have already answered that question during the course of the debate here yesterday. I said that the £5 million was required because of the capital adequacy of the bank needing to be dealt with in the context of greater deposits and the bank being more profitable. There is no question of the bank not being profitable, or there being any losses, which is an issue that does not even have to be raised, especially after I have said the
1390 opposite.

Hon. R M Clinton: Mr Speaker, with the greatest of respect to the Chief Minister, the profitability of the bank would be in question when we are talking about capital ratios. He just mentioned the growth in deposits, but also an erosion of capital would also require an injection
1395 of capital, which is the simple question I am asking the Minister.

Hon. Chief Minister: Mr Speaker, given that I said yesterday that it was *not* because of a loss of profit, *not* because of losses, *not* for any of those reasons but because of the increase in deposits ... I mean, I am just becoming concerned, Mr Speaker, that just like he missed the
1400 sausages at Morrisons, just like he forgot about the issues to do with Barclays Bank, just like he missed the references to Community Care, as he accepted, etc, etc., Mr Speaker, he missed the part that I told him that related to exactly the question that he is asking now.

The hon. Gentleman can ask a question about something that is not public; the one thing that he certainly cannot do is to get up in this House and to ask again about something that the House
1405 was told yesterday, Mr Speaker.

Hon. R M Clinton: Mr Speaker, I do not think the Chief Minister told us whether the International Bank made a profit or not, so I was asking the Minister, not him, about what he also forgot to tell us, Mr Speaker, about the mistake he made in projecting our debt forward for next
1410 year, by £50 million – which, in his Statement, he did not mention, Mr. Speaker. So do not accuse *me* of missing things out.

Hon. Chief Minister: Mr Speaker, the hon. Gentleman is utterly and completely wrong about that, as he is about everything else; and I will tell him why.

1415 First of all, he has now asked the question of the Hon. Minister, which was answered yesterday. He completely missed it. When he goes back and checks *Hansard* he will see he is as wrong about that question, which he has just asked the hon. Member, as he is in saying that I made a mistake about projecting our debt forward.

In fact, Mr Speaker, there is no such mistake. The hon. Gentleman is completely wrong about
1420 that, too. What there was, was a typographical error in the *summary* page. In other words, the page that perhaps somebody who is not an accountant might rely on, in the context of the estimates book that we gave him, which is 100 pages longer than the estimates book they used to give us. In the second print, Mr Speaker, not in any of the pages which involve any of the columns, Mr Speaker, which involve any of the estimates, which involve any of the calculations, is
1425 there any mistake whatsoever that has been changed. None whatsoever. So it is completely wrong, Mr Speaker, to suggest that somehow we made a mistake about extrapolating forward what our debt may be.

He might like to reconsider the way that he has put that question, Mr Speaker, because he has not just got the issue wrong, he has even put the question wrong, Mr Speaker. I am starting to believe that he gets everything wrong, even the things that he pretends to authoritatively talk about, given his profession as an accountant, for which I have always had him in the highest regard. But, as I demonstrated yesterday, and if he wants to insist on this point, I will demonstrate again, Mr Speaker, he has got wrong the question to the Minister about how the £5 million comes to be required, because I already indicated it to the House. And he has got wrong, Mr Speaker, his question – which he has been wanting to put for some time, I know – about the summary pages in the first print of the book, which he told us should have been sufficient going forward, because he did not even want the second one.

I am not surprised, Mr Speaker, given the performance that he and the others put in when we got to the Committee stage, the most important stage in analysing the spending of this community for the next year, where they were *obviously* looking at the pages for the first time. I think, apart from Mr Feetham, Mr Speaker, I did not see any indication that anyone had given any regard to those pages before. When he was asking his questions, he took us to a part that he said he had checked in preparation of his speech. None of the others, Mr Speaker, they were obviously looking at these pages for the first time! *(Laughter)*

These are the sorts of amateurish reality that Gibraltar has to face in the context of an Opposition that costs us a quarter of a million pounds and gives us zero value for money, Mr Speaker. That is the reality.

Mr Speaker: Next question. *(Interjection)*

Does the Hon. Leader of the Opposition wish to ask a question? *(Interjections)*

Hon. K Azopardi: Mr Speaker, to be clear, the typographical error that the Chief Minister refers to in the summary of the Budget book was in the region of £50 million, despite his assurance to the House that there was nothing changed in the book that affected the numbers.

Hon. Chief Minister: Mr Speaker, they really do, I think, rate themselves as gluttons for punishment.

The hon. Gentleman has just got up and asked something which I have explained in detail. Now, what I told the House is not what the hon. Gentleman said. I said that there were absolutely no changes to any of the columns on estimate or actual expenditure. *That* is what I told the House. If the hon. Gentleman understands what that means, it means that all of the pages that contain columns which relate to forecast expenditure and actual amounts, those are the ones that were not changed.

To anybody who knows what this debate is about, they will understand what that means. There are summary pages provided at the front of the book which are there to aid those who may not be able to interpret the rest of the book. There was a typographical error in one of the summary pages, full stop, Mr Speaker. Full stop.

I would have thought, Mr Speaker, given that the number is the exact number that we have been telling them about ... In other words, it is not that we got it wrong in the number that we have been telling them about, it is that the *summary* did not contain the number that we have been telling them about, and that we have been highlighting, that they would immediately – if they had simply opened the book – be the first ones who spotted and highlighted it for us. Instead, they did not notice, because they did not have any regard to the book. They did not look at any of the reconciliation between the columns and they did not work out, Mr Speaker, that the summary was wrong. The *summary*. Not what we were saying and not what we were talking to.

So, exactly, Mr Speaker, what the Leader of the Opposition has said is exactly what did not happen. The statement I made to the House remains *exactly* correct. Exactly correct, Mr Speaker. And if they cannot work out, given that they have got an accountant who says that he can interpret the book and he can reconcile everything, that there was a typographical error in one set of the

1480 book – in the summary page, not in any of the columns – then, frankly, Mr Speaker, they are not what they pretend to be, especially when it comes to accounts and the estimates.

Mr Speaker: Next question.

ENVIRONMENT, SUSTAINABILITY, CLIMATE CHANGE AND EDUCATION

Q119/2021

**Gibraltar Airsoft Association –
Availability of facilities**

Clerk: We now return to Question 119 and the questioner is the Hon. E J Reyes.

1485

Hon. E J Reyes: Mr Speaker, can Government provide details in respect of what facilities it will make available to the Gibraltar Airsoft Association and when it is expected this will be by?

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

1490

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, there is a tremendous number of organisations, be they sporting or cultural, with pending requests for premises. Our community is very active in these areas and our size is limited. The Airsoft Association is one of those organisations and will be provided with premises as soon as is possible.

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Mr Speaker: Next question.

Q120 and 130/2020

**School students with nut allergies –
Policies re precautions and provisions**

Clerk: Question 120. The Hon. E J Reyes.

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Hon. E J Reyes: Can Government provide details in respect of the policies applicable to all schools in respect of precautions and provisions for students with nut allergies?

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

1505

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, I will answer this question together with Question 130.

Clerk: Question 130. The Hon. Ms M D Hassan Nahon.

1510

Hon. Ms M D Hassan Nahon: Does the Department of Education have an equal policy for nut allergies across all schools?

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

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, the Department of Education has done extensive work in developing a draft policy in this area covering both the primary and secondary sectors. It is important to note that it is almost impossible to ensure that all schools are nut free. The overarching drive of the policy is to create an environment without nuts in primary schools, whilst making staff in all schools nut aware. Paramedics from the Gibraltar Ambulance Service have already provided anaphylaxis training to members of staff at Bayside School and St Martin's School as part of this drive.

Hon. Ms M D Hassan Nahon: Mr Speaker, I thank the Hon. Minister for his answer. From what I understand, which is why I was asking whether there was an equal policy, there is a very militant nut-free zone in primary schools but not in secondary schools. If we take the same child who has gone from primary to secondary, that child will then suffer the lack of nut-free zoning in the secondary schools to the extent that, from what I understand, kitchens in Home Economics – or Food Tech is what it is called these days – are actually providing ingredients including nuts for the Home Economics periods. Does the Minister not think that is dangerous or irresponsible? Again, we are talking about the same children who go from a nut-free to a non-nut-free zone.

Hon. Prof. J E Cortes: Mr Speaker, I need to take up the question of Home Economics. I am not aware of all of the breakdown of the ingredients that they use. I will certainly take that up.

The emphasis is more in primary schools in the sense that it is easier in primary schools because we are talking about young children and we are working through parents to control this. In secondary schools, particularly with the older students, who can pop out and buy whatever they want and then come back, it is more difficult to actually have it prescribed. So, even though nuts are discouraged, the emphasis there is on knowing what to do if there should be an incident. I can confirm that it is discouraged and I have said this is a draft policy which is being finalised and will be in force, hopefully, very soon after September.

Hon. E J Reyes: Mr Speaker, I was going to ask – because I thought I heard the Minister say right at the beginning of his answer to my question that we had a draft policy – if it is a draft policy, what exists at the moment? Are there just guidelines? And if it is a draft policy, is the Minister hopeful that there will be a formal policy and not just a draft by commencement of the school year? Can we deal with that first, and then I will add something else?

Hon. Prof. J E Cortes: Yes, Mr Speaker, I think the hon. Lady referred to the fact that it is quite prominent in the primary sector. In the secondary sector, because of the age of the students, it is tackled in a slightly different way. Yes, it is absolutely the intention to agree this policy across the board, which will include, obviously, as we do with all our policies, discussion with the teachers' union. The emphasis has been in ensuring that in those schools where I think there may be one or two cases of nut allergy that may have been identified, the staff are well trained in being able to deal with it in the hopefully unlikely event that we should have an episode of anaphylaxis. This is why the training has been carried out in advance of the policy, because this is something that we do take very seriously.

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

I was going to add: is the Minister aware that we have a particular pupil who is now in secondary school but has come through others school systems whereby the management of those schools were aware of his nut allergies and so on, and moving into secondary school it seems there has been a failure of communication because that student was asked to bring in ingredients for a Home Economics lesson, in which the student had to bake, and one of the ingredients he was expected to bake was going to be a walnut cake? It gives the impression to parents that if for years you notified school authorities that your son has a nut allergy, how can your son now be asked to bring walnuts to bake a cake, which the teacher will probably expect him to sample later?

Hon. Prof. J E Cortes: Mr Speaker, I was not aware of that incident. It is certainly something that I will look into. The school is aware and therefore they should be taking all the necessary steps in order to ensure that he does not come into contact with that, and it is certainly something that I am grateful to the hon. Member, and indeed the hon. Lady, for raising the issue of Home Economics, and I will make sure that this is dealt with.

Mr Speaker: The hon. Lady.

Hon. Ms M D Hassan Nahon: Thank you, Mr Speaker.

I understand the Hon. Minister's plans and attempts and the challenges that he mentions about getting food from outside, but what exactly is the challenge in saying, in two weeks' time or in a month's time or tomorrow, whenever, 'From now on, this school is nut free, in order to protect the lives of anybody who is allergic'? And of course, if anybody violates it ... But at least we are minimising completely – not completely, but we are minimising the possibilities of any nuts coming in, and we are bringing it down. What is the challenge of simply saying ...? Why do we need so many draft documents and papers? Why can't we just do it immediately to try and help those who really need to be protected?

Hon. Prof. J E Cortes: Mr Speaker, it is not like that at all. The draft policy will not just include 'Don't bring nuts into school', it will also look at how to deal with an incident of this nature and also how to deal with the peers of this child and their own interaction with this child, which clearly they must understand. Some children may not be as understanding and would need to be dealt with because they could possibly, as a joke, want to bring that child into contact with nuts with that sort of really terrible potential consequences. This is what the policy would need to deal with.

What I was referring to was that, particularly in a secondary school, even if there is a 'Don't bring nuts to school' policy, which is essentially the message that is being put across already, there are children who are nevertheless going to bring them to school and the policy has to encompass how we deal with that, how we discourage it and how we cope in the event of some contact of that child with nuts.

Mr Speaker: Next question.

Q121-22/2021

Modern foreign languages – Details of courses in secondary schools

Clerk: Question 121. The Hon. E J Reyes.

Hon. E J Reyes: Mr Speaker, what modern foreign languages courses are currently being offered to secondary school students for the next academic year, and why has there been a cutback in language courses offered compared to the past few years?

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

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, I will answer this question together with Question 122.

Clerk: Question 122. The Hon. E J Reyes.

1610 **Hon. E J Reyes:** Can the Minister for Education provide statistical information in respect of the number of students currently studying modern languages courses at our secondary schools, indicating at what level these courses are being taught?

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

1615 **Hon. Prof. J E Cortes.** Thank you. Mr Speaker, in respect of Question 122, I hand over a schedule with the information requested.

Our secondary schools will continue to offer Spanish and French as additional languages. The recent change is in the offering of Italian at GCSE level, a subject which was being offered in one school but not the other. When the exercise for the equalisation of the Key Stage 4 curriculum was undertaken by the Advisory Service and the senior leaders of the two secondary schools, they recommended the discontinuing of Italian GCSE. This is a change that comes into effect in the 2021-22 academic year. Italian is a subject that has traditionally seen very few students undertake in our schools, but the opportunity to follow this course is also one that can be undertaken by students at the Language School at the Gibraltar College, should they wish to do so.

Answer to Q122/2021

Answer to Question 122

Subject	Year	Level	Bayside	Westside	Gibraltar College
Spanish	7	KS3	211	204	N/A
	8	KS3	204	193	N/A
	9	KS3	199	184	N/A
	10	GCSE	191	175	N/A
	11	GCSE	197	190	N/A
	12	A Level	56	54	4
French	13	A Level	43	10	8
	7	KS3	211	204	N/A
	8	KS3	204	176	N/A
	9	KS3	199	164	N/A
	10	GCSE	13	23	N/A
	11	GCSE	11	21	N/A
	12	A Level	7	2	0
Italian	13	A Level	0	1	0
	7	KS3	0	0	N/A
	8	KS3	0	0	N/A
	9	KS3	0	0	N/A
	10	GCSE	15	0	N/A
	11	GCSE	0	0	N/A
	12	GCSE	0	5	0
	12	A Level	3	0	0
	13	A Level	8	0	0

1625 **Hon. E J Reyes:** Thank you, Mr Speaker. The reasons are that should a student wish to do a course available at the College, it probably comes under the umbrella of adult education, and if that is the case, is the Department of Education willing to pay the enrolment fees for those students?

1630 **Hon. Prof. J E Cortes:** Yes, Mr Speaker, if there should be any young person at that stage who wishes to undertake Italian, this will be dealt with by the Department of Education.

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

1635 One small, minor thing. In the schedule that the Minister has kindly passed about, where he gives me the statistics for Bayside, Westside and Gibraltar College, obviously in Gibraltar College, looking quickly here at the section for Italian, where we have zero at GCSE and A-level, obviously this just refers to those who are students in full-time education and does not include any figures of those enrolled under the Adult Education Programme?

1640 **Hon. Prof. J E Cortes:** Yes, Mr Speaker, I am happy to provide that information. For evening classes at Gibraltar College we have four doing GCSE Spanish, two doing GCSE French and six doing GCSE Italian.

1645 **Hon. D A Feetham:** A constituent asked me about this, so I would like to ask a supplementary. In relation to the table in the answer to Question 122, if we look at French for Year 10 in Bayside there are 13, and then there are 11 in Year 11. If one looks at Year 10 for Italian GCSE, there are 15, so there did appear to be more demand, at Year 10 level certainly, for Italian than French. Presumably this zero next to the 15 is because it was not offered by Westside. What I do not understand is, on the basis of these figures, how could anybody determine that there was little demand for Italian if it appears that the demand for Italian, certainly at Year 10, is higher than the demand for French at Year 10? Unless I am misreading the statistics.

1655 **Hon. Prof. J E Cortes:** Mr Speaker, if the hon. Member looks at the figures for Years 7, 8 and 9, which are zero for Italian and yet 211 and 204, 204 and 176, 199 and 164 at Bayside and Westside for French, it was an extraordinary year in that particular year, but there were zero taking up the subject in the two previous years, as you can see from Years 11 and 12, and then three and eight in Years 12 and 13. When you average those out, it is considerably less than French. Clearly, we are not going to discontinue Spanish – that would be illogical in a bilingual community. Clearly there is much less demand than French, and where we were equalising the offer on both schools, clearly there were timetable challenges that led to the unfortunate dropping of Italian, but we would not have done it had we not been sure that in the Gibraltar College there is still the opportunity for anybody who particularly wants to pursue the course to be able to do so.

1665 **Hon. E J Reyes:** Just one small thing to clear up. In respect of Italian in Years 7, 8 and 9 for Bayside and Westside, the Minister has put down zero (*Interjection by Hon. Prof. J E Cortes*) and for the College he has put N/A. I interpret N/A at the College as meaning that it is not available, or not applicable, but for Years 7, 8 and 9 it is because the students who have not yet taken on board any options subjects simply do not even have the choice. Should that zero not really be N/A – not applicable – to be factually correct?

1670 **Hon. Prof. J E Cortes:** Yes, Mr Speaker, I have no argument with that, but nevertheless, if you look at Years 10 and 11 and you add Bayside and Westside, you can see that the numbers there are still more than 15. I must point out that 15 is unusual in the context of all the other years. I do not know what happened that particular year, but it is without doubt – and the teachers confirm this – the least popular of the modern languages.

Mr Speaker: Next question.

Q123/2021
Harbour Views Road –
Unlawful disposal of cigarettes

Clerk: Question 123. The Hon. E J Phillips.

1680 **Hon. E J Phillips:** Mr Speaker, further to the Smoking Prohibition (Harbour Views Road) Regulations 2020, can the Government state how many people have been fined or prosecuted for unlawful disposal of cigarettes on Harbour Views Road?

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

1685 **Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes):** Mr Speaker, no fines or prosecutions have been issued for the unlawful disposal of cigarettes on Harbour Views Road.

1690 **Hon. E J Phillips:** Mr Speaker, as I encouraged the Minister to do the last time we spoke about this subject, during the debate on the Appropriation Bill ... I was there last week and what I can honestly say I saw was exactly what I saw before the regulations were in place, and that is the indiscriminate disposal of cigarettes, on which I know he shares the views that we have expressed in this House. In fact, he brought regulations in order to protect that area from disposal of cigarettes. As he knows, cellulose acetate and the impact that that has on the environment.

1695 I was just wondering, what are we going to do about enforcement in this area, because quite clearly, whilst you can impose regulations and publish them it is still going on, a disregard for the law in relation to this area. The Minister, I am sure, will share with this side of the House and many people in Gibraltar that it cannot continue to be the case that that area is littered with thousands – I am not exaggerating, thousands – of cigarette butts, and I would ask him whether he can answer
1700 what measures will be deployed now to stop this from happening.

Hon. Prof. J E Cortes: Mr Speaker, clearly I am not happy with the situation. It is an enforcement issue and the different agencies tasked with enforcing litter laws have been tasked with focusing on that area.

1705

Mr Speaker: Next question.

Q124/2021

Listing of private dwellings – Plans under Heritage and Antiquities Act 2018

Clerk: Question 124. The Hon. D J Bossino.

1710 **Hon. D J Bossino:** Can the Government state whether it has plans to list and protect private dwellings in Gibraltar under the Heritage and Antiquities Act 2018?

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

1715 **Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes):** Mr Speaker, yes, sir.

Hon. D J Bossino: Could the hon. Member expand on that?

1720 **Hon. Prof. J E Cortes:** Yes, Mr Speaker. There are already private buildings listed under the schedule. The churches, the places of worship, in fact, are private, not Government buildings for the most part, and they are listed. The Heritage and Antiquities Advisory Council has prepared a proposed list of those with particular heritage value. There will be a process of discussion internally, within the Government – I always discuss these issues with the Hon. Deputy Chief

1725 Minister, who is responsible for land and also has, as we know, a huge interest in heritage; we usually discuss these together and come up with proposals – and obviously there will have to be involvement with the owner of the property. There is one property that has volunteered to be added to the schedule and we are currently in discussions with them. They have approached us. In fact, I believe it is two properties, the owners of which are very keen to have their properties listed, and this would be assessed by the Heritage and Antiquities Council. Following discussion 1730 within Government, it is something that then can be added to the list.

Hon. D J Bossino: I am grateful for the reply. He did say in his Budget address that he had established a subcommittee of the Heritage and Antiquities Advisory Council and that they were preparing a vision document. Does this issue form part of that vision document?

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Hon. Prof. J E Cortes: Mr Speaker, I do not know. The subcommittee is working independently and they will then produce a draft which they will put to me, but I am not privy to the detail of those discussions. I let them get on with it. They are the professionals in the area.

1740 **Hon. D A Feetham:** Mr Speaker, may I? Does the Minister not agree that, in relation to this, time is of the essence because the longer buildings continue not to be listed – private dwellings, not only houses, but also places like, for example, the Rialto Theatre – the more at risk those buildings are of being altered in a way that would not be the case if they were listed? There is, I know, an application for planning in relation to the Rialto, for example, but I suspect that if the 1745 Rialto were to be listed then the planning criteria would be much more stringent than at the present moment in time, and therefore I ask the Minister to comment on whether he agrees with me that time is of the essence.

Hon. Prof. J E Cortes: Mr Speaker, I am delighted that the hon. Member is now encouraging me to list further buildings. It took 13 years and me to step in to get the new Heritage and Antiquities Act on the statute book, something that was started, I think, at the time when the Hon. Leader of the Opposition may have been the Minister responsible for heritage.

1750 Clearly, the longer buildings are left without any care or attention, the worse it is. I am not sure that all those eventualities would be covered by listing. Nevertheless, there is the other check of the planning system. If the hon. Member feels that there are any particular buildings that he feels should be considered, I would be very happy to receive those suggestions and have them considered.

1760 **Hon. D A Feetham:** Mr Speaker, I have some knowledge of listed buildings in the UK and certainly if the scheme is going to be similar to the scheme in the UK, once a property is listed – for example, it becomes Grade II – it becomes very difficult to make any alterations to that property, still less would it be possible to actually demolish the property. Therefore, the longer we continue without this listing scheme, the more at risk our buildings are.

1765 That is not to mean that the Minister is right to perhaps criticise us for not doing so when we were in government for 16 years – he is perfectly entitled – but it has moved on. They have been in government for 10 years. I think this is a jolly good idea and therefore I am encouraging the Minister essentially to do this as quickly as possible. Does he not recognise that listing properties would be a game changer from a planning point of view?

1770 **Hon. Prof. J E Cortes:** Mr Speaker, that is precisely why we updated the Heritage and Antiquities Act. My hon. Friend Steven Linares, as Minister for Heritage, undertook that process and I completed it, like I have done with one or two other projects that I took over from him.

Mr Speaker: Next question.

Q125/2021

The Mount –

Planning and heritage safeguards during recent filming

1775 **Clerk:** Question 125. The Hon. D J Bossino.

Hon. D J Bossino: Can the Government advise whether planning and heritage safeguards have been followed and put in place in connection with the preparations of the Mount in relation to the filming which has recently taken place there?

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

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, yes, sir.

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Hon. D J Bossino: Can he advise the House what safeguards those are, or were at the time of the filming?

1790 **Hon. Prof. J E Cortes:** Mr Speaker, it was determined that the activity in relation to the filming did not encompass any lasting material change to the property.

Mr Speaker: Next question.

Q126-27/2021

St Michael's Cave light and space audio installation –

Planning and heritage safeguards; costs re installation and maintenance

Clerk: Question 126. The Hon. D J Bossino.

1795 **Hon. D J Bossino:** Can the Government advise whether planning and heritage safeguards have been followed and put in place in connection with the light and space audio installation at St Michael's Cave?

1800 **Clerk:** Answer, the Hon. the Minister for the Environment and Education.

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, I will answer this question together with Question 127.

1805 **Clerk:** Question 127. The Hon. D J Bossino.

1810 **Hon. D J Bossino:** Further to the recently launched light and space audio attraction at St Michael's Cave, can the Government state: (1) the full cost to it of the attraction; (2) which company installed the attraction; and (3) whether there is an ongoing maintenance or other similar contract in respect of the attraction, and if so, what is the duration of this contract and the cost to Government?

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

Hon. Prof. J E Cortes: Mr Speaker, with regard to Question 126, yes, sir.

1815 The project has been carried out by Wrighttech Ltd, working with the UK specialist firm, Pixel Artworks. There has been no cost to Government other than that of minor adjustments to the flow of visitors, as costs have been met by the contractor. Maintenance is entirely at the contractor's expense. There is a contract for a period of 10 years, whereby there is a monthly sum payable to the contractor, dependent on the number of visitors.

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Hon. K Azopardi: Can I ask the Minister, in case he has this information with him ...? He says there is no cost to the Government for the works or indeed the maintenance, but in terms of the works that were done, does he have a figure for the kind of investment that the company put into the project?

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And then, secondly – if I could just roll up the questions it would be easier – he says that there is a monthly or annual sum payable to the manager, Wrighttech, depending on the number of people who visit the site. What are the parameters of the payment? Is there a minimum payment? Is there a maximum?

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Hon. Prof. J E Cortes: Mr Speaker, I do not have the figure here. I can consult and obtain it. I think we are talking possibly about six figures or just under. It is a major investment. There is a monthly payment to the supplier of the service, Wrighttech Ltd, on a scale. The detail I have here – and I can research further for the full details – is that there will be a payment of £2.95 per person for the first 250,000 visitors in a given year, and 60 pence for each visitor between 250,001 and 480,000. That is the sliding scale.

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Hon. K Azopardi: So, 60p for anything over 250,000 up to 1.4 million people?

Hon. Prof. J E Cortes: No, up to 480,000.

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Hon. R M Clinton: Mr Speaker, can I just ask the Minister to clarify? We are assuming these visitor numbers are to the cave itself, not to the Reserve in general? That is correct, yes?

Hon. Prof. J E Cortes: Yes, Mr Speaker.

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Hon. K Azopardi: Sorry, I just have a final question. The parties to the contract obviously would be right Wrighttech, and on behalf of the Government side, is it the Government directly or through a Government-owned company; and, if so, which?

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Hon. Prof. J E Cortes: Mr Speaker, I would have to check this but I believe it is with the Government directly. I am very happy to check that, but I believe it is. I do not believe there is any other party involved in this.

Mr Speaker: Next question.

Q128/2021

Nature Reserve entrance fee – Plans to increase

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Clerk: Question 128. The Hon. D J Bossino.

Hon. D J Bossino: Can the Government provide details of the entrance fee increase to the Nature Reserve, which is understood to be effective from 1st July 2021?

1860 This point was clarified by the Government in a press release of 7th July, where they said that there was not going to be an increase, and I assume that is going to be the answer.

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

1865 **Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes):** Mr Speaker, there has been no such increase. I did, though, in order to assist, mention in my Budget speech that we will likely be implementing an increase and we will be discussing this with stakeholders before we do so.

1870 **Hon. D J Bossino:** I think that was clear from the spirit of the press release. It indicated that the direction of travel was that there would be an increase, although it would not be imminent as at the time of the press release. Can I ask the Minister when he thinks that ...? I know there is a process of consultation which he has promised he will be embarking upon, but when does he think that that increase will be taking effect?

1875 **Hon. Prof. J E Cortes:** Mr Speaker, in my Budget speech I said no later than 1st April 2022. I would like to introduce it earlier, I think the product deserves it, but I do understand that the industry requires time in order to contact at all their subcontractors, and therefore I suspect it will be fairly close to then, although I would perhaps like to bring it forward to 1st January. These are things that I will be discussing in detail, taking into account the views of the stakeholders.

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Hon. D J Bossino: I am grateful for that. I think I made the point in my own submission that a lead-in time is very important for tour operators.

This may be an unfair question, but can I ask him whether he has a view as to where he is likely to pitch that entrance fee, or is he not willing to disclose at this stage?

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Hon. Prof. J E Cortes: Mr Speaker, I have a view but I do not think I should reveal it now, when we are discussing the matter.

Mr Speaker: Next question.

Q129/2021
Policy re masks in schools –
Review

1890 **Clerk:** Question 129. The Hon. K Azopardi.

Hon. K Azopardi: Mr Speaker, will the policy of requiring masks in schools for certain students be reviewed?

1895 **Clerk:** Answer, the Hon. the Minister for the Environment and Education.

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, the Department of Education will always liaise with the Director for Public Health and will review the policy in line with the latest evidence.

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Hon. K Azopardi: Mr Speaker, I am grateful. Obviously, the school term is still some time away and COVID is a moving picture. I understand that, but if the situation is more or less as it was at

the end of the current academic year, the one that finished in July, does the Minister still envisage that there would be a requirement for certain pupils to be wearing masks? And, if so, why?

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Hon. Prof. J E Cortes: Mr Speaker, the latest situation was that masks were strongly encouraged in certain situations, particularly where there was a large flow of people, in corridors and so on. It was not mandatory. We are not, at this moment, minded to change that, but as the Leader of the Opposition has said, we are five or six weeks away from the start of the new term. Things change very quickly with COVID and we will certainly assess the situation once again before term starts, as ever in discussion with the teachers' union.

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Mr Speaker: Next question.

Q131/2021

**Midtown Park play park –
Health and safety standards**

Clerk: Question 131. The Hon. Ms M D Hassan Nahon.

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Hon. Ms M D Hassan Nahon: Were health and safety standards applied when placing the small play park in the new Midtown Park?

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

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Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Yes, Mr Speaker, health and safety standards were applied to the design and construction of the play park at the Midtown Park.

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Hon. Ms M D Hassan Nahon: Mr Speaker, the reason why I ask the question is because I have had representations by parents of children burning their fingers on the steel slide. Perhaps the Minister can give us more information on who was contracted to deliver this park and what standards exactly they used.

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Hon. Prof. J E Cortes: Mr Speaker, on the question of the hot slide, representations were made to me as well and we immediately reacted by providing shading over the slide, which stopped the direct sunlight and therefore the metal slide no longer heats up like it used to.

The play park has been checked and certified by an approved independent inspector from the UK, Play Inspection Company – they are specialists in this field – and the play park complies with all relevant safety requirements.

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Hon. D A Feetham: Mr Speaker, did that certification take place before or after the large boulders were inserted into the playground, which were then taken out by the Government?

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Hon. Prof. J E Cortes: The boulders were taken out after some local consideration by the people on the ground, and then the inspection subsequently was carried out and confirmed that that had been the correct move.

**Procedural –
Press release re subject matter of Question 132**

1945 **Mr Speaker:** Before we proceed to Question 132, the hon. Lady has brought to my attention that a press release virtually on the same subject of Question 132 was issued by the Government today. Would the Hon. Minister care to comment, because you know there is a convention?

1950 **Chief Minister (Hon. F R Picardo):** Yes, Mr Speaker. The convention is that unless there is a pressing matter of public interest the Government will not issue a statement outside the House in respect of a question that is pending in the House, but when the Government is pressed by all media on that subject and it is a pressing issue of public interest, the Government, in compliance with the convention, will issue the statement. (*Interjection*)

Mr Speaker: Yes, of course.

1955 **Hon. Ms M D Hassan Nahon:** Mr Speaker, considering that, throughout our time in this place, when there are pressing issues such as EU statements and other things – Brexit, COVID – that have to be made, the media waits for parliamentary intervention by the Chief Minister, for example ... Given that the Government knew very well that this question was actually going to be answered today, not tomorrow or the next week, for the sake of an hour or two hours, why exactly did the
1960 Government feel the need to put out a statement when they could have very easily, like they do when they want to come to this place, let the media know and referred them to Parliament?

Hon. Chief Minister: For the simple reason, Mr Speaker, that the convention is that unless there is a pressing public interest we would do that, and the pressing public interest here came from all of Gibraltar's media. In fact, Members opposite issued a statement on this issue asking for answers, even though they might have known also that there was a pending parliamentary question before we came to this House. The media actually published statements that were relevant to this question and said that the Government had not provided answers. This was leading to speculation from members of the public and the Government considered it essential that instead of just coming here to answer the hon. Lady's question we should also provide the information to the public urgently because it was needed urgently, because it was causing an issue of concern.

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1980 These are judgements exclusively for the Government, Mr Speaker. Because she had a pending question, the issue actually was put to me, so that I could make the decision in compliance with the convention, and because I believe that the public were raising questions about this matter and they needed to be told quickly – and hon. Members must have agreed, because they issued a public statement in that respect also – the Government felt that it was not necessary to wait to give her the answer in this House. Given that she was interested in the answer, I am sure she will have been pleased to have got the answer and to have the opportunity to put supplementary questions now, rather than wait – not like the cases that she refers to where I give a statement to this House, but to wait to hear the formulaic reading of the first answer by the hon. Gentleman in order to put supplementary questions. If anything, Mr Speaker, she has had an extra hour to prepare for her supplementaries.

**Q132/2021
Director of Public Health –
Expiry of contract**

Mr Speaker: Question 132, please.

1985 **Clerk:** Question 132. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Has the Director of Public Health's contract expired; and, if so, will his contract be renewed?

1990 **Clerk:** Answer, the Hon. the Minister for the Environment and Education.

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, the contract has not yet expired but will not be renewed. Dr Bhatti enters pre-end-of-contract leave at the end of this week. This is due to a medium-term plan to localise the post. A new appointee has been identified and is due to take up the post at the end of August. In the meantime, locum arrangements are being provided for.

Hon. Ms M D Hassan Nahon: Mr Speaker, I thank the Minister for the answer that I read in the press just before. Was there was a competitive process for the new appointee?

2000 **Chief Minister (Hon. F R Picardo):** Mr Speaker, there is never a competitive process for the appointment of locums.

Hon. Ms M D Hassan Nahon: Mr Speaker, will the new Director of Public Health enjoy the same salary and conditions as the previous one?

Hon. Prof. J E Cortes: Mr Speaker, the post of Director of Public Health is almost a hybrid post. On matters of policy the Director of Public Health reports to me, but there are overlapping responsibilities with the Gibraltar Health Authority and health in general – for example, as Chair of the Medical Registration Board – so the contract is one with the Gibraltar Health Authority.

Hon. R M Clinton: Mr Speaker, can I ask the Minister how the recruitment process was undertaken? Did you use a recruitment consultant or did you advertise in a medical journal?

2015 **Hon. Chief Minister:** In exactly the same way that the GHA advertises for every consultant post of this type, Mr Speaker.

Hon. K Azopardi: Mr Speaker, just for clarity, is it the Minister's answer that the process for recruitment has happened, that the new appointee identified, who will take up the post at the end of August, responded to an advert in the usual way? Is that what she is saying?

Minister for the Health Authority, Justice, Multiculturalism, Equality & Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, the new Director of Public Health has been contracted for a period of 11 months and has been recruited by the GHA in the normal GHA way. I have not been involved in the recruitment of the individual themselves, but we obviously needed a successor to the Director of Public Health and that person has been recruited, interviewed and appointed.

Hon. K Azopardi: Is the Government prepared to make an announcement in relation to the new appointee if the person has been identified and the person will come into the post at the end of August? The Government has made that public today. It is a month away. Why not make the announcement?

Hon. Chief Minister: Mr Speaker, Sohail Bhatti has now almost finished his contract with us. Given that we are being asked questions about his replacement, I think this might be an appropriate moment for me to say that the Government has found working with Sohail Bhatti in

these very difficult months a pleasure. We have worked very closely with him. We have been through really what I described yesterday as a hellish period, and I very much look forward to continuing contact with the person I regard to be my friend Sohail, as well as the person who was the Director of Public Health. I very much hope that history, when it comes to be written, will reflect that with his advice we made the right decisions at this seminally important moment for Gibraltar.

Sohail Bhatti, as Director of Public Health, has gained prominence because of the pandemic that he has led us through in his role as Director of Public Health. Vijay Kumar, who was his predecessor, gained the prominence that any Director of Public Health in normal times takes, which is in providing advice on public health. The Director of Public Health is in that role like the many other consultants that we have in the GHA, and I cannot recall that we make statements about individuals who take up posts in the GHA when they take up posts in the GHA, unless we are offering a new service and the GHA wants to announce the service for the public health purpose of ensuring that people know that we are providing a new service at the GHA. I do not imagine that we would be making a public statement about the person who fills the role of Director of Public Health in the normal course of events, and neither would I have thought that this was a particularly controversial issue in any way. Frankly, Mr Speaker, I am surprised that we are being taken down the road of considering announcements of appointments of professionals in the GHA.

Hon. K Azopardi: Mr Speaker, can I follow up on that, just to make this point? I agree with the hon. Member to a very large extent, but there are differences here, surely. First of all, the Director of Public Health, who probably in years past very few people would know, has acquired a degree of prominence in the community over the last 18 months – understandably so, because of the COVID pandemic. Secondly, because COVID is an ongoing matter, people want the reassurance that steps are being put in place and that an appointee has been found, and would probably want to know who that person is because that person is still required to fill that prominent role, together with the political leaders of the community represented by the Government. And, thirdly, it is understandable that there is a degree of social media speculation, because the current incumbent, Dr Bhatti, tweeted this morning, and that created the social media speculation.

Can I say on this side of the House I take the opportunity also of commending his work during the pandemic, but that is the background to why these questions are, I think, reasonable and indeed should be answered by the Government, albeit that if this was a normal time you would not make an announcement about a particular consultant?

Hon. Chief Minister: Mr Speaker, Mr Bhatti has made the announcement that he is going. I think it is perfectly normal. He has been a very prominent member of our community. He is now coming to the end of the working period of his contract and he has said how much he has enjoyed working with us and how much he has valued Gibraltar and values Gibraltar, something which I hope everybody will feel reciprocally about, because we should value the effort that Sohail Bhatti put into his work in Gibraltar. He made decisions and advised us to make decisions which at first blush appeared to many people to be controversial but then turned out to be the right decisions, and therefore he has acquired, as the hon. Gentleman has said, more prominence than perhaps other consultants or Directors of Public Health might have, because he is the one who has led us through the pandemic period.

The locum who has been appointed, hon. Members may recall, is a lady called Natalie Wright, who has been involved in Gibraltar also during the period of the pandemic, and I very much welcome the fact that Natalie is going to be working with us – Dr Natalie Wright – again. She is not the person who has taken the job going forward. I would not want to be announcing someone's name without talking to them and clearing the fact that we are going to announce their name in the context of an appointment that has never led to an announcement before. We are appointing the Director of Public Health, not the next Mayor. Some people may have a

different view as to whether they want their names to be announced in this post in a political forum like a Parliament, but there is a locum, a locum who knows Gibraltar and has been involved in the pandemic. There is somebody appointed now for the period at the end of the locum's period, because, as is normal in every instance where somebody is appointed to a post, it is not possible to go from one day to the next. That is perfectly normal, in particular in the area of health.

The hon. Gentleman says that people need reassurance. Well, people have the reassurance that there is a seamless transition from the current Director of Public Health to a locum who knows Gibraltar already, and from that locum to a person who is appointed as the next Director of Public Health. I do think not that announcing a name – probably so that people can go off and look the person up on Google and decide for themselves whether or not whatever may be available on Google on that person is sufficient CV for our people to decide whether or not they think this person is or is not the appropriate next Director of Public Health – advances matters any further.

I hope that hon. Members will accept that we have given them the assurance that there is a seamless provision of advice to the Government in the Director of Public Health post being provided for and that it would be inappropriate for us to share the name of the next appointee without telling that person, who is not in Gibraltar, that their name may appear tomorrow on Google because it is going to be bandied across the floor of the House. It is very unusual indeed, in particular in respect of posts in the area of Health, to be taking the name of an individual and sharing it across the floor of the House.

Mr Speaker: I am sorry, I was not able to allow you to ask a timely supplementary; you are entitled to that. Ask the question now.

Hon. Ms M D Hassan Nahon: Mr Speaker, can I just ask the Minister for Public Health – if he is answering – if the Chief Minister and the Minister for Health are hailing Dr Bhatti for having done such a great job and making great decisions, why exactly his contract did not get renewed? Also, given that we are in the middle of a pandemic and people need reassurance and feel insecure somewhat of public health policy or whatever it is, would Government be willing to confirm or deny that the new Director of Public Health is Nick Cortes?

Hon. Chief Minister: Mr Speaker, I have just told the hon. Lady that we are not going to bandy the name of a Director of Public Health across the floor of the House. I do not know which part of that she did not understand, but it is not Nick Cortes. Although I am not going to share the name of the new Director, I can deny that it is Nick Cortes, somebody for whom this community has the very highest regard, who is a magnificent microbiologist, who has a post already in the Gibraltar Health Authority, because he is our consultant microbiologist, and without whose help we would not have been able to do the excellent work that our lab now does in respect of being able to test for variants. We are now able to turn around testing variants extraordinarily quickly, and indeed people might be interested to know that Nick was one of the people who helped us also to be able to have the testing procedure that we have in place, which has led us to being able to test 301,000 instances – not people, instances of testing – as at yesterday. But it is not Nick Cortes.

Mr Speaker, the fact that we have been hailing Sohail should not lead hon. Members to think that we should therefore automatically have considered that his contract should be renewed. His contract has come to an end. We have a policy, which I thought all hon. Members of this House agreed, of localisation of posts. There is in the pipeline a Gibraltarian who may be able to do this post, as long as he is up to the standard, and therefore we have not renewed the contract. It is that simple. If we had renewed Dr Bhatti's contract, then he would have been made completely permanent in the job, he would no longer have a fixed-term appointment contract and the Gibraltarian then would not have been able to take the post because Dr Bhatti would have been able to stay for much longer. It is that simple. One thing does not deny the other, but given some of the things that the hon. Lady has said about Dr Bhatti publicly, I am surprised that she is

2140 suggesting that she now wants to keep him. Perhaps it is another one of her many inconsistencies, Mr Speaker. *((Interjections))*

Hon. Ms M D Hassan Nahon: The Chief Minister is suggesting that I am a fan of Dr Bhatti, or not, and I am not here to project my preferences. I am simply trying to hold the Government to account for their decisions. It means nothing whether I have questioned or scrutinised the Government on a matter of the Director of Public Health. It means nothing and it is not right, it is misleading, for the Chief Minister to accuse me of being a cheerleader, effectively, for Dr Bhatti. It is not what I am doing. I am simply holding them to account.

2150 **Hon. Chief Minister:** No, Mr Speaker, the hon. Lady has not got it right. She has not even understood what I said. What I have said is that she has, in the past, been quite the opposite of a cheerleader of Dr Bhatti and that now her attempt to hold me to account is to ask me why we are not renewing the contract of the person that she has not been a cheerleader for does not make her a cheerleader for Dr Bhatti, and it is not irrelevant. It once again shows the constant
2155 inconsistency in everything that the hon. Lady does, except, on the one thing that she is consistent, when she thinks that something may be popular. If she thinks that something will be popular she will be there, cheerleading the popularity, seeking to jump on the bandwagon, bandwagoneering in the best tradition of those who do not care about the place in which they live and care only about themselves. That is the point I was making to the hon. Lady.

2160 **Hon. Ms M D Hassan Nahon:** Am I not entitled to ask a question – ? *((Interjection))*

Mr Speaker: Of course, and I am here to ensure that you are given the ability to ask the questions and to hold the Government to account. *((Interjections))*
2165 Next question.

DEPUTY CHIEF MINISTER

Q138/2021

KGV site –

Amount received by Government

Clerk: We now move to Question 138, and the questioner is the Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker –

2170 **Chief Minister (Hon. F R Picardo):** I recognise the theme song.

Hon. R M Clinton: Sorry?

Mr Speaker, can the Government advise the amount it received or is due to receive in respect of the KGV site which is now to be developed for a private residential project?

2175 **Clerk:** Answer, the Hon. the Deputy Chief Minister.

Deputy Chief Minister (Hon. Dr J E Cortes): Mr Speaker, yes, the premium for the KGV site is £3.8 million, of which 20%, or £760,000, has already been paid.

2180 **Hon. R M Clinton:** Mr Speaker, I thank the Minister for his answer.

Can he confirm that is in fact higher than the premium that would have been paid for the previous site as a residential home?

2185 **Hon. Deputy Chief Minister:** Mr Speaker, yes, I can confirm that the previous premium was £3 million, but that was in respect of both the KGV site and the Bishop Healy Home, which was next to it, so it was for a larger area. What the Government has done this time is split the site into two, so we now have a premium of £3.8 million for the KGV site alone, plus an additional £920,000 for the Bishop Healy Home. That represents a total of £4.72 million compared with £3 million for the previous one. *(Banging on desks)*

2190

Mr Speaker: Next question.

Q139/2021

**Freedom of Information Act –
Extension to additional public authorities**

Clerk: Question 139. The Hon. K Azopardi.

2195 **Hon. K Azopardi:** Mr Speaker, does Government plan to extend the application of the Freedom of Information Act to other departments beyond those gazetted on 1st June 2021; and, if so, when and to which other public authorities?

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

2200 **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, yes, the Government does intend to extend the application of the Freedom of Information Act to other public authorities beyond those gazetted on 1st June 2021. This will happen when the Information Commissioner has had the opportunity to review how the existing scheme is working and when he has notified the Government that other public authorities are now ready for inclusion in the listing.

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Hon. K Azopardi: I am grateful for that answer, but has the Minister, in the interface with the Information Commissioner – I do not know, presumably he is discussing the matter with the Information Commissioner in terms of understanding that process – got some idea from him how long that process will take? Obviously, I have mentioned it and the Hon. Minister will know that the schedule has only inserted three authorities, and it is a pretty small dip into the water of freedom of information. It involves, importantly, the Department of Education – that is a big provider of information that is quite significant – the Human Resources department and also the National Archives. But then beyond that, of course, there are many departments or public authorities out there, so it would be interesting to understand, first of all, has there been some kind of discussion on the timescale? And presumably it is a staged process too, so not everything will be done in one go because you also need to test the system, how it works, and see what the deficiencies might be, because you might need to underpin it with regulation or some kind of support structure.

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2220 **Hon. Deputy Chief Minister:** Yes, Mr Speaker, that is exactly the point. When the Bill was first brought to Parliament, and indeed in subsequent press releases and communications, the Government made it very clear that this was going to be a cautious progression, that we did not want to repeat the mistakes that had happened elsewhere, particularly in the United Kingdom. As we know, Tony Blair, who introduced the legislation in the UK, or under whose premiership it was

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introduced, described it as the single biggest mistake he had made in his career, so we are determined not to repeat – (*Interjections*)

Hon. Deputy Chief Minister: After Iraq, but –

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Chief Minister (Hon. F R Picardo): After joint sovereignty.

Hon. Deputy Chief Minister: Indeed. (*Interjections*) So, we are determined not to repeat that mistake and to move in a particularly cautious manner.

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The legislation provides for the Information Commissioner to produce a report at least annually on how the Act is progressing and how it is working. Independently of that, I know that they are in discussion with different departments to see whether they are ready for inclusion in the legislation. So, although I cannot give him a firm date by which that will happen, it is something which is in hand and which will happen, and it will happen in a slow, cautious and prudent manner.

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Hon. E J Phillips: Mr Speaker, I recall debating with the hon. Member in the context of the Freedom of Information Bill, as it was then, and I think a similar question came up between 2015 and 2019 when I tried to press the Government as to Schedule 2 and which authorities it would include, and we got, effectively, a similar answer to what the Deputy Chief Minister is providing now.

2245

Can the Deputy Chief Minister at least say this: will the University of Gibraltar be included within that, and also the Gibraltar Broadcasting Corporation? I specifically pinpoint those two because I think in the context of the debate that we had we talked about broadcasters and we talked about universities in the context of certain universities in the United Kingdom, for instance, that were attempting to row back on their inclusion in their freedom of information legislation, namely Oxford, Cambridge and, I think, Bristol as well, and some of the other universities. Is the Government's position that the University of Gibraltar and the broadcasting authority, GBC, should be included within the framework?

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Hon. Deputy Chief Minister: Mr Speaker, the Government needs to take a policy decision on those specifically, but the legislation does allow for that to happen. In other words, there is a public authority as defined as a Government department, which are the ones that are in it, as the hon. Member knows, other bodies or persons that perform the functions of public administration, and then it can also be a person or body declared by the Minister to be a public authority. So, the legislation would provide for them to be included if we took a policy decision to do that, which we have not done as yet.

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Mr Speaker: Next question.

Q140/2021
100th anniversary of City Council –
Plans to commemorate

Clerk: Question 140. The Hon. K Azopardi.

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Hon. K Azopardi: Mr Speaker, how is Government going to commemorate the 100th anniversary of the City Council this year?

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

2270 **Deputy Chief Minister (Hon. Dr J E Cortes):** Mr Speaker, the Government, through the Gibraltar National Archives, plans to hold an exhibition to mark the 100th anniversary of the City Council.

2275 **Hon. K Azopardi:** Mr Speaker, does the Government envisage anything beyond an exhibition, or is that it? I am sure the hon. Member opposite agrees with me that 1921 was a very significant date indeed in the evolution of our parliamentary democracy, and perhaps the Government would reflect – and it is something that they might want to consider further – on doing something beyond simply an exhibition, which I am sure will be very good because the exhibitions that the Members opposite have organised on historical events have been good, but perhaps it is worthy of a more significant event to mark that in the calendar.

2280 **Hon. Deputy Chief Minister:** Mr Speaker, in my capacity as Minister with responsibility for the Archives, the question was passed on to me and this is what the Archives is organising. Other Members may choose to organise things – I do not know whether the Ministry for Heritage is considering any event separately to this one – but certainly what the Government has planned at
2285 the moment, firmly in the calendar, is an exhibition which will be organised by the National Archives. It does not rule out other things happening as well.

ADJOURNMENT

Chief Minister (Hon. F R Picardo): Mr Speaker, I move that the House should now adjourn to tomorrow at 3.30 in the afternoon.

2290 **Mr Speaker:** I now propose the question, which is that this House do now adjourn to Wednesday, 28th July at 3.30 p.m.

I now put the question, which is that this House do now adjourn to Wednesday, 28th July at 3.30 p.m. Those in favour? (**Members:** Aye.) Those against? Passed.

This House will now adjourn to Wednesday, 28th July at 3.30 p.m.

The House adjourned at 6.40 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.30 p.m. – 6.39 p.m.

Gibraltar, Wednesday, 28th July 2021

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The Gibraltar Parliament

The Parliament met at 3.30 p.m.

[MR SPEAKER: Hon. M L Farrell BEM GMD RD JP *in the Chair*]

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

Questions for Oral Answer

HEALTH AUTHORITY, JUSTICE, MULTICULTURALISM, EQUALITY AND COMMUNITY AFFAIRS

Q141/2021

**Libel or slander proceedings –
Right to trial by jury**

Clerk: Wednesday, 28th July 2021. Meeting of Parliament.

We continue with Answers to Oral Questions. We commence with Question 141 and the questioner is the Hon. E J Phillips.

5

Hon. E J Phillips: Mr Speaker, does the Government intend to either (1) abolish the right of a party to libel or slander proceedings to elect trial by jury, or (2) reform the law of defamation to narrow the scope and/or availability of the right to a jury trial in respect of claims for libel and slander before the Gibraltar courts?

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Clerk: Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, as hon. Members may be aware, a recent case before the Supreme Court of Gibraltar has highlighted a number of differences that exist between the law of Gibraltar and that of England and Wales concerning civil proceedings for libel and slander. In the recent case, the Supreme Court held that wide-ranging reforms in England and Wales made by the UK Defamation Act 2013, that included in particular the virtual abolition of jury trials by the amendment of section 69 of the Senior Courts Act, do not apply to Gibraltar. As Mr Justice Restano stated in his judgment, the changes to the law in England and Wales were made by means of primary legislation, which shows the nature and importance of the right to trial by jury under the common law.

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A decision to take forward changes to such an important right, entrenched in the common law of Gibraltar, requires careful consideration and consultation with stakeholders, including, if appropriate, a referral to the Law Commission for their recommendations. As such, the position of the Government is that the settled common law prevails. We have no reason to begin the lengthy process that might lead to a change, and have no intention to do so.

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Mr Speaker: Next question.

Q142/2021

Surrogacy –

Guidance and information provided by Government

30 **Clerk:** Question 142. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government state what guidance or information the Government is providing those who wish to enter into surrogacy arrangements under the new law?

35

Clerk: Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, the Government is committed to producing a clear and simple guidance document to ensure those who will benefit from the change in law understand the processes and risks involved.

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A near final draft of this document has been circulated to stakeholders to ensure that all potential complexities and difficulties that may arise when participating in a surrogacy arrangement, for surrogates and indeed the intended parents, are covered. It is intended that the finalised version of the guidance will be published within the next few weeks.

45

Hon. Ms M D Hassan Nahon: Thank you, Mr Speaker. Can I just ask the hon. Lady if this guidance will extend to parents who are applying for retrospective reasons?

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Hon. Miss S J Sacramento: Mr Speaker, that would not be guidance, that would be legislation, and I understand that the Chief Minister dealt with that point either in his reply this week or in his first intervention in the Budget speech.

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Hon. Ms M D Hassan Nahon: Mr Speaker, then just for clarity's sake, could the Chief Minister or indeed the hon. Lady confirm by when retrospective applicants will be able to enjoy the new legislation?

Hon. Miss S J Sacramento: Mr Speaker, this is something that is being considered, as the Chief Minister said, and I am sure that the matter will be dealt with as soon as possible.

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Mr Speaker: Next question.

Q142/2021

**Assisted living/sheltered accommodation –
Intention to increase availability**

Clerk: Question 143. The Hon. E J Phillips.

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Hon. E J Phillips: Mr Speaker, can the Government state whether it intends to increase the availability to assisted living/sheltered accommodation within the community beyond the current resource?

Mr Speaker, you will note that I have not mentioned the specific current resource at the end of that question. That has been amended by agreement between us and the Government insofar as the question is concerned.

70 **Mr Speaker:** I am aware of this.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, this will depend on the demand for it. It must be remembered that the current position is a temporary step-out facility for those who are discharged from Ocean Views, with a view that from there they integrate back into the community and, as such, would leave a vacant room in the supported Mental Health living premises.

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80 **Hon. E J Phillips:** I am grateful for the answer by the Hon. Minister, but what I would say, of course, is that there are significant pressures on the resource. I think we are talking about seven units, two and five respectively in what are known as the smaller and the larger of the two, and the representations that I have received from members of the community about this level is that it should be increased quite quickly as well, given the difficulties that we have. I would have expected, from the size of our population and the numbers of people we are talking about here as well, that this is woefully under-resourced. Would the Minister agree with that assessment?

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90 **Hon. Miss S J Sacramento:** No, Mr Speaker, I do not agree with that assessment, and the reason I do not is because, as the hon. Gentleman knows and I am sure the community knows, I have undertaken a strategic review of all mental health services and the advice from the professionals is not necessarily that we increase capacity in step-down facilities, but they are coming up with an even better model than that.

In terms of the new Mental Health Strategy, more emphasis and greater emphasis will be given to support in the community, so it would be an even better model than that model, which is a step-down facility from institutionalised care.

95 On the basis of the advice from the external clinical professionals, I think that our money and our resources are better spent in supporting people in their own home environment, as opposed to having them in another sort of semi institutional step-down care. Again, it is something that is being considered and it is being reviewed in consultation with all stakeholders and clinical professionals, and I hope to have an outcome on that very soon.

100 **Hon. E J Phillips:** Mr Speaker, I think the Minister makes a powerful argument insofar as the way in which you are changing that, in relation to the strategic review, but it is quite clear that we are always going to need a step-down level from that level of care. Would she at least agree with that?

105 **Hon. Miss S J Sacramento:** No, Mr Speaker. Once I am in a position to announce our future plans, the hon. Gentleman will know more, and I am sure that at that point, when he sees the plans, he will agree that it is a much better proposal than what we have. What we have now is an improvement on what we had before, because what we have now did not exist before, but I want to take it to the next level and provide better support and better resources in the community than the good support that we provide now.

110 **Mr Speaker:** Next question.

Q144-46/2021
Mental Health Services –
Regulation of therapists and counsellors; number of psychologists;
intention to appoint a neuropsychologist

Clerk: Question 144. The Hon. E J Phillips.

115 **Hon. E J Phillips:** Mr Speaker, can the Government state whether it intends to regulate therapist and counsellor work in the public and private sector?

Clerk: Answer, the Hon. the Minister for Health and Justice.

120 **Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento):** Mr Speaker, I will answer this question together with Questions 145 and 146.

Clerk: Question 145. The Hon. E J Phillips.

125 **Hon. E J Phillips:** Mr Speaker, can the Government state how many clinical psychologists are currently working out of Ocean Views?

Clerk: Question 146. The Hon. E J Phillips.

130 **Hon. E J Phillips:** Can the Government state whether it intends to appoint a neuropsychologist at Ocean Views?

Clerk: Answer, the Hon. the Minister for Health and Justice.

135 **Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento):** Mr Speaker, the regulation of therapists and counsellors is currently being considered.

There are three psychologists working in the GHA's Mental Health Services. One is based at Ocean Views and two are based in the Community Mental Health Team at Coaling Island.

140 Finally, on advice received from professionals, it would seem that there is no demand for the appointment of a neuropsychologist.

Hon. E J Phillips: Mr Speaker, just in relation to Question 144, as the Hon. Minister will probably agree with me, counsellors and therapists are pretty much at the bleeding edge of those who are vulnerable and who need care and are, at moments, in a personal crisis, so I am quite surprised, as I suspect are many people in our community, that there is not a regulatory framework around these individuals who are providing care to the vulnerable.

150 It would be helpful if the Minister could say what type of framework will be implemented. Will it go out to consultation? Will it again involve stakeholders? Or is it something that is actively on the to-do list, rather than something that is in response to a question that we have posed. I say that because of the vulnerable nature of the work and the critical work that these people do within our community to help the vulnerable.

155 **Hon. Miss S J Sacramento:** Mr Speaker, it is not in reaction to the question, it is something that I have been working on for a while, and, as in everything we do that represents a meaningful change, it will always be subject to consultation with all the relevant stakeholders.

160 **Hon. E J Phillips:** Mr Speaker, in relation to Question 145, I do not want to rehearse the argument that we had on the question of whether, in fact, a consultant psychologist ... clinical psychologist actually is the proper term, but I have reached out to members of the community who followed that debate on the Appropriation Bill and certainly the people I have spoken to who are in the know have said that it is a recognisable role, the consultant clinical psychologist role. In fact, what it offers is that those people who have the education and training in this area and the added experience that allows them to be put in a position of responsibility and supervisory function of other clinical psychologists are often provided with the title consultant clinical

psychologist. This question obviously asks how many clinical psychologists we have. In the Second Reading of the Appropriation Bill I think we have two clinical psychologists and two supernumerary positions, as far as I understand. Was it three? So that is more than the four that the hon. Lady has spoken about. She spoke about clinical psychologists in her reply to my question.

170 I am just wondering whether –

Hon. Miss S J Sacramento: Remember we had this conversation.

175 **Hon. E J Phillips:** Yes, but the point I am getting to is that she has said that one of the clinical psychologists will be, in the main, based at Ocean Views all of the time, effectively. Is that right, that this clinical psychologist will be based at Ocean Views all the time, whilst the other two will not be? Is that right?

180 **Hon. Miss S J Sacramento:** Mr Speaker, I am afraid we are going round in circles, so let me break down the supplementary question, which raises a couple of issues.

In terms of the establishment for clinical psychologists, there were three in the complement and we had that conversation the other day when we were going through the Appropriation Bill, in that one was inappropriately labelled and it appeared on one page as reducing from one to zero, and then, on the page after, it appeared as two increasing to three. So, in terms of bodies, it is the same number of people in the establishment.

185 At the time when that growth post was advertised, it was advertised as a consultant on the basis that that person provided supervision to the other psychologists. However, I am advised by clinical professionals that it is inappropriate to refer to someone who is not a doctor as a consultant, but that is in relation to nomenclature and I am not going to get bogged down in semantics, because that is not what the hon. Gentleman is getting to in his question. Essentially, what he wants to get to is whether someone will be providing overall supervision to the psychologists, and the answer to that is yes.

190 In relation to his other supplementary, as to whether one is based in Ocean Views, the answer is yes, and I want to use this as an opportunity to clarify how the GHA Mental Health Services operate because there is this understanding, or misunderstanding, that all mental health services and resources are based at Ocean Views and the GHA's Mental Health Services encompasses the institutional care offered at Ocean Views and the community care offered at Coaling Island, and community care is also offered at the Primary Care Centre. So, I would say that it does not matter where the professional is actually based. What matters is the number of professionals we have, how cases are referred to them and that the proper cases are referred to the proper people in a timely manner, and that is what the whole changes and restructure of the Mental Health Services will achieve.

205 **Hon. E J Phillips:** Mr Speaker, I only have one further question.

Hon. Miss S J Sacramento: I hope I have dealt with all the supplementaries.

Hon. E J Phillips: Not yet.

210 **Hon. Miss S J Sacramento:** No I mean from that question.

215 **Hon. E J Phillips:** Yes. Mr Speaker, I am grateful to the hon. Lady insofar as the response is concerned. I do not have any supplementaries in relation to Question 146 – others may, of course, in the House on this side – but what I would say, insofar as Question 145 is concerned, is on 16th October 2018 the Government issued a press release in which it confirmed the new appointment of a consultant clinical psychologist for Ocean Views. This was a Dr Barber, I believe, who was previously a consultant clinical health psychologist at Salford Royal Foundation Trust in

Manchester. So, the post itself, consultant clinical psychologist, is not something that we have discounted from the Book that we have discussed over the last few days. *(Interjection by Hon. Miss S J Sacramento)* No, I accept that, but it is not right to say to the service that we are removing the role of consultant because it does not fit with what we see doctors as being. There is a role of consultant psychologist, and one would have thought that if that role was appointed in 2018, it no longer will continue, that that consultant will no longer be available to in-patients at Ocean Views.

Hon. Miss S J Sacramento: No, Mr Speaker, and the hon. Gentleman may have not understood my reply to his supplementary – he did make a number of supplementary questions within his supplementary – because he did ask me whether that supervisory role would continue, and I said yes. The supervisory role will continue because the whole operation and the way that mental health is delivered is being restructured, so we will make sure that all the relevant supervisions that need to take place will take place. So, he can rest assured that nothing is compromised. I appreciate that the title is something that is generated from the GHA – so it is something that comes from the GHA and not from the hon. Gentleman – but I have since been advised by clinical professionals that that is not appropriate. I would not want to get bogged down in nomenclature and get lost in words, because that is what unfortunately we are doing. There is no compromise of the service whatsoever. In fact, as a result of the changes that we are making, I am very confident that there will be an even further improvement on the vast improvements that we have had so far.

Mr Speaker: Next question.

Q147/2021

Dental services –

Resumption of routine appointments for children

Clerk: Question 147, the Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government state when routine dental appointments for children will be restored?

Clerk: Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, the GHA Dental Service had to adapt to the COVID-19 pandemic conditions. This resulted in routine services having to be suspended in March 2020. Dentistry was considered to be one of the most at-risk occupations for exposure and spreading of COVID-19. At the same time, the Children's Health Centre became the only urgent dental care centre in Gibraltar and assumed the responsibility for all emergency dental treatment for the entire community.

The Dental team prioritises patients according to the urgency of their clinical need. Those who had pending treatments, such as fillings, that had to be cancelled due to the pandemic were given priority over, for example, routine check-ups. The GHA dentists are still working through the backlog of treatments, and dental check-ups have already recommenced.

Mr Speaker, if you will indulge me, everything in the answer that has been prepared for me gives a lot of detail, but it does not answer the obvious, and the answer to the hon. Gentleman's question is yes.

Hon. E J Phillips: Mr Speaker, I am grateful for the answer. This question has been put to me many times by a number of people who are concerned that their children are not seeing the dentist. Let's be clear about it, it is a very simple point. Whilst everyone understands the COVID context, it has been some time since the children in our community have been seen by a dentist at a routine level.

She, as well as all Members of this House, will know that when you pop off to the dentist and there is nothing wrong with you – it is your check-up – there is often something wrong. There is something often discovered, so I am just – *(Interjection by Hon. Miss S J Sacramento)* Many parents are genuinely concerned about the dental health of their children. So, my question is: albeit in the context of COVID, when does the Government expect to be in a position to start rolling out that service to members of our community?

I would like to tell the mothers and fathers who are phoning me and asking me these questions, and emailing me about when these services will be restored, when roughly this will be able to happen. Rightly, they are concerned about the dental health of their children, and I would like, hopefully, some more guidance from the Minister in relation to this issue.

Hon. Miss S J Sacramento: Mr Speaker, as I have just said in my answer to the question, yes, they have been restored, but as I explained, unfortunately there is an unavoidable backlog. So, yes, the service has resumed, the service is catching up. I am surprised that people are calling the hon. Gentleman *(Interjection by Hon. Chief Minister)* to resume a service that has already been resumed. We are finding ourselves in a catch-up situation because the service has resumed, but we are trying to catch up with the backlog as quickly as we can.

Mr Speaker: Next question.

**Q148 and Q175/2021
COVID vaccinations –
Inclusion of 12 to 15-year-olds and supply of vaccines**

Clerk: Question 148. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government update the House on whether it intends to offer vaccinations to children aged 12 to 15 years of age?

Clerk: Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, I will answer this question together with Question 175.

Clerk: Question 175. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Further to the Government statement confirming the imminent vaccinating of 12 to 16-year-olds against COVID-19 in line with the UK vaccination strategy, is the Government confident that the UK will be supplying Gibraltar with more vaccines to cover this demographic?

Clerk: Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, as previously stated, assuming the final stages of the

United Kingdom's approval process for the Pfizer vaccine for 12 to 15-year-olds are successfully completed, HMGoG intends to offer the vaccine to all 12 to 15-year-olds. The UK Joint Committee on Vaccination and Immunisation (JCVI) has not yet determined its recommendation on this age group, but this is expected imminently.

On the basis of our great relationship with the UK and their generous donation of vaccines so far, I have no doubt that we will continue to be supported with the vaccination of this age group, subject of course to JCVI recommendations.

The JCVI has, however, approved vaccinations for clinically high-risk 12 to 15-year-olds. Vaccines for this category will be provided. Discussions are under way in relation to delivery logistics.

Hon. K Azopardi: Mr Speaker, I am grateful for that answer and it is good that the Minister is going to be guided, I am sure, and so will the professionals here, by the committee in the UK staffed with experts in the field.

I am sure that the Minister and the authorities here will also be cognisant of the current World Health Organization recommendations. The reason for the question was because there seemed to us to be quite a distinction in the recommendations of the World Health Organization on this issue. Just reading from their recommendations in respect of adults and children, clearly the WHO talks about vaccinations being safer for adults being tested in adults first. Now that the vaccines have been determined to be safe for adults and are being studied in children, the World Health Organization recommendations seem quite geared towards vaccination in the age group 12 to 15 if they are higher risk but do not yet point to the vaccination on a wider level beyond the higher-risk group that are 12 to 15. I wonder to what extent the Minister has information as to whether the UK will take its own position, disconnected from the WHO, or whether it will be an aligned position, because the current position, certainly as of today, of the World Health Organization is that the vaccination of higher-risk children is suitable, to use their phrase, but not beyond that.

Hon. Miss S J Sacramento: Mr Speaker, the hon. Gentleman's supplementary question to Mr Phillips' supplementary question, and indeed that of the hon. Lady, is exactly what I have just said in my answer. To elaborate, the vaccines for the people of Gibraltar are provided to us by the government in the United Kingdom. The position of the government of the United Kingdom ... Mr Speaker, I will repeat my answer. In the United Kingdom, the JCVI has already approved vaccinations for clinically high-risk 12 to 15-year-olds on the basis that it has been agreed in the United Kingdom. We are already in discussions for receipt of vaccines for 12 to 15-year-olds in Gibraltar for that category. We are in discussion on that, and we are awaiting delivery. I said that in my answer. In relation to the other 12 to 15-year-olds, we are awaiting an outcome on the decision of the United Kingdom and the United Kingdom will provide Gibraltar with vaccines as soon as a decision is arrived at, I am sure.

Hon. K Azopardi: I understand all that. It may be that I did not ask the question properly, and I apologise for that; what I was really asking is ... I understand that we are now vaccinating higher-risk, or that that is in train, in the same way as the UK. What I am saying is that once the UK takes a position, its UK committee, would Gibraltar be intending to offer the vaccinations to 12 to 15-year-olds based on a UK recommendation, despite that perhaps at that point the WHO has still not recommended vaccination of 12 to 15-year-olds beyond the higher-risk 12 to 15-year-olds? That is really what I am asking.

Hon. Miss S J Sacramento: Mr Speaker, that supplementary question is completely different to the other supplementary question, or at least I interpret it that way. At the moment – (*Interjection*) Okay, well, I think I have now understood the supplementary question.

On the basis that we have offered vaccinations to everybody in Gibraltar, any further vaccinations that we receive from the UK will be for any additional needs that we have. At the

360 moment, the additional need is the category that has been approved in the UK and we are waiting
for receipt of that. In relation to the next step for 12 to 15-year-olds, I think it is very much that
we have to wait to see what the position in the UK is. It may be that the hon. Gentleman's question
is at this stage hypothetical because we do not know what decision the UK will take in that regard.
The UK has not taken a decision in relation to 12 to 15-year-olds, so to that extent it is very much
365 hypothetical and it is not something that I can answer.

Hon. K Azopardi: It is just that I thought that in the original answer ... If the Minister goes back
to her original answer, I thought she had said that if the UK does take a decision to say yes to 12
to 15-year-olds, then the Government intends to offer it to 12-to-15s. What I am asking is if the
370 UK were to take that decision, would the Government still intend to offer it despite that the World
Health Organization might at that stage not yet have recommended it? (*Interjection by Hon. Miss
S J Sacramento*) Because it has not recommended it yet. It is not hypothetical, it is actual as of
today. So, if tomorrow they say yes, which is your original answer, but actually today the WHO
still do not recommend it, would they recommend it?

375 **Hon. Miss S J Sacramento:** Mr Speaker, I maintain that it is hypothetical on the basis that advice
in relation to everything related to COVID changes very rapidly, so there is no guarantee that there
will be movement in either of those arguments once one or the other takes the decision or
changes their position. So, in that respect, I still think that it is hypothetical, but on that basis, if
380 the JCVI and the UK do agree, then we will follow the JCVI because that is the process that we
have been following and they will be offered in Gibraltar. So, the answer to that is yes.

We can only, in Gibraltar, procure vaccine's on the basis that it is supplied to us by the
government in the UK, so we follow the JCVI and the JCVI priorities, as we have so far since we
began our vaccination programme.

385

Mr Speaker: Next question.

Q149/2021

Children with special needs – Number of therapists available

Clerk: Question 149. The Hon. E J Phillips.

390 **Hon. E J Phillips:** Mr Speaker, can the Government confirm how many therapists are available
to children with special needs?

Clerk: Answer, the Hon. the Minister for Health and Justice.

395 **Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs
(Hon. Miss S J Sacramento):** Mr Speaker, there are currently 3.5 paediatric speech and language
therapists. There are also three paediatric occupational therapists and two paediatric
physiotherapists. All have some responsibility for children with complex special needs as part of
an overall paediatric caseload.

400 **Hon. E J Phillips:** Mr Speaker, I am grateful for the answer. Is the Government confident that
those resources are sufficient for the needs generally of our community in this area, or is the
Minister currently reviewing that resource in order to improve it?

405 **Hon. Miss S J Sacramento:** Mr Speaker, I am looking at how these resources have been increased over the period of the last 10 years. There has been a significant increase in these allied health professionals. I have a list here and it is comparing, year on year, how these have been increased. But in relation to the hon. Gentleman's question, it is something that I am reviewing myself again, to see that the work undertaken by these professionals is optimised and how they are discharging their duties to the members of our community who so need it.

410 **Hon. E J Phillips:** Mr Speaker, insofar as the numbers that she has referred to in her first answer, are all of these individual therapists, as defined by her in the answer to the question, working within the GHA structure, or are they supporting the Department of Education under the auspices of the Department of Education?

415 **Hon. Miss S J Sacramento:** Mr Speaker, some of them will be deployed to schools. They are not working under the auspices of the Department of Education. Everybody works within the structure of the GHA, and that is how they are managed and supervised, but their facilities exist in the GHA and there are also facilities that exist in the schools that will be serviced by professionals in the GHA.

420 **Hon. E J Phillips:** Just one simple question: can the Minister give a bit more clarity as to how many of those are deployed within the schools? Is there a rotation system that works to allow for that? Obviously, there needs to remain an element of continuity in terms of the therapist work with the children in particular, so I would have thought that we would have a specific number of therapists working within this area at the schools. She said they are deployed – how many are deployed at any given moment?

430 **Hon. Miss S J Sacramento:** Mr Speaker, I do not have that detail because it is not the question I was asked. I have some information, but it is presented to me in a different way and I cannot, from this, guess how many individuals are deployed to different schools. What I have is the number of sessions they provide in the schools, but I am not sure how long these sessions are. I apologise. It is not a direct question, but I appreciate the supplementary is connected. I do not have sufficient level of detail in the supplementary information that has been provided for me to be able to answer that, but the hon. Gentleman can ask me more specifically on the next occasion.

Mr Speaker: Next question.

Q150 and Q167/2021
Cervical screening –
Number of routine appointments cancelled; backlog

Clerk: Question 150. The Hon. E J Phillips.

440 **Hon. E J Phillips:** Mr Speaker, can the Government state how many routine cervical screening appointments have been cancelled by the GHA over the last 12 months?

Clerk: Answer, the Hon. the Minister for Health and Justice.

445 **Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento):** Mr Speaker, I will answer this question together with Question 167.

Clerk: Question 167. The Hon. Ms M D Hassan Nahon.

450 **Hon. Ms M D Hassan Nahon:** Is the cervical screening programme currently up to date or suffering from any backlog; and if so, how much backlog is there in terms of people waiting to get a cervical screen?

Clerk: Answer, the Hon. the Minister for Health and Justice.

455 **Hon. Ms M D Hassan Nahon:** Mr Speaker, the cervical screening programme has also, unfortunately, fallen victim to the COVID-19 pandemic. This has regrettably caused a backlog. However, the GHA is now in the process of re-starting all cervical screening recall programmes, and as from Friday, 30th July, a GP and a newly trained nurse, in addition to another registered general nurse, will soon start training to undertake smear tests.

460 There are currently 359 women waiting to be screened. The GHA estimates that, with these planned measures, the backlog will soon be cleared, within the next three months.

Hon. E J Phillips: Mr Speaker, I do not think I heard from the Minister's response how many appointments had been cancelled in the last 12 months, which was the purpose of the question.
465 If she is saying that 359 is the figure, that would help, but if the Minister could answer the question that I posed ...?

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, if you recall, during the last year, when the Hospital alert status has been escalated to amber to red and to black, each time there has been an escalation in the Hospital there has been a general announcement that services have been cancelled. The services will depend on the alert status of the Hospital. So, on the basis that services were stopped, it is not a question that appointments were cancelled as such, but rather those appointments have been rescheduled. Of those that have been rescheduled, there are 359 remaining, which we hope
475 to clear in the next three months.`

Hon. E J Phillips: Mr Speaker, I am grateful for the answer. Obviously, this is an extremely important issue, particularly for women within our community, who all should be encouraged to have cervical screening, because it is so important for detecting early signs of cancer.

480 Cervical cancer is, of course, a killer if not caught early. Therefore what resources are put in place, generally speaking? We are looking at 359 women who will be having their screening completed over the next three months, which has already been delayed for the obvious reasons that we have discussed in this House?

485 There is, of course, an active campaign by the Government to encourage women to have this screening. Is the Minister confident that we have the level of resource to ensure that when we encourage women to get this important screening, which they should ask the GHA for, we can cope with that demand?

The Minister will realise that I have gone out to the public to encourage women to get this service completed. I know she is aware of it, others might not watch it, but I have tried to do that
490 because I was concerned at the level of delays – not the cancellations, as she referred to – to women within our community. So, I hope the Minister can be a bit more helpful in relation to cervical screening and the progressing of that.

Hon. Miss S J Sacramento: Mr Speaker, it is ironic and unfortunate that the GHA launched its new cervical smear testing in November last year, just before the lockdown, and unfortunately
495 St Bernard's Hospital went into lockdown, which meant that all except acute services, emergency services and cancer services – not cancer screening services but actual cancer services – unfortunately stopped because of the Hospital status. However, the normal resource to deal with our routine demand in Gibraltar is one nurse practitioner. In order to accelerate, to deal with the
500 backlog, so that we can clear the backlog and get back to normal, the GHA has introduced

additional resources so that we can do this in the next three months. So, the standard resource for this is one nurse practitioner, but for the next three months we will have two nurse practitioners and also we will have the assistance of a GP working on the exercise, so that we can clear this backlog.

505 **Mr Speaker:** The hon. Lady.

Hon. Ms M D Hassan Nahon: Thank you, Mr Speaker.

510 If I may ask the hon. lady a couple of questions: firstly, is she doing anything in order to ensure that the turnaround time for the results is speeded up? I know that the results have to be cultivated, so there is an element of time, but are they making it faster? Are they getting more resources at the lab, in order to inform women who have already suffered a backlog?

515 The second point I wanted to ask was in terms of the logistics for the appointments, is the GHA actually calling all these women who have suffered a backlog and are waiting, or is it down to the patient to call, and, if so, how accessible are the phone lines or the avenues for them to secure an appointment, now that the system is opening up for them?

520 **Hon. Miss S J Sacramento:** Mr Speaker, on the last point first, the GHA will call out to all patients who have not had their appointment yet, because it is the GHA that is managing the lists. So, that is organised in that respect.

In respect of the lab, I am not aware that there is a resource issue, because the lab is currently overstaffed so that we are able to process all the additional COVID demands.

Mr Speaker: Next question.

Q151-52 and Q171/2021

Ambulances –

Replacement of old ambulances; accident at Knight's Court; standard of fleet

525 **Clerk:** Question 151. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can Government confirm why old GHA ambulances have not been replaced?

530 **Clerk:** Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, I will answer the question together with Questions 152 and 171.

535 **Clerk:** Question 152. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government confirm that the accident involving an ambulance at Knight's Court was as a result of a handbrake failure?

540 **Clerk:** Question 171. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Is Government satisfied with the standard of our current ambulance fleet?

545

Clerk: Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, the GHA's fleet of ambulances forms part of an internal GHA clinical equipment, assets replacement and life cycle programme which is currently under review in line with the delivery of pre-hospital care.

The incident involving an ambulance at Knight's Court is the subject of an internal GHA investigation and the vehicle in question is undergoing a mechanical assessment to establish the cause of the incident.

The Government is currently reviewing the GHA's pre-hospital care delivery standards across different sectors of healthcare disciplines, which includes the Gibraltar Ambulance Service and its existing fleet.

Hon. E J Phillips: Mr Speaker, while I am not inviting the Hon. Minister to comment on the internal investigation into the accident at Knight's Court, when I was walking my dog one morning I actually saw the after-effect of the collision, where three cars were bunched together as a result the ambulance rolling down the hill.

The information that has been provided to me by concerned members of the public is that we have a fleet which is ageing, that there are many mechanical faults concerning our fleet and that this has now impacted on the health of people who are being transported to our Hospital. Whilst I welcome the statement by the Minister, or at least the answer to the question that this is under review, I just put it to her: why has it got to this state, that we are now having to review faulty ambulances that can impact on the health of not only the ambulance drivers themselves but the patients who ride in them? Why have we got to this stage, when there should be some form of rolling maintenance programme, not least a replacement programme, within the GHA to provide for safe ambulances on our roads?

Chief Minister (Hon. F R Picardo): Mr Speaker, the Government, when we were elected, immediately acted to procure a number of additional ambulances and put in place a rolling programme for acquisition of new ambulances. The hon. Gentleman needs to know that when we were elected – and he might recall this at the time, I think, given that he was in the PDP and I think they were running the same campaign at the time – we had a number of ambulances that had had accidents or had caused huge difficulties to the patients on board, so as soon as we were elected, not only did we procure new ambulances, we also put in place a programme for the purchase of new ambulances to be done on a rolling basis. That has continued, and from memory and in the discussions that the hon. Lady and I have had in the time we were preparing provision for new estimates etc., new ambulances would have been bought in the year 2019-20, except of course that 2019-20 did not turn out quite like any of us expected.

And so we now have many more ambulances than we ever had before, because what we do not do at the end of the period when we buy the new ambulances is get rid of the older ambulances. The view that has been expressed to us is that it is good to have them, to cannibalise them for parts – that is what the people who are responsible for these things tell us – and it is good to have them to do some of the non-emergency work that our excellent ambulance crews do, which sometimes involves conveyance of people in non-emergency situations. The situation we had before was that you had a number of ambulances that were used for the emergency things and the non-emergency things. Now, because we have a rolling procurement process for new ambulances and you do that quite soon in the lifetime of the ambulance that you acquired last time, the ambulance you acquired last time and the one you acquired before then is still available for the purpose of being able to transport people.

If we have got caught up in this period of non-procurement, it comes from the fact that we found ourselves in great difficulty generally in the GHA and the operation of Government generally, and there is, for this reason, specifically provision in the estimates for the equipment

that we provide in the Hospital, in order to be able to provide – I think the number is three, from memory – new ambulances during the course of this financial year, to go back to the programme that we had, which was not the programme that we inherited, which was to buy, from memory – but, please, hon. Members should not think, if I am wrong, that I am intending to mislead the House, it is simply the memory that I have of this from either the time I have dealt with it this time or before ... Three ambulances every three years is what rings right, which means that you are creating a bank of ambulances, some of which will be less serviceable because these vehicles have a lot of daily use, and some of which are perfectly serviceable. Some of those that are not serviceable are used to also cannibalise for the new ones when small parts go. You are dealing, with an ambulance, with a piece of equipment that has many additional pieces to a normal vehicle, some of them related to the medical equipment on board and some of them related to the interface between the vehicle and the medical equipment – so, not medical equipment but the sort of thing you need in order to power a piece of medical equipment from a vehicle that is being used as an ambulance, which are really mechanical bits rather than medical mechanical bits. So, those are all the issues that are live.

Mr Speaker, I have heard some of the things that the hon. Gentleman has heard, too, as has the Hon. Minister, but it is important that when we give information in this House and when we debate them, we look at the actual information that we have. We do not yet have confirmation of it as an instance, as the hon. Gentleman has indicated, and therefore ... Before that incident, as a result of the budgetary process, we were already getting back into our rolling procurement programme in respect of these types of vehicle.

Mr Speaker: The hon. Lady.

Hon. Ms M D Hassan Nahon: Thank you, Mr Speaker.

From what I understand, the incident that my hon. friend to my right refers to is only one of at least two incidents – another, an embarrassing and dangerous episode in Spain, where the Fire Brigade actually had to go to rescue the ambulance.

Is it true that there were these funds allocated for the procurement of more ambulances, but they were removed by the Financial Secretary as a means of reining in spending?

Hon. Chief Minister: Mr Speaker, the last time I checked, our Fire Brigade had not yet had jurisdiction to access Spain to rescue anyone, let alone a Gibraltar ambulance.

Secondly, the Financial Secretary does not have the authority to remove anything from any estimates to do anything. He is not the Minister for Finance.

Mr Speaker: The Hon. Daniel Feetham.

Hon. D A Feetham: Mr Speaker, I would just invite the Government to comment on this. It has come to my attention – in Gibraltar, things come to your attention and sometimes they are correct, sometimes they are not; I am asking the Minister to comment – that the Chief Ambulance Officer has resigned and that one of the reasons he provided for the resignation is the annulment of an ambulance purchase order. Is that correct, and has there been an annulment of an ambulance purchase order?

Hon. Chief Minister: Mr Speaker, as far as the government is aware, whatever it is that people are saying on the streets and whatever somebody may have wished to say, for whatever reason – if they have said it, because I do not even know whether the thing that it is alleged that this person has said has been said or not – as far as the Government is aware, there has been no annulment of an ambulance purchase order. A ‘purchase order’ I assume the hon. Gentleman is using not as a term of art, because ‘purchase order’, he knows, in the Government has a meaning, and ambulances are not bought by purchase order.

650 **Hon. K Azopardi:** Just a final question on this. The explanation the Chief Minister has given in respect of the cannibalisation and all of that, because this particular ambulance was out of action because of the accident and so on, does that mean that one of those other ambulances was then put into play? How are the ambulance needs being provided, if one of the ambulances has been out of action?

655 **Hon. Chief Minister:** Mr Speaker, what the Government understands is that we have more ambulances now than we have ever had before, even when there is one that is out of action, and therefore the renewal of the fleet does not affect the availability of emergency ambulances required for our population as advised by whoever it is that advises us on the number of
660 ambulances that we have access to, but of course not all of them are as new and up to scratch as we would like them to be. That is the understanding that we have on this side of the House.

Mr Speaker: Next question.

Q153/2021

**Accident and Emergency department –
Average waiting time**

Clerk: Question 153. The Hon. E J Phillips.

665 **Hon. E J Phillips:** Mr Speaker, can the Government confirm the average of waiting time in A&E?

Clerk: Answer, the Hon. the Minister for Health and Justice.

670 **Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento):** Mr Speaker, the average waiting time in A&E in the last 12 months was 146 minutes.

Mr Speaker: Next question.

Q154-55/2020

**Hospital food –
Complaints re quality; cost of providing**

675 **Clerk:** Question 154. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government confirm the number of complaints it has received in relation to poor quality food prepared for hospital use?

680 **Clerk:** Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, I will answer this question together with Question 155.

685 **Clerk:** Question 155. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government state the cost of the provision of hospital meals?

Clerk: Answer, the Hon. the Minister for Health and Justice.

690 **Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs**
(Hon. Miss S J Sacramento): Mr Speaker, in the past year, the GHA has not received any
complaints in relation to poor quality food prepared for hospital use.
The cost of hospital meals is approximately £17,000 per month.

695 **Mr Speaker:** Next question.

Q156-57/2021

**Paediatric consultants –
Number of special needs specialists; GMC register**

Clerk: Question 156. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government state the number of paediatric consultants
specialised in the area of special needs?

700 **Clerk:** Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs
(Hon. Miss S J Sacramento): Mr Speaker, I will answer this question together with Question 157.

705 **Clerk:** Question 157. The Hon. E J Phillips.

Hon. E J Phillips: Can the Government state whether all paediatric consultants are on the GMC
specialist register?

710 **Clerk:** Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs
(Hon. Miss S J Sacramento): Mr Speaker, the GHA has three consultant paediatricians with
experience in special needs. Special needs is part of paediatric specialist training.

715 All paediatric consultants are GMC registered. All are also on the GMC specialist register,
except one, who is in the process of applying for inclusion on this register. The relevant paperwork
has been submitted and the registration is expected to be completed before the end of this year.

720 **Hon. K Azopardi:** Is this the total number of paediatric consultants, three?

Hon. Miss S J Sacramento: Mr Speaker, my understanding is that the complement of paediatric
consultants is four. These are the specialists.

725 **Mr Speaker:** Next question.

Q158/2021

**Young offenders' secure unit –
Expected commencement of construction**

Clerk: Question 158. The Hon. D A Feetham.

730 **Hon. D A Feetham:** Mr Speaker, when does the Government intend to commence construction on a new young offenders secure unit?

Clerk: Answer, the Hon. the Minister for Health and Justice.

735 **Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs**
(Hon. Miss S J Sacramento): Mr Speaker, on 2nd November 2020 I set up a Youth Justice Committee, which is chaired by Mr Carlos Banderas, CEO of the Care Agency. The Youth Justice Committee is made up of key stakeholders, so that a strategic plan of action can be put forward to address issues of youth offending and explore the need for secure placements within such a report. Sub-groups have been formed to draw from the knowledge and expertise of
740 representatives of partner agencies such as the Police, the Prison, the Employment and Training Board, Therapeutic Services of the Care Agency, the GHA, the law drafting division of the GLO, and the Gibraltar Youth Services, among others. All data collected will be analysed by the Youth Justice Committee, so that a comprehensive and robust framework can be put forward detailing what the needs of such a service should look like and what resources will be needed to achieve such
745 goals.

Hon. D A Feetham: Mr Speaker, do I detect from that answer that the Government is rowing back on what I thought was a commitment from the Government to construct a new young offenders' secure unit?
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Hon. Miss S J Sacramento: Mr Speaker, it is having the right professionals in the room having a conversation to advise the Government on what is needed, no more, no less. If the conclusion of that report is the recommendation that we need to build a secure unit, then we will. It may be that the recommendation, from what I know so far, may not necessarily be that that is ... It is not
755 that that is not the conclusion, but that that may not be the only outcome and there may be different ways of dealing with the children.

Hon. D A Feetham: Mr Speaker, does she not agree with me that in this day and age it is simply not justified that minors are being kept in prison with prisoners who are over the age of 18? Does
760 she not agree with that?

Also, does she not agree that it has been the view of her party, certainly since they were in opposition, that something like this ought to be constructed because the position of keeping minors in mainstream prisons simply was not justified?

765 **Hon. Miss S J Sacramento:** Mr Speaker, the hon. Gentleman is assuming that the alternative to a youth offenders' institution is prison – indeed, the juvenile wing of the prison that he was responsible for when he was the Minister for Justice, so he was the one who dealt with the juvenile wing in Her Majesty's Prison as it is. I am not suggesting that that is the likely outcome of the recommendations by this committee. It may be that it is something else. It may be that it is a
770 hybrid which they, as professionals, feel is a better outcome to the juvenile wing in the prison that the hon. Gentleman built when he was Minister for Justice.

Hon. D A Feetham: Does she not agree that services progress over a period of time and that indeed services have to be provided within budgets? Whilst perhaps I now accept that in an ideal

775 world we ought to have constructed the Prison – with all the millions that that cost – plus something else for young offenders, it was not possible at the time, but certainly we were urged, when they were on this side of the House, about the unconscionability of the position.

Does she accept at least the principle that we should be taking out minors from the Prison and placing them into a different location for minors? And following on from that, because I do not want to ask any more supplementaries after this, does she commit herself to finalising that, whatever the solution may be, within this term of Government?

Chief Minister (Hon. F R Picardo): Mr Speaker, of course services evolve. I think it is important for the House to be cognisant that I believe that there is a finding of the European Commission in respect of the incarceration of minors. That is what the hon. Lady is telling the House, that we have that finding, that we need professional advice. I think I recently gave an interview on the subject, where we were saying we have to deal with this but we have to deal with it on the basis of the professional advice.

The finding of the European Commission is based on what we inherited – which the hon. Gentleman was responsible for building – not being fit for purpose. I assume, despite the many millions that it cost and despite the fact that it was grossly over-budget ... I recall, I think, in our Budget of 2014, having set out to the hon. Gentleman in great detail how over budget the provisions of Her Majesty's Prison Gibraltar under his auspices as project manager were, and indeed how over budget the courts were in the project, which, although very fit for purpose was very unfit for the purse.

Mr Speaker, we will continue the work of trying, despite the very challenging times in which we live, both financially and generally, to determine how best to go forward with this, so that we do not again make the mistake that he made and we inherited. I am sure that it was not intended to be a mistake, it was a decision made as a Minister trying to deliver the right thing for the community, but we do not want to fall into that trap, so we will take the advice that perhaps, if taken then, would not have resulted in the finding of the Council of Europe against us to cure the defect that we inherited from him.

Mr Speaker: Next question.

Q159/2021
Social workers –
Numbers interdicted or disciplined

Clerk: Question 159. The Hon. K Azopardi.

Hon. K Azopardi: Mr Speaker, have any social workers been interdicted or disciplined since 1st January 2020; and, if so, on what charge?

Clerk: Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, since 1st January 2020, two social workers have been interdicted. The first was on allegations of malpractice, style of management and treatment of staff. The second was interdicted for failing to act safely and with professional integrity, failing to promote ethical practice and report concerns and failing to maintain the required standard of conduct of a Care Agency employee. The latter was disciplined, which resulted in the non-renewal of the fixed-term contract. The former is the subject of an ongoing disciplinary process.

820 **Hon. K Azopardi:** Mr Speaker, can I ask, in relation to the one that is still pending, apart from malpractice, I did not quite catch what –

Hon. Miss S J Sacramento: General non-professional –

825 **Hon. K Azopardi:** General non-professional behaviour. Can the Minister perhaps add to her answer and tell us when precisely that social worker was interdicted? And does she have any kind of visibility as to when the investigation will conclude its work?

Hon. Miss S J Sacramento: Mr Speaker, that individual was interdicted on 14th May 2020, so I understand that the process is ongoing. As the hon. Gentleman may recall, when someone is interdicted there is a preliminary investigation to see if there are grounds to proceed with disciplinary, so that individual is now at the disciplinary stage having first undergone the first investigation. Of course, when things are serious of this nature, some disciplinaries may take longer than others.

835 **Hon. K Azopardi:** Mr Speaker, given the seriousness of the challenges in both cases, has the Department conducted an investigation not just into the disciplinary issues themselves but in respect of the handling of cases by those two social workers against whom allegations have been made of malpractice or failure to act safely?

840 **Hon. Miss S J Sacramento:** Mr Speaker, I am very proud to say that the Care Agency has a very robust management structure. The Care Agency is, of course, the organisation in Government that deals with the most vulnerable individuals in society, whether they be children, adults or people with disabilities, and I am very proud of how far the Care Agency has come. I am very proud to say that it has an extremely effective and efficient Chief Executive and that matters are not swept under the carpet and everything is dealt with, including any necessary reviews that may arise out of issues make which may be identified as a result of issues that come up.

845 There are various service reviews ongoing, as is normal practice in an organisation such as this, but for sure the Chief Executive has taken the bull by the horns and since being appointed, I think under a year ago, has conducted service reviews of all the Departments of the Care Agency.

Hon. K Azopardi: Mr Speaker, I am sure that is the case, and nor was I suggesting that anything was being swept under the carpet. I was just asking the direct question: given the seriousness of the allegations in respect of two people, one of whom has been disciplined and not renewed – and for the other one an investigation is pending, so I am not going to comment on that, but given that in both cases they are fairly serious matters, which obviously must have affected, as the Minister says, the most vulnerable in our society, the Chief Executive will be mindful that there may be recommendations and steps the Department needs to take as a result of those issues arising.

860 **Hon. Miss S J Sacramento:** Mr Speaker, I have already said yes. Those reviews have already been conducted and new steps and new measures have been put in place. I am very proud that this new Chief Executive is extremely productive.

865 **Hon. K Azopardi:** Just a final question, Mr Speaker. When social workers are interdicted in this way, how does the Department fulfil its services when these workers are suspended? Does it really resort to locum services?

Hon. Miss S J Sacramento: Yes, Mr Speaker. Obviously, when it comes to such an important role that is provided in this profession, if someone is suspended and not available to go to work, they are covered either by locum cover or sometimes they are covered through a bank, as we may

have social workers who have recently retired. It all depends on the period for which they are envisaged to be absent, but these absences are always covered.

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Q158/2021

**Young offenders' secure unit –
Supplementary information**

Mr Speaker: The Chief Minister wishes to correct an earlier statement or answer given.

880 **Chief Minister (Hon. F R Picardo):** Mr Speaker, just in relation to the issue of the Prison, I think it is important to go on the record to set out exactly what the Council of Europe said, because I think the House will find it quite useful and almost determinative of the issue that the hon. Gentleman was raising. It says:

The CPT recommends that the Gibraltarian authorities develop a strategy for addressing the specific needs of juveniles deprived of their liberty, which might include establishing a small unit with a few secure places. As long as juveniles are kept in the prison,

– and that is HMP Gibraltar –

additional efforts must be made to provide them with a full range of purposeful activities and socio-educative support.

That is the actual phrase.

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Mr Speaker: Next question.

Q160/2021

**COVID-19 positive cases –
Resident and non-resident cases by age and vaccination status**

Clerk: Question 160. The Hon. K Azopardi.

890 **Hon. K Azopardi:** Mr Speaker, how many non-resident COVID positive cases have there been since 21st May 2021, broken down by persons aged over and under 16 and, in the case of persons over 16, by vaccination status, namely whether vaccinated or unvaccinated?

Clerk: Answer, the Hon. the Minister for Health and Justice.

895 **Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento):** Mr Speaker, I will answer this question together with Question 161.

Clerk: Question 161. The Hon. K Azopardi.

900 **Hon. K Azopardi:** Mr Speaker, how many resident COVID positive cases have there been since 21st May 2021 broken down by persons aged over and under 16 and, in the case of persons over 16, by vaccination status, namely whether vaccinated or unvaccinated?

Clerk: Answer, the Hon. the Minister for Health and Justice.

905 **Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento):** Mr Speaker, as at 27th July 2021, the number of non-resident COVID-19 positive cases since 21st May 2021 is 61, all of which were over 16 years of age; 36 were vaccinated and 25 were not.

The number of resident COVID-19 positive cases since 21st May 2021 is 458. Of these, 52 were under the age of 16. Of the remaining 406, 301 were vaccinated and 105 were not.

915 **Hon. K Azopardi:** Mr Speaker, two questions, really, and I will ask them in order. The reason for this question is because it is not possible ... Normally, I do my own number crunching, but in this particular case, because of the way the statistics are rolled out, it is not possible to do it for two reasons: (1) sometimes you get the information that the vaccination status of someone is unknown, and (2) because of the groupings of ages – it is 10 to 15 and 15 to 20 – you do not quite know whether someone has chosen not to have a vaccine or not been offered it because they are too young. Because the Government does not publish the stats on an over-16 basis, which is the current bridge for the offering of the vaccine, would the Government consider publishing statistics in that way, which groups the ages in a slightly different way, so that people can have access to information on a clearer basis without the need for asking in this House?

925 **Chief Minister (Hon. F R Picardo):** Mr Speaker, we have sought to be imprecise as to ages on advice. In other words, we do not want to say anything about a case which can lead to the case being identifiable generally or by a small group of people. Sometimes you might think it is impossible to identify somebody simply because you say they are 17 rather than by saying they are 15 to 20, but identification is something we have to be very careful of, not just by the wider population. In other words, if there is a group of six and somebody knows that one person has been found to have COVID, and one of them is 17 and all the others are in their 30s, we have to be careful that even the others do not know that it is that one, unless of course they are called by the Contact Tracing Bureau. It is a very strange requirement that we have placed upon us, but I think the hon. Gentleman has put forward an idea, which is not a bad one, which is, in other words, to say, for example, from 10 to 16 and from 16 to 20, so that that better draws the line as to vaccination ages, rather than 10 to 15 and 15 to 10.

935 Apart from that, we get a daily breakdown, which is not published in the form that we get it, because it gives us more data, which might lead to a person in the general public being able to identify someone. I am quite happy, if it is possible, to give the hon. Gentleman that breakdown privately, even though it might not be published, as we did during the period last year, so that he can have access to those numbers in a way that is perhaps more meaningful for the calculations that he might want.

Hon. K Azopardi: I am certainly grateful for that and it goes beyond what I was asking for, and certainly I would like to receive that information. All I was suggesting –

945 **Hon. Chief Minister:** You may be trying to calculate things which we get difference around...

950 **Hon. K Azopardi:** Yes, exactly. To be clear on what I was saying, I was not suggesting any big change that would allow the identification of people. All I was saying, really, was that going from 16 upwards ... Everything else can change, but it can be 16 to 20 because then at least you have an idea of whether people who are unvaccinated have had the potential of being offered a vaccine. That really is it, no more than that. That is all I would be suggesting.

955 The second question I have, Mr Speaker, is in relation to the hospitalisations. Does the Minister have information ...? She may not have it now, but the hospitalisations have been fairly small, although they have been growing in the last few days, but not to a hugely significant level. Does she have information about how many of those hospitalisations have been people who are vaccinated or unvaccinated?

Hon. Chief Minister: Mr Speaker, we have that on a daily basis, and in the information that I am asking the hon. Lady to share with him, if not on a daily basis on a weekly basis, he will see exactly that breakdown. I think we do sometimes publish that, Mr Speaker.

Hon. K Azopardi: The Chief Minister, I understood from the answer, may not be willing to say so publicly, or –?

Hon. Chief Minister: Mr Speaker, I think we do say so publicly. In other words, I think we say –

Hon. Miss S J Sacramento: From time to time, we break it down.

Hon. Chief Minister: From time to time, we break it down. In fact, I think we do that every time it is added to, so that if there are nine in the Hospital who are in the COVID ward, then you would know ... I have forgotten the latest figures but he would know that five are vaccinated, four are not vaccinated and in ICU, the same ... Certainly we have given that information publicly before. Maybe it is because we have been asked before and we have published it on that basis, but we get it and he will get it and he will be able to see it. I think that this is part of making sure that the public have all the information. I do not think there is any reason why people should not have the information.

One of the things that I note is that there is a very high number of people who are vaccinated who are infected and a high number of people who are unvaccinated and who are infected. The key factor for me is that although those numbers might sometimes seem to be equal – for example, you might get 10 people who are unvaccinated and 12 people who are vaccinated – the vaccinated population is huge compared with the unvaccinated population, so the number of unvaccinated people as a proportion of the vaccinated is higher than the number of people who are vaccinated who are getting infected as a proportion.

Hon. K Azopardi: A final question. I appreciate I am now slightly straying from the question, but I am asking because I think it is an important issue of public interest, and it struck me after I had tabled these questions. I assume that the Government is keeping tabs on how many of the new positives might also have tested positive before. Is that information available; and, if so, can the Government share that with us, too?

Hon. Miss S J Sacramento: Yes, Mr Speaker. In relation to COVID we receive so many statistics that I have to confess I do not know what I know internally and what goes out to the public anymore, because we are just flooded with numbers, sometimes on an hourly basis. I am usually the first one to receive the statistics and then I will see those statistics again in another format and then in another form, and I probably see the same statistics about three times in the same day before they go public, and then there are other statistics that come to me. I think that in order to resolve this in a sensible way I am happy to meet with the hon. Gentleman and show him the layout of the statistics that we have, and we can come to an agreement as to what information he would like me to provide him with. I certainly have no problem with that.

Mr Speaker: Next question.

Q1622021
Genome testing –
Scope of work being undertaken

Clerk: Question 162. The Hon. K Azopardi.

Hon. K Azopardi: Mr Speaker, is genome sequencing or analysis being done on all new positive COVID cases; if so, from when, and, if not, could the Government explain the scope of work being done on genome testing?

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Clerk: Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, the whole genome sequencing of the SARS-CoV-2 virus is being undertaken on all new COVID-19 cases diagnosed in Gibraltar, by GHA laboratories. This service began the week commencing 17th May 2021. In addition, where capacity permits, retrospective sequencing of SARS-CoV-2 is being attempted from historic COVID-19 cases that have not previously been sent for sequencing to the Public Health England Colindale reference laboratory.

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Mr Speaker: Next question.

Q163/2021
Abortion law –
Support and advisory services

Clerk: Question 163. The Hon. K Azopardi.

Hon. K Azopardi: Mr Speaker, what support and advisory services will the GHA put in place in connection with the commencement of the Abortion law, Crimes (Amendment) Act 2019?

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Clerk: Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, I will answer this question together with Question 173.

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Clerk: Question 173. The Hon. Ms M D Hassan Nahon.

Hon. Mr Speaker M D Hassan Nahon: Does the GHA have counsellors incorporated in its strategy for women seeking abortions; and, if so, how many will be recruited to this service?

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Clerk: Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, despite the Hon. Leader of the Opposition opposing the commencement of the law he refers to in this question, the mental health needs of a woman considering an abortion will be given priority in the overall service provision. Those who currently provide counselling services are trained in a non-directive and non-judgemental approach to patients who access this service. Counselling will always be offered, and counsellors specifically employed for the role have this as their priority task. Further training for a cohort of professionals is being planned with BPAS to improve the service.

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In relation to Question 173, the GHA already has these counsellors in place and supporting women seeking abortions is one of their specific responsibilities.

Hon. Ms M D Hassan Nahon: Mr Speaker, I would like to firstly ask the hon. Lady for some clarification. She says that the recruitment of counsellors and support services is going to be

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specific for the purposes of abortion advice, but she also said that these counsellors were already within the system, so can she clarify whether they are in fact designated for the abortion support services, or whether they are part of the existing counselling service? If it is part of the existing
1050 counselling service, then we are looking at the typical delays of three to eight months, and obviously, with this issue being time sensitive, we need to know whether these counsellors will actually be specific. If they are specific, how many have been taken on for that service specifically?

Hon. Miss S J Sacramento: Mr Speaker, these individuals are already there because they were
1055 employed specifically for this service but before the service commenced. This was a pre-emptive measure undertaken by the GHA. Indeed, this position was prepared for when we first started looking at the possibility of an amendment to the Crimes Act, so it means that counsellors recruited specifically to provide this service have already been in the GHA, albeit doing other things, and now that we are providing this service, that, of course, now becomes a priority.

1060 Mr Speaker, I regret that the hon. Lady has not seen the information that the GHA issued at the time, because she is making the allegation that if these counsellors are part of the general cohort of counsellors of the GHA Mental Health Services then their services will take a long time, and that is clearly not the case. If the hon. Lady were to look at the GHA flowchart and timelines in relation to the operational side of the abortion policy, she would see very clearly that there are
1065 specific timelines in relation to when a member of staff from the GHA Mental Health team needs to see someone to offer counselling from the day when they first see the gynaecologist.

Hon. Ms M D Hassan Nahon: Mr Speaker, I thank the Hon. Minister for her reply. Can I just ask: if the GHA employed these counsellors, the support service individuals, before the
1070 referendum result came out, had the referendum been lost in terms of the abortion legislation, what was the GHA going to do with these counsellors instead of putting them through to the system for the abortion services?

Hon. Miss S J Sacramento: Mr Speaker, first and foremost, that question is a hypothetical
1075 question, but in any event, the people engaged have been engaged on the basis of a service level agreement, so they are not employed by the GHA. We were predicting the outcome of the referendum and being prepared for it. There is nothing wrong with being prepared for something, but being prepared means that we are prepared in every eventuality, so it means that by engaging someone on an SLA we are also prepared in the event that we would choose not to retain that
1080 person should the referendum not have gone the way that it did.

Hon. Ms M D Hassan Nahon: Thank you for that. Mr Speaker, if these individuals are not actually employed by the GHA and have service level agreements, does that effectively mean that the support services are being outsourced? The Government said that all abortion services are
1085 going to be run exclusively by the GHA and not private practice or clinics, so how does this tally with the Government's assertion that the whole package is run by the GHA?

Hon. Miss S J Sacramento: Mr Speaker, the whole package in relation to abortion is run by the GHA. Someone who is working in the GHA works for the GHA. It does not matter if the person is
1090 employed by the GHA or has the benefit of a service level agreement with the GHA, the person works in the GHA for the GHA. The whole abortion package is provided for by the GHA.

I will not tolerate people now starting to cloud the issue of abortion. The issue of abortion has had a lot of work put into it by all the clinical professionals in the GHA. I am very satisfied with the processes and procedures that these medical professionals have provided for the GHA to be able
1095 to deliver the abortion and I will not tolerate that, because the hon. Lady misunderstands the position, any doubt be cast on the services provided by the GHA for abortion.

Hon. Ms M D Hassan Nahon: Thank you, Mr Speaker. I am sorry that the Minister will not tolerate my questions, but I am here to ask them regardless.

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Chief Minister (Hon. F R Picardo): Very unfair.

Hon. Ms M D Hassan Nahon: Mr Speaker, if I can just ask –?

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Mr Speaker: Please resume your seat.

Hon. Ms M D Hassan Nahon: Thank you, Mr Speaker. Perhaps I am –

Mr Speaker: Sit down, please.

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Hon. Ms M D Hassan Nahon: Sorry, Mr Speaker.

Mr Speaker: I think you should not use that language, because you have misinterpreted what she was saying. I understood it very quickly. You can ask another question, if you wish.

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Hon. Ms M D Hassan Nahon: Mr Speaker, one thing I would ask the Minister to repeat, if she has said it, but I did not hear it, is the question I initially asked: how many counsellors have been employed for this service?

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Hon. Miss S J Sacramento: Mr Speaker, I have employed none; I have just said that they have been engaged through an SLA. I know that certainly one has been engaged for this purpose. It may be that there are two, but in any event there are also other people within the Mental Health Services from the GHA, in addition to the ones specifically engaged to provide the service, who have all benefited from the same training so that they can also provide the service should it be required to go beyond the person who has been specifically engaged for this purpose.

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Hon. K Azopardi: Can I just ask on the support and advisory services, is the GHA consulting both campaign groups of the referendum for their views on the content of the support and advisory services, given that clearly they both had strong views on the issue and, I am sure, have quite a lot to add in terms of what, in their view, is to be considered in respect of the support and advisory services that women should get in relation to this?

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Hon. Miss S J Sacramento: Mr Speaker, I have met and consulted with the Gibraltar Pro-Life group and I have spent a lot of time with them in my office precisely because this referendum on abortion, regrettably, was so divisive that now that we find ourselves in the position that we are in. I want to make sure that going forward we respect their views. I value and appreciate the input of the group. They were campaigning for the outcome that did not succeed. I think it is important that we take the views of everyone involved in the whole scenario. Particularly, I want to make sure that those who find themselves in the group that did not succeed also know that they are heard.

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We have a very constructive relationship. We have already met. We have discussed. I met with them before the GHA documents were published. We have had various discussions and I am waiting for them to come back to me with some further ideas and further proposals because I want to make sure that the resources that they feel are important that they can contribute in part in the process of the offering, are recognised. So, I want to make sure that that process and that pathway is recognised because I think that that is also important, and I have made it clear to them. I am not sure whether the hon. Gentleman is aware of the reference that they make to their meeting with me in the statement that they issued, and I also make a reference to our relationship in the statement that I issued.

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1150 **Mr Speaker:** Next question.

Q164/2021
Mental health support at work –
Protocols and directives

Clerk: Question 164. The Hon. Ms M D Hassan Nahon.

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Hon. Ms M D Hassan Nahon: What protocols or directives, if any, has Government put in place, or aims to put in place, in relation to mental health support in the workplace following the pandemic?

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Clerk: Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, at the commencement of the pandemic a staff referral system for mental health support was established. Throughout all this time, the Therapeutic team of the Care Agency has supported all frontline staff of the Care Agency, the GHA and the ERS with clinical therapeutic care. This support was provided during and after the pandemic and continues today.

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Clinical one-to-one sessions for all referrals received from the GHA and ERS, in addition to full therapeutic support in the context of debrief workshops, have been provided and delivered by the Therapeutic team at the Care Agency for whole staff teams at ERS.

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Human Resources have responded to line managers' requests for Occupational Health referrals in the case of employees suffering long COVID or COVID-related stress and anxiety. Once Occupational Health assessment is received, and if recommendations are for counselling and therapeutic input, these have been referred in some cases to external counsellors, but mostly with internal counselling sessions provided by the Care Agency Therapeutic team.

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In addition, some employees have been referred to the Welfare Officer of the Human Resources Department when this has been specifically requested by the employee.

Hon. Ms M D Hassan Nahon: Mr Speaker, I thank the Hon. Minister for her answer, but actually my question aimed to talk about the workplace in general, not just Government services or locations. I was talking about the workplace in general, the public sector, the private sector. Have discussions been had with unions, for example, about how to bolster mental health support across our community at different levels in the workplace in general, not just Government locations?

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Hon. Miss S J Sacramento: Mr Speaker, during the pandemic, the priority was to provide mental health support in the workplace to people who worked in the public sector who were on the front line. We offered Front Line resilience training for people who were already in the hospitals, in ERS and in Social Services, dealing with, at the beginning, potentially life-and-death situations, and, at the end, people dealing with real death situations. That was the priority in terms of the services that we deployed, and our arrangements in terms of the pandemic were for the public sector front line in particular. In terms of the private sector, the normal therapeutic services have always been available to them and will continue to be available to them in the normal way.

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Hon. Ms M D Hassan Nahon: Mr Speaker, once again, I have to thank the Hon. Minister for putting these measures in place, given the burn-out and the trauma that frontline workers in the GHA and beyond will have suffered. Again she talks about the private sector and the existing services, but obviously we need to bolster them because there are many more issues facing people

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now after the pandemic, and the hon. Lady has not given me any information about any incentives to do that from this place, legislating or issuing directives for entities to be able to have more support services. Is there nothing that she can tell me about any long-term or medium-term decisions or intentions for bolstering mental health support services post COVID and into the future, to ensure a more functional society?

Hon. Ms M D Hassan Nahon: Mr Speaker, COVID has, of course, been a very difficult period for a lot of people. It has impacted people in different ways. It has impacted the people who have been on the front line, I would say, arguably the most because of the hours they have had to work, the risk that they have put themselves and their families through because of going to work, what they have witnessed and what they have experienced. I think when we look at the scale of how COVID will affect people, I would say that those who have been day in, day out on the front line witnessing deaths would be at the top end of the scale. Therefore, when one has to prioritise existing resources, they will be prioritised then.

Of course, COVID will have affected different people in different ways. Whereas people who worked in the private sector will predominantly have been safer because they were working from home, it does not mean that because they were working from home they may have not been impacted by the lockdown. Similarly, the lockdown will have impacted children because they have gone through business in a different way, and it will have impacted elderly people, who were probably most affected by the lockdown. We are very alive to that, and we do have several initiatives in terms of the mental health offering, particularly to pick up COVID during the pandemic. Mental Health Services were geared and prepared to deal with the pressures of COVID.

I have gone through the specific resources that were deployed for people who work in the public sector, but for the private sector we also had resources made available, and these were made available through the 41818 service. Counselling was offered to them specifically, and I have to say that this counselling was offered during the pandemic by voluntary counsellors, all of whom were vetted and all of whom satisfied the tests that we were happy with, but nevertheless gave up their time voluntarily, and I need to recognise and thank those people for that. In addition to that, because we were also alive to the impact the lockdown was having on elderly people, we also set up during the pandemic the befriending service for people who lived alone and might find themselves lonely, and we wanted them to connect with other people so they could chat. It was all, again, centralised through the 41818 service, so that we had all sorts of safeguarding issues triggered and in place.

Now, as we move out of the consequences of the lockdown but we are still in the realms of the pandemic, we are very alive that it still continues to have potential mental health impact on members of the public, so in the same way that our services were geared up in one way during the pandemic they are alive and ready to deal with these cases from now, going forward, in the aftermath of the lockdown.

I do not know whether the hon. Lady is aware of a truly magnificent launch by the GHA this week of the 111 crisis line. The 111 crisis line will be available for people who find themselves in a mental health crisis. The calls will be triaged, so if people are calling because they feel acutely desperate and it is connected to COVID, they will be helped immediately. If, in the process of the triage, some other kind of help from therapeutic services, which is not acute, is necessary, the person will be referred and diverted in that direction. Our resources are very much bolstered because we are pretty much transforming the way we deliver mental health services. Much more resource and much more time is being made available, so it means that we will be able to offer a much better service to our community.

Mr Speaker: Next question.

Q165/2021
ERS facilities –
Remuneration of newly qualified nurses

Clerk: Question 165. The Hon. Ms M D Hassan Nahon.

1250 **Hon. Ms M D Hassan Nahon:** Can government confirm if, in the ERS facilities, newly qualified nurses on competition of their training continue to be remunerated at the pay grade of trainee nurses?

Clerk: Answer, the Hon. the Minister for Health and Justice.

1255 **Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento):** Mr Speaker, the RGN nurse training is delivered in Gibraltar. The opportunity for training in the RGN degree is offered to nursing assistants already in employment as an opportunity for career progression. While undergoing training they are remunerated as nursing assistants. Upon completion of their qualification, they may apply for nursing vacancies
1260 once they arise. They will be remunerated as nurses if successful in applying for a nursing position. Until then, they continue in their substantive post of nursing assistant.

Hon. Ms M D Hassan Nahon: Thank you. Mr Speaker, I ask this question because I have had various representations that, post-training, the nurses who are already fully qualified are being
1265 used as auxiliary nurses with the same salary as whilst they were undergoing the training. Can the Minister confirm this?

Hon. Miss S J Sacramento: Mr Speaker, I confess I do not understand the question. Is the hon. Lady asking me the question that I have just answered? They are on a placement. I have just said
1270 that they are nursing assistants undergoing training and that they remain on the nursing assistant salary. I have just said that.

Mr Speaker: Would the hon. Lady like to reword her question?

1275 **Hon. Ms M D Hassan Nahon:** Mr Speaker, my question was that once these nurses are trained and fully qualified they continue to be paid under the same training salary. Does the Minister confirm this, or does this mean that nurses who already have a qualification are being paid under the training salary pre-qualification?

1280 **Hon. Miss S J Sacramento:** Mr Speaker, I regret that the hon. Lady has completely misunderstood my answer, so I would invite the hon. Lady to listen in order to hear and understand, as opposed to listen to ask a question. I have said that nursing assistants undergoing the RGN training are on nursing assistant salary. That was in my first answer.

1285 Mr Speaker, I am afraid that we are having the same conversation that we had a few months ago, when it came to people who are studying to be social workers, and the hon. Lady was inviting me to employ everybody who has a degree in social work as a social worker, even though there are no vacancies, because then it would mean that we would have to automatically employ every single student whom we pay for their education and training, regardless of whether we have a vacancy for them or not.

1290 What I said in my answer was that if someone is qualified, they are qualified, but their substantive position and therefore the salary, which is commensurate with their substantive position, remains at that of a nursing assistant until they apply for a job as a nurse. They can only apply for a job as a nurse when there is a vacancy, and they can only be a nurse if they have applied

for a job because there is a vacancy and they are successful in that job. All that, I said in my very first answer.

Mr Speaker, what surprises me is that given that we have had ... I cannot accept the premise of the last supplementary question because we have vacancies for nurses, and the way that ... when people are undertaking the internal career progression usually the person undertaking the progression will be mapped with a vacancy, which is why we have the person who is incumbent in that post on a fixed-term contract. As soon as that person's fixed-term contract terminates, we leave the vacancy for the person. So, there is a vacancy, then that person is acting in that vacancy or recruited to that vacancy and a point will be on that salary. If that person is not on that salary, it is either because they are not qualified, have not reached the completion of the training or are not working as nurses. Mr Speaker, I do not know how to make it clearer. I have said the same thing three times already.

Mr Speaker: Next question.

Q166/2021

**Pulmonary care –
Promotion in the community**

Clerk: Question 166. The Hon. Mr Speaker M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: What policy, if any, does Government have in place to promote pulmonary care in our community?

Clerk: Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, pulmonary care is managed by the clinical teams at the GHA on a case by case basis. As with all preventable diseases, pulmonary care promotion starts with public health awareness, including smoking cessation and regular exercise. Extensive programmes are in place in respect of these and it is the Government's policy to continue and enhance these.

Those patients who suffer with pulmonary disease are cared for by the relevant clinical departments and teams. For example, asthma care is largely provided by nurse practitioners in Primary Care, and chronic pulmonary diseases, such as chronic bronchitis and emphysema, are cared for by the Hospital medical team supported by a dedicated team from Leicester Hospital.

Hon. Ms M D Hassan Nahon: Thank you, Mr Speaker.

From my understanding and representations from people with pulmonary issues, I am being told that right now they are sent to Leicester, generally, because in Gibraltar there is no trained physiotherapist for this service, and that unfortunately, especially the way things are at the moment, some people cannot get to Leicester to do the physio and have the check-up. Is the Minister aware of this, and is she looking to bring in a physio locally in order to service these sufferers?

Hon. Miss S J Sacramento: Mr Speaker, I am aware of that issue, but that issue is so far removed from the question that I have to do all sorts of mental gymnastics and somersaults to get to that as the answer to the question.

Yes, I am aware. Like everything else, the priority for the Hospital is, as and when we can, to repatriate all the services we can. If Brexit and the pandemic have shown us something, it is that

1340 if we can do it here it is better that we provide locally when we can, and of course this is one of
the things we would very much like to repatriate. Having said that, it is not as if there is a complete
absence of facilities, support and training for people who have pulmonary issues, it is just that the
question is so wide. Mr Speaker, it would be more helpful if questions could be more specific.
What the hon. Lady relates to is in a very specific number of cases, and yes, I am aware of the
issue.

1345 **Mr Speaker:** Next question.

Q168/2021

**Cardiac catheterisation laboratory –
Update**

Clerk: Question 168. The Hon. Ms M D Hassan Nahon.

1350 **Hon. Ms M D Hassan Nahon:** Can the Government update this House on its manifesto
commitment to build a cardiac cath lab by summer 2020?

Clerk: Answer, the Hon. the Minister for Health and Justice.

1355 **Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs
(Hon. Miss S J Sacramento):** Mr Speaker, the cardiac catheterisation laboratory project is
progressing well. Of course, regrettably, there has been a delay on account of the pandemic, but
it is now back on track and this is a manifesto commitment which will be delivered in the lifetime
of this Parliament.

1360 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I thank the hon. Member for her answer. Can she
confirm or deny there is any truth in the rumour that Government or representatives thereof have
been in discussions with local private healthcare providers to service out cardiac services with the
GHA?

1365 **Hon. Miss S J Sacramento:** Absolutely not, Mr Speaker. I am fascinated by how Parliament time
and matters of state are ruled by rumour, but I am very happy to dispel that rumour. I am most
certainly having conversations with the clinical professionals who work in the GHA and my GHA
team, and nobody else.

1370 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I thank the Minister for her answer. I am very happy
to hear the answer and also I must remind her that the representations I bring are from people
who are genuinely invested and suffering. I think their representations are quite significant and I
am duty bound to bring them.

1375 Can the Minister give us any timeline for the commencement of these services at all, any
projections by when she thinks they will be up and running?

1380 **Hon. Miss S J Sacramento:** Mr Speaker, I am awaiting several reports. This is connected to
other developments within the Hospital, so they are all tied in, like everything else. Ideally, we
would like everything to be done as soon as possible, but the Hospital has gone through an
incredibly difficult year. The people who are driving this project are the people who are driving
the hospital policy generally. This is something that is very specific. You do not just go and buy one
of these things off the shelf. It is not something you can do without a lot of careful consideration
of how it impacts everything else. So, the answer to that is as soon as we possibly can.

1385 **Mr Speaker:** Next question.

Q169/2021

**Children with type 1 diabetes –
Service delivery**

Clerk: Question 169. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, is Government satisfied with its delivery of service for children with type 1 diabetes?

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Clerk: Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, the three consultant paediatricians all have experience with paediatric diabetes. Mr Tasbihi, who I assume is one of the consultants, has also completed specialist paediatric diabetes training during her membership training for the Royal College of Paediatrics to work with children with diabetes. The GHA also has a paediatric diabetic consultant from the UK working with the team.

1395

Hon. Ms M D Hassan Nahon: Mr Speaker, from what I understand, there was a diabetic specialist nurse who was allowed to take a sabbatical without replacement cover and this gap in the system has deeply affected children with diabetes. Can the Minister tell us anything about the replacement for this specialist nurse and why there has been no appointment yet?

1400

Hon. Miss S J Sacramento: Mr Speaker, that is not something, unfortunately, that I have information on.

1405

Hon. Ms M D Hassan Nahon: Mr Speaker, I have also had representations to the effect of this concern being raised in writing with the Ministry back in March. Will the Minister be answering these emails and these representations?

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Hon. Miss S J Sacramento: Mr Speaker, if the Ministry has received correspondence in this respect I will check and make sure that the Ministry replies, but this clearly is a matter for the GHA and not the Ministry, of course. The Ministry and the GHA are separate.

1415

Hon. Ms M D Hassan Nahon: Mr Speaker, can I just ask one more question: whether the Minister has any plans to offer or bolster psychological services for children with diabetes in return for their lifestyle change? From what I understand, there are parents trying to access the system for psychological support for their children and appointments have been made and then cancelled by the GHA.

1420

Hon. Miss S J Sacramento: Mr Speaker, if there is a need for a child to receive psychological services for whatever reason, then of course those psychological services will be made available. If a child has been offered an appointment and it has subsequently been cancelled, then I would very much like to know, so that I can ask the GHA what is going on and hold them to account.

1425

If the hon. Lady receives these representations, I would invite her to divert such representations to the Ministry, so that my staff can look into them, as opposed to waiting for a month and making it a parliamentary question. If we want to help the people in question, we need to do these things immediately and not raise them in this House once a month.

1430

Mr Speaker: Next question.

Q170/2021

Medrano fertility clinic –

Success rate re individuals sponsored by GHA for IVF treatment

Clerk: Question 170. The Hon. Ms M D Hassan Nahon.

1435 **Hon. Ms M D Hassan Nahon:** Mr Speaker, if I may just say the representations I had about the previous question were historical, and the Minister knows. I am very grateful that she always attends to constituents so she can be sure, and I am grateful for her invitation to present these.

1440 **Hon. Miss S J Sacramento:** Mr Speaker, as the hon. Lady knows, it is not a new invitation, it is an invitation that is standing. When we look at matters of people's health, or people's mental health even, if things go wrong I want to know, because I do not run the GHA but I need to hold the GHA to account. If things are going wrong, then I need to know.

Hon. Ms M D Hassan Nahon: Thank you, Mr Speaker, I was thanking her for that.
1445 Can government provide statistics in connection with the success rate of IVF treatment for individuals sponsored by our GHA in Medrano fertility clinic, Spain?

Clerk: Answer, the Hon. the Minister for Health and Justice.

1450 **Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento):** Mr Speaker, the average success rate of those sponsored patients referred to Clínica Medrano is 86%.

1455 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I am very pleased to hear that statistic. I was led to believe that it was less and I clearly take the Minister's assertion that those are the statistics, but can I just ask her: for any mother wanting to conceive, if she feels that this clinic is not delivering results for her ...? Can the Minister tell us whether there are other avenues for these individuals to seek other clinics if they feel that this one is not delivering for them, or is that the only one in provision?

1460 **Hon. Miss M D Hassan Nahon:** Mr Speaker, I have to start by saying that, unfortunately, IVF is not an exact science, so there is no guarantee that every person who goes through IVF will be successful, and every patient of the GHA who is referred to an IVF clinic will be advised of this.

1465 In terms of people going off and seeking their own medical treatment and thereafter seeking reimbursement from the GHA, that is not possible. That is not how sponsored patients works. However, if there is an individual who is concerned about the tertiary provider, I would very much urge that this individual go back to their consultant in the Obs & Gynae department of St Bernard's Hospital, and they will be advised accordingly.

Mr Speaker: Next question.

Q172/2021

Substandard PPE masks –

Update

1470 **Clerk:** Question 172. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: What is Government doing about the 240,000 masks that Government procured and are not fit for purpose yet remain in storage since the pandemic to date, or up until the date that this question was filed on 13th July 2021?

1475 **Clerk:** Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, there were in fact 225,800 such face coverings, which are currently in storage. Alternative avenues in respect of their possible use are being considered,
1480 but no final decision has yet been taken.

Hon. Ms M D Hassan Nahon: Thank you, Mr Speaker.

About a year ago, in 2020, we were told in Parliament by the then Health Minister that PPE that was substandard had all been returned. Was this PPE not meant to be part of that? And, if
1485 not, how much is the storage costing us and how much has this lack of standards in general cost the GHA?

Hon. Miss S J Sacramento: Mr Speaker, the important thing is that this PPE is not being used. This dates back to the beginning of the pandemic when we were all learning, we were all panicking and we were all told to procure PPE, and of course in good faith we did. Pretty much it was at a
1490 time when the whole world was scrambling to obtain PPE and everyone was doing the best they could. Obviously, when we receive the PPE it goes through very rigorous testing and, thankfully, these were identified as not being fit for purpose.

In relation to the cost of storing it, there is no additional cost to storing it because it is stored
1495 in GHA stores, which we have for other things.

In relation to the approximate value of these masks, the cost is £98,000. Mr Speaker, rest assured that I will get to the bottom of this to see why this happened and what remedies we will be able to get as a result of being sold faulty PPE.

1500 **Mr Speaker:** Has the honourable lady finished?

Hon. E J Phillips: Mr Speaker, as the hon. Lady has said, there was much debate on this question. Obviously, we, as the Opposition, brought a number of questions around this area of PPE, particularly the masks, and we were told by the Chief Minister himself in his support for the
1505 hon. Lady, and the hon. Lady has said in relation to this issue ... The Chief Minister explained in detail the quality control processes that were in place in terms of procurement. We also discussed the kite-mark quality marks on these facemasks and the way in which they are returned to those who sold them us so that we can recover those costs. Mr Speaker, that was a year ago, and, quite frankly, to say that the PPE is still sitting within the GHA ... Whilst I appreciate the scramble, there
1510 are processes in place to weed out the possibility of retaining 225,000 masks.

Just for background purposes, Mr Speaker, many of the questions we posed at the time were to get to the bottom of how people could sell effectively shoddy PPE to the Government of Gibraltar. I think it is right that the hon. Lady raises this as a question and it is right that the amount should be recovered. Has the Minister got control of this fairly shoddy PPE that has been acquired
1515 for the people, effectively with the people's money? I would be grateful for a bit more detailed response in relation to the recovery effort.

Hon. Miss S J Sacramento: Yes, Mr Speaker, absolutely, as the hon. Gentleman says, it is under control because it is not being used. That is the priority, to make sure that it is not dispersed or
1520 disseminated or used in any way. The first safeguard is to make sure that it is not used and people are not relying on this as safe PPE.

Mr Speaker, I will go back to the GHA and ask them what they are doing about this.

Mr Speaker: Next question.

1525

Q174/2021

**COVID preventative measures –
Plans re rising number of cases**

Clerk: Question 174. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Is the department of Public Health considering bringing back any preventative measures in connection with the rising number of COVID cases?

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Clerk: Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, the department of Public Health does not bring in any measures. Decisions as to measures are taken by the COVID-19 Strategic Co-ordinating Committee, which has the benefit of public health advice as the Director of Public Health is a member of the committee and makes recommendations.

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Hon. Ms M D Hassan Nahon: Mr Speaker, I thank the Minister for her answer, but I think she might be a little more generous to me and understand that I am asking general public health committee contingencies ... It is all one and the same. If she might let me ask again: is that committee considering bringing back any preventative measures in connection with the rising number of COVID cases?

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Hon. Miss S J Sacramento: Mr Speaker, since the beginning of the pandemic we have been very keen to explain the structures put into Government and put in the whole civil contingency co-ordinating groups, and we all know that the COVID pandemic is a civil contingency matter.

1545

In relation to this question, the Strategic Co-ordinating Committee meets physically, at the moment, twice a week. Some people connect remotely, not everybody attends in person, and we meet twice a week. That is precisely what this meeting is for. We consider the numbers against the measures and implications that that has. At the last meeting of the Civil Contingency, last week, there were no changes, if I remember correctly, in relation to measures, but that does not mean that we will not consider it at the next meeting. The next meeting is due to happen next week. Because of the rise in cases, I very much would have liked to have met this week, but because of our commitments to Parliament – and, frankly, we cannot be everywhere at once – we are in touch remotely in relation to these measures, but we will certainly consider it at the next meeting.

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Hon. K Azopardi: Can I just ask on that, the public health advice that the Minister is getting ... Obviously there is a rise in cases in the last few weeks since we were last at zero on 21st May – that experience is being shared across the world and in Europe indeed – but the hospitalisations still remain fairly small. Does the Minister and the Government agree that while the trend of cases is on the rise at the moment there is nothing that would cause alarm, that would cause us to have to row back from the current position?

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Hon. Miss S J Sacramento: Mr Speaker, as the cases stand now, the hon. Member is absolutely right, but we also know with this virus that it is very unpredictable and things can change overnight. The way that the virus works, we are advised, is that changes happen between 10 days and two weeks, which is why, at the moment, because there is low hospitalisation, we meet every two weeks ordinarily. In the past, when things were more serious, we met monthly. We have even been meeting daily. We have even been meeting twice a day. But as things are, we are meeting twice a week, and we therefore consider measures every two weeks.

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1575 One of the measures we did discuss last time, should we escalate – not that it was a decision to escalate, but probably the first measure, should we escalate, would be possibly to revert to increasing the use of masks in public spaces, but that is not something that we have taken a decision on. We pretty much look at the way we de-escalated, and if we were to escalate we would probably go back in the same order, if that helps.

Mr Speaker: Next question.

Q176/2021
Pfizer vaccine side effects –
Record keeping

1580 **Clerk:** Question 176. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Has the Government kept a record of side effects emanating from the administration of the Pfizer vaccine; and, if so, (1) who is keeping this record, and (2) when will it be made public?

1585 **Clerk:** Answer, the Hon. the Minister for Health and Justice.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, side effects from the administration of any vaccine are always recorded. This includes the administration of the Pfizer vaccine.

1590 Minor side effects are recorded in the patient's electronic medical record. Serious side effects are similarly recorded but are also reported, through the yellow card scheme, to regulatory authorities.

1595 There is no intention to make this information public, as it is medical in-confidence information.

Hon. Ms M D Hassan Nahon: Mr Speaker, I appreciate the answer and I appreciate that the information is confidential medical information, but in the same way as we get information that does not breach data protection about people and their circumstances when they acquire COVID-19, why wouldn't statistics of the effects of a vaccination in our community, minor or otherwise, be made public? I cannot understand what breach that is. If the Minister could enlighten me ...

1600 **Hon. Miss S J Sacramento:** Mr Speaker, there is, of course, someone centralising the collection of this information, and when the time is right – and by that I mean when enough time has elapsed from the administration of the vaccine to be able to make a proper analysis of the side effects – there will be a report.

1610 **Hon. K Azopardi:** Can the Minister perhaps explain to us the definition of side effects that they are using for the yardstick of cataloguing the statistics? What are the parameters of seriousness? Is it as small as feeling flu-like symptoms? Does that fall into the scope, or is it more serious than that?

1615 **Hon. Miss S J Sacramento:** Mr Speaker, there is a tool when it comes to analysing side-effects. I do not know the detail, but I know that they are using some kind of standardised tool in this respect. I can give the hon. Gentleman more information when I get it. I am not going to confess to know the detail. I know from very vague discussions that we have had at the Civil Contingency

level, but I know that they use some standardised tool or survey, or something, and then it depends on the severity, and that will depend on whether the person is followed up further or not.

Hon. K Azopardi: Okay, that is interesting, but presumably also it depends on ... It is not a scientific exercise, that you are cataloguing every single case, because presumably it is also about whether people come forward and say, 'I have had a side effect,' which other people might not actually consider to be a serious side effect, but some people do, and therefore there is a logging of the effects of the vaccine on some people, not others, so it might not be a holistic kind of statistic which could in any way be published in a reliable way. Is that a fair comment on how the definition of side effect is being marked?

Hon. Miss S J Sacramento: Mr Speaker, I understand it is two things. It is people who have symptoms and therefore come forward, and that is how we do it. I also understand that the Director of Public Health undertook a study and I think that, on the basis of the whole of the population who were vaccinated, there was a sample of people who were then surveyed and asked whether they had symptoms or not.

Hon. Ms M D Hassan Nahon: Mr Speaker, can I ask the Minister how these side effects are being categorised? Are they in different boxes – short-term complications and long-term complications? And the short-term side effects, why would those not be published in order to advise our community, so that they can actually mitigate, do something about it, seek help? Short-term side effects are time sensitive. Why are we not getting that information?

Hon. Miss S J Sacramento: Mr Speaker, it is a bit of a strange question, in relation to short-term side effects, given that we started vaccination at the beginning of January and most people were vaccinated a couple of months after that. It seems like a long time ago, but there was a lot of information published at the time and there was a lot of literature on side effects, so the advice in relation to seeking help for side effects was given to you at the time of your vaccine. Those of us who have had the vaccine will recall that we were given information and we had to sign a waiver before we had the vaccine, so all of that information as to who to call and what side effects to expect was all contained there. It was a long time ago, but we all went through it.

There are normal side effects, which I remember from the literature that we were given, such as flu symptoms etc., which, because they are normal, are expected, and therefore one would not expect someone to seek medical advice. In relation to longer side effects, that is something that we know as long COVID, and there has been, I think, a study in relation to long COVID.

My colleague the hon. Gentleman has just told me that he was part of the survey that was undertaken by Public Health. I am sure that it is taken at random, and it is a coincidence that the hon. Gentleman was called for the survey. We have been in discussions on the survey. I remember because I remember seeing on social media that people were asking, when you were approached by someone purporting to be from Public Health and asking if you had 30 minutes to spend with them on the phone because they wanted to undertake a survey, whether it was genuine or a hoax, and I remember that we issued a press release at the time.

Mr Speaker, I think that all the different questions that have been asked have now been answered.

Hon. Ms M D Hassan Nahon: Sorry, if I can just ask one more question, I am fully aware that in all medicines you get the small print, the disclaimer on the likely possible effects, but because this vaccination is so new perhaps the Minister might tell us if the short-term effects, given that our community has been wholly vaccinated, effectively ... if they are actually even sharing the information on short-term effects with the new medical product with maybe other communities

1670 or other societies, so that we learn more about the actual side effects, not just the ones that are predicted, because we are all learning with the new vaccination?

1675 **Hon. Miss S J Sacramento:** Mr Speaker, precisely because we are a community with a high number of people vaccinated, we have had, I think, several studies undertaken. I have to confess I just asked the hon. Gentleman Prof. Cortes if he recalls it. It is just that we are in so many meetings with so many people, and even so many international people, that sometimes you do so much in such a short period of time that you forget. I think that we were undertaking a survey precisely on the vaccination and I remember we were in a meeting with international colleagues to discuss this. Mr Speaker, I confess I cannot remember what the outcome of that was.

1680 **Mr Speaker:** Next question.

Q177-82/2021

Public debt –

Figures at May and June 2021;

General Sinking Fund –

Balance at May and June 2021;

Statutory Benefits Fund –

Balance at March 2021 and 2021;

Social Insurance voluntary contributions –

Number of individuals asked to increase contributions;

Social Insurance Advisory Committee –

Members and date of last meeting;

Social Security Insurance Act –

Date of last actuarial report and recommendations

Clerk: Question 177. The Hon. R M Clinton.

1685 **Hon. R M Clinton:** Mr Speaker, can the Government please provide the total gross debt, aggregate debt after application of the Sinking Fund to gross debt, cash reserves and net debt figures for public debt for the following dates: 1st May 2021 and 1st June 2021?

Clerk: Answer, the Hon. the Minister for Social Security, Economic Development and Enterprise.

1690 **Minister for Minister for Economic Development, Enterprise, Telecommunications & the GSB (Hon. Sir J J Bossano):** Mr Speaker, I will answer this question together with Questions 178 to 182.

Clerk: Question 178. The Hon. R M Clinton.

1695 **Hon. R M Clinton:** Mr Speaker, can the Government advise the balance on the General Sinking Fund on the following dates: 1st May 2021 and 1st June 2021?

Clerk: Question 179. The Hon. R M Clinton.

1700 **Hon. R M Clinton:** Mr Speaker, can the Government advise the balance on the Statutory Benefits Fund on 31st March 2020 and 31st March 2021?

Clerk: Question 180. The Hon. R M Clinton.

1705 **Hon. R M Clinton:** Can the Government advise how many individuals have been requested to increase their voluntary Social Insurance contributions from £15 per week to £36.30 per week with effect from 1st July 2021?

Clerk: Question 181. The Hon. R M Clinton.

1710 **Hon. R M Clinton:** Can the Government advise who are the members of the Social Insurance Advisory Committee under section 31 of the Social Security Insurance Act, and when did they last meet?

Clerk: Question 182. The Hon. R M Clinton.

1715 **Hon. R M Clinton:** Can the Government advise the date of the last actuarial report prepared under section 30 of the Social Security Insurance Act, and what were its recommendations?

Clerk: Answer, the Minister for Social Security, Economic Development and Enterprise.

1720 **Minister for Minister for Economic Development, Enterprise, Telecommunications & the GSB (Hon. Sir J J Bossano):** Mr Speaker, I am informed that the figures for 1st June 2021 are not yet finalised. The figures for May are gross debt, £697.7 million; aggregate debt, £677.7 million; cash reserve, £35.3 million; and net debt, £642.4 million.

1725 The balance of the General Sinking Fund on the requested dates is the same as at April 2021.

The balance on the Statutory Benefits Fund on the requested dates is as follows: 31st March 2021, £6,389,687. This figure covers the 2019-21. The fund was not closed in the intervening period.

No one has been requested to increase their voluntary Social Insurance contributions.

1730 The members of the Advisory Committee appear to be a Mr Baldorino, Mr Smith and Mr Abecassis, and a chairman who is not named. The last meeting was held on 1st June 1960. *(Laughter)* Twelve years before I joined Parliament. *(Laughter)*

1735 The last actuarial review was carried out in March 2000 and a report produced in March 2007, which apparently was not made public. A limited review was carried out in November 2014, but it did not carry out projections of contributions income and therefore it did not meet the legislative criteria for an actuarial review.

Hon. R M Clinton: Sorry, Mr Speaker, will you just indulge me while I go through the Hon. Minister's answers?

1740 Turning to the balance on the Statutory Benefits Fund, in answer to Question 179, if I recall, I think it is significantly higher than it has been in the past. With the increase in the SI, does he have a projection as to how much the fund is set to increase for the coming year?

1745 **Hon. Sir J J Bossano:** Perhaps if I explain to him how it functions he may understand that this is not necessarily going to increase. What happens is that the fund gets into deficit during the year and the deficits are covered by advances from the cash reserves, and then the close of the year is when the Government makes the payment which is voted by Parliament, and therefore it goes up on 31st March and then starts declining on 1st April. This may change this year as a result of the increases that I announced, but I am giving him what has been happening in the past.

1750 **Hon. R M Clinton:** Yes, Mr Speaker, I think I understand. The Minister is saying it is really a question of timing as to when you draw the line, yes?

1755 In terms of his answer to Question 180 in respect of the voluntary contribution increases, he may correct me if I am wrong but I think he may have said in his Budget contribution a number of 232 – if he can confirm that. If I remember correctly, he did say that there will be some kind of

consideration given to those who might be financially finding it difficult to meet those increases. Could the Minister confirm if what I have just said is correct, and is he considering perhaps writing to those individuals to advise them of that possibility?

1760 **Hon. Sir J J Bossano:** Obviously, I will not be doing it, it will be the officials in the Department. The hon. Member asked me to look into it, and as a result I have asked the Department to identify the 232 and maybe give me advice, in the light of their investigation, if there are people who are going to be affected in a way which we think needs to be rectified. But, as I have made clear, people need to understand that the 232 who are making the voluntary contributions are actually
1765 making the best investment they could ever make, because the return on the £15 was 22% and the return on the increased payment, which is what the people who are working pay, is a 9% return. The result of paying that extra is the equivalent of a 9% return in terms of how much higher their eventual old age pension will be. The best return that is available in Gibraltar for a pensioner is 5% in the Savings Bank, so this is a very good return even at the new rate. It is a matter of making
1770 sure that ... People who put the money in because they could afford it may now have a problem in affording it, and I think in particular there may be cases – I do not know whether there are or not because I do not know who is involved and I do not know ... I did mention that the information that they worked out for me showed that you could get the money back very quickly, depending on how many normal Social Insurance contributions you had already paid. These are not people
1775 who have not paid anything; these are people who may have stopped working, maybe, and they want to carry on paying in order to get a bigger pension. Clearly, if you have paid very little, the impact of the new one is so big that you get your money back within nine months, and if you have paid a great deal then it takes a few years. In all the cases, having looked at all the possible permutations, it is quite clear that it still is a worthwhile investment if you can afford it, but it is
1780 only at the expense of everybody else, clearly, because the Social Insurance Fund is intended to be self-financing, so by definition if somebody pays less than they take out, somebody else must be paying more than they take out. Of course, if there are 15,000 contributors and only 232 who are voluntary contributors, then the cost to the remaining contributors is minuscule, but nevertheless it is a cross-subsidy from within the fund.

1785
Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for what he has just said. If I can just pick up on his very last point about the cross-subsidy, as he is aware, the amount that it went up to, which was the £36.30, is the same as the maximum an employee would be paying on the maximum, but, as he is aware, that £36.30 which is contributed by an employee is actually split
1790 60/40 – 60% GHA, as far as I recall, and 40% Statutory Benefits Fund. So, where is it that he thinks there is a subsidy coming in, when you could argue that in fact the voluntary contributions are now paying the subsidy, since they are actually meant to be paying the Statutory Benefits Fund, whereas those in employment are in fact paying 60% towards the GHA?

1795 **Hon. Sir J J Bossano:** Mr Speaker, it is not 60%, it is 70%, actually, but it is not 70% of the £36, because it so happens that the combined 100% is ... 70% goes to the GHA and the proportion that the employer pays is 70%, de facto 100% of the employee contribution goes for the pension and 100% of the employer contribution goes to the GHA. If you join the two, then 70% of the combined, which happens to be the same amount in money as 100% of the employer, is the one
1800 that goes to the GHA. So, the proportions of employer and employee in fact mean that, in cash, 100% of what the employee pays goes to pay for his pension and 100% of what the employer pays goes to pay the GHA.

Hon. R M Clinton: Mr Speaker, I think Sir Joe missed his vocation – he would make a very good
1805 accountant. Of course, where you draw the line is totally arbitrary. It just happens to be, as he did say, coincidence, but in fact there is nothing – that I am aware of, at least – in writing that says

that is what it is meant to be. So, you could argue it any way you wanted, really, in terms of the attribution. If I am wrong, I am happy to be corrected.

1810 **Hon. Sir J J Bossano:** There is nothing arbitrary but it is deliberate, Mr Speaker. That is to say the proportions have been changed to deliberately arrive at that situation because, as I have mentioned on many occasions in the past, the judgement of the Government is that, the way the present Social Insurance Fund is structured, we have a huge, pending problem in the future – which I do not call a ticking time bomb – and we believe it needs to be addressed. How we address
1815 it depends on how much flexibility we have in addressing it, which depends on whether we do a deal on the question of Schengen and whether that deal on the question of Schengen has any repercussions on any obligations in terms of community nationals paying insurance in Gibraltar.

The problem fundamentally is a very simple one, in that our insurance system in 1973 and today, which has not changed, says that if you want to get a full pension you work in the case of
1820 40 years, which makes it easier to illustrate, and the minimum pension is one quarter, and for that you have to pay 10 years, which is one quarter of the 40-year lifespan working. So, if you pay for one quarter of your working life, you get one quarter of the pension. If you pay less, you get nothing. Somebody who comes in from the European Union under community law has to be given a credit for every year, provided he has done one year here, and therefore it means that since – I
1825 have told the House on many occasions – we have a turnover of 6,000 people a year and we have been 43 years in the European Union, all those thousands of European nationals who have worked here are entitled to one fortieth of a pension if they are male, or one forty-fifth of a pension if they are female, and we do not have the resources to work out what that amounts to. We have been trying to computerise the system since 2011 and it is still not completed, but it is a massive
1830 exercise.

So, clearly, when we are free of the European Union we will be able to do something that is more sustainable than what we have got today. Moving in that direction, what we have been doing, on my advice, has been to make the proportions finish up where they are today. The share was not that in the past, so we have been increasing the share that went to the GHA so that it will
1835 take up 100% of the employer, which makes it easier to be doing something in the future which can separate the Social Security side from the GHA side. We are in the very early days of that process because there are so many unknown elements that it is not realistic to try and produce something that will survive better into the future than the attempts that we made in the past. The first time it was the withdrawal of the Spanish labour and now it is the rights of EU nationals who
1840 are no longer coming in.

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

Just turning, finally, to the last two questions, Questions 181 and 182, it would be obvious, I guess, that the Social Insurance Advisory Committee has fallen into abeyance, (*Interjection*) and I
1845 would welcome the Minister's thoughts as to whether he would consider its function in any future reform of Social Security as he has just alluded to.

Secondly, in respect of Question 182, in respect of actuarial reports, can he give an indication of what any recommendations could have been, although I can imagine that if the last actuarial report was in 2014, it would have made for good reading regardless. I would be grateful for the
1850 Minister's thoughts.

Hon. Sir J J Bossano: I think what I will recommend to the Government is that we amend the legislation and remove things that are statutory requirements, which, in the case of the first one ... Clearly, it was done in 1955, probably to get advice on launching this thing, and in spite of the
1855 number of reviews that there have been to the laws of Gibraltar, nobody has noticed that it was there until the hon. Member came along. That is the explanation for that one.

I think the other one, frankly, is spending money, which is a waste of time and money because we know that we need to change what we have got, and therefore to pay somebody to tell us

1860 how much we need to increase if it was not changed is not something that makes sense. The reports I have seen in the past are not rocket science. They just made estimates of what will happen if the workforce increases and what will happen if the workforce does not increase, what happens if you raise contributions every other year and you raise ... What the actuary does is put a series of possible options that legislators or governments may take, and then he tells them, 'If you want to do that, you will have to raise contributions by so much.' The underlying assumption
 1865 all the time is that the fund is supposed to be fully funded by the contributions of the beneficiaries, because otherwise you would not need an actuary to advise you what your future liabilities are going to be, but we are at a point in time where the future liabilities could be one thing or another, depending on how we come out of these future negotiations. Obviously, as both the Leader of the Opposition and my colleague have said, if the view of the EU is the one that we have read, then
 1870 all I can say is come back Margallo, all is forgiven.

Mr Speaker: Next question.

Q183/2021
Disability benefit –
Applications

Clerk: Question 183. The Hon. D A Feetham.

1875 **Hon. D A Feetham:** Mr Speaker, will the Minister with responsibility for disability benefits please provide the breakdown he undertook to provide at the last session of this House in response to supplementary questions to Questions 9-10/2021?

1880 **Clerk:** Answer, the Hon. the Minister for Social Security, Economic Development and Enterprise.

Minister for Minister for Economic Development, Enterprise, Telecommunications & the GSB (Hon. Sir J J Bossano): Mr Speaker, I now hand over to the hon. Member the information which I understand is what he required in the supplementary. I think, once he looks at it, if he tells me that it is not what he was looking for and lets me know what he is looking for, I will try and get it for him.
 1885

1890 **Hon. D A Feetham:** Whilst that goes on, Mr Speaker, I have noticed that there is an error in *Hansard*. Essentially what happened here was that I asked a question, it was statistical in nature, I invited Mr Speaker to continue and then, if appropriate, come back. Mr Speaker agreed with that. The questions were questions that were answered by Minister Balban, and when we came back *Hansard* reflects that the answers to the supplementary are given by Minister Linares, which is incorrect, it was Minister Balban who provided the answers, so *Hansard* needs to be corrected. It was a long schedule of statistical information, which I will analyse.

1895 **Mr Speaker:** There should only be two – (*Interjection*) Copies for the rest of the Members, right.

1900 **Hon. D A Feetham:** Perhaps we can continue with the next question and I will come back to it whilst I listen to the question of my hon. Friend.

Mr Speaker: Next question.

Answer to Question 183

51 Applications remain Undertermined

4 Pending cases undetermined from 2019

Applicant No.	Date of Application	Outcome	Reason
1	09/09/2019	Pending	Seen by the panel on 20/04/2021 - Determined
2	03/10/2019	Pending	Seen by the panel on 03/03/2021 - Deferred - need updated GHA Notes
3	31/10/2019	Pending	Seen by the panel on 03/03/2021 - Determined
4	13/11/2019	Pending	Seen by the panel on 03/03/2021 - Deferred - need updated GHA Notes
5	18/02/2020	Pending	
6	06/03/2020	Pending	
7	10/03/2020	Pending	
8	16/03/2020	Pending	
9	03/05/2020	Pending	
10	23/06/2020	Pending	
11	08/07/2020	Pending	
12	09/07/2020	Pending	
13	23/07/2020	Pending	
14	03/08/2020	Pending	
15	04/08/2020	Pending	
16	14/08/2020	Pending	
17	14/08/2020	Pending	
18	14/08/2020	Pending	
19	17/08/2020	Pending	
20	15/09/2020	Pending	
21	25/09/2020	Pending	
22	05/10/2020	Pending	
23	14/10/2020	Pending	
24	15/10/2020	Pending	
25	19/10/2020	Pending	
26	30/10/2020	Pending	
27	04/11/2020	Pending	
28	06/11/2020	Pending	
29	16/11/2020	Pending	
30	03/12/2020	Pending	
31	04/12/2020	Pending	
32	09/12/2020	Pending	
33	10/12/2020	Pending	
34	21/12/2020	Pending	
35	21/12/2020	Pending	
36	21/12/2020	Pending	
37	21/01/2021	Pending	
38	05/02/2021	Pending	
39	09/02/2021	Pending	
40	11/02/2021	Pending	
41	19/03/2021	Pending	
42	24/03/2021	Pending	
43	31/03/2021	Pending	
44	07/04/2021	Pending	
45	07/04/2021	Pending	
46	13/04/2021	Pending	
47	13/04/2021	Pending	
48	13/04/2021	Pending	
49	21/04/2021	Pending	
50	23/04/2021	Pending	
51	26/04/2021	Pending	

Q184/2021

**Women in receipt of state old age pension –
Numbers aged 60 to 64**

Clerk: Question 184. The Hon. K Azopardi.

1905 **Hon. K Azopardi:** Mr Speaker, how many women aged between 60 and 64 were in receipt of a state old age pension at 31st December 2020, broken down by those aged 60, 61, 62, 63 and 64 at 31st December 2020.

1910 **Clerk:** Answer, the Hon. the Minister for Social Security, Economic Development and Enterprise.

Minister for Minister for Economic Development, Enterprise, Telecommunications & the GSB (Hon. Sir J J Bossano): Mr Speaker, the numbers of female pensioners according to age on 31st December 2020 were as follows: 60, 223; 61, 280; 62, 282; 63, 297; and 64, 333.

1915 **Mr Speaker:** Next question.

Q185/2021

**Individuals on autism scale –
Support available to find employment**

Clerk: Question 185. The Hon. Ms M D Hassan Nahon.

1920 **Hon. Ms M D Hassan Nahon:** What policy does Government have in place to support individuals on the autism scale to find employment?

Clerk: Answer, the Hon. the Minister for Social Security, Economic Development and Enterprise.

1925 **Minister for Minister for Economic Development, Enterprise, Telecommunications & the GSB (Hon. Sir J J Bossano):** Mr Speaker, as I have previously explained on numerous occasions, all persons with disabilities – which includes autism, but there is nothing specific only for autism – which reduce the ability of the person to obtain employment are supported by agreement with employers so that the first year of employment is at no cost to the employer. When we identify
1930 suitable employment, in order to encourage the employer to give preference to somebody with a disability, be it autism or something else, we pay the first year's salary and then the employer takes over the cost.

1935 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I thank the hon. Member for his answer. If, for example, there were – because I have had various representations – people with autism, many times high-functioning and just needing that extra support, and they were actively looking, where would the Minister tell me to tell those constituents to go, in order to help them secure employment under these circumstances?

1940 **Hon. Sir J J Bossano:** The individuals we assist are identified in the process of them coming to look for work. I have somebody in my office, who is doing a very good job. He does a very good job because the job he is required to do at reception ... although it differs for people with different conditions, but it is an environment that is not drastically changing in any way, and I think that is

one of the issues that helps people to be able to work in a normal environment, if we find a job that is not in conflict with their skills.

In identifying employment, we work together with employers. If we find there is no way that we can help the person to have employment in the normal jobs market, then eventually we have the Supported Employment Company, which is where we have, in effect, failed to put them in a job. The level of work that they are capable of doing is something that emerges from the fact that we give everybody who comes to ask for assistance through the training schemes an interview. We help them to do their CVs and we have somebody asking them what they can and what they cannot do. Usually, if there are people who have disabilities, they come with family members, who help us understand what it is, and then, in the knowledge that we have of what employers are looking for, we try to place them in a job and we basically make it financially attractive to the employer by delaying the cost to the employer by 12 months. At the moment, that is what is in place.

Q183/2021

**Disability benefit –
Supplementary questions**

Hon. D A Feetham: The Hon. Daniel Feetham has some supplementaries.

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

Returning to the question that I asked, there were 51 applications that were undetermined last time round when I asked the questions. Now we have a list, and all of them, except two, are still pending. There are some that are still pending. Some date to the end of 2019, but some at the beginning, as well, of 2020. What is the Government doing in order to deal with what is a significant backlog in applications for disability benefit, bearing in mind that this is a benefit that is often needed by those who apply and there are people who are going through hardship as a consequence of not receiving the benefit?

Minister for Economic Development, Enterprise, Telecommunications & the GSB (Hon. Sir J J Bossano): I need to say two things to the hon. Member: I have been dealing with this for two weeks; and the second thing is that this is the answer that was prepared for him when he asked the question, so it does not necessarily mean ... I do not think anybody has updated those figures for today, because if he looks, the date here that says 'Seen by the panel – Determined' is in April, which was around the time he was asking the question, I think. It may be that the list has now been reduced, but now that he has brought it to my attention I will see what can be done to improve the situation and I will let him know what success I have.

Hon. D A Feetham: Mr Speaker, we have asked a lot of questions about disability benefit. It is important, obviously, to the people who are affected. I just get the feeling, I have to say, that the Government makes it up as it goes along in relation to this. When I have asked questions in the past ... For example, when Mr Licudi was the Minister responsible for this and I asked about the qualifying criteria for disability benefit, and I pointed out that in fact I had documents in my possession where these panels kept coming up with different definitions of which disability qualified, which I found surprising to say the least, he then said to me, 'We are conducting a review in relation to this.' I do not know what is going on with that review. I have asked in the past and the Government comes back and says, 'We are still looking at it.'

Now I ask this question. I know that the Hon. Minister has only been in post two weeks, and it is not a criticism of the Hon. Minister personally, but of course he is responsible for his Government, and there is continuity here. I asked the question and surely the Government should

have come prepared with an up-to-date position. If this is the position as at when I last asked the question ... I hesitate to ask will he undertake to provide me with an up-to-date position, because I asked the Minister, Minister Balban, last time round. He said, 'I will provide it,' and I have had to ask the question in this House again in order to get the information that the Minister undertook to provide to me. I am not saying it is a legal undertaking or anything, but the Minister did say that he was going to provide this information.

Therefore, does he not agree that the Government needs to step up to the plate in relation to this and needs to really focus on this once and for all and deal with the issues that have been raised in this House about disability benefit?

Hon. Sir J J Bossano: I think the hon. Member needs to understand the exponential increase that there has been in this particular element of the Government since 2011. The numbers applying and the numbers receiving and the cost of this, I think, has seen one of the biggest increases in the whole budget of Government. I think part of it is the change in the definition that was made at one stage, where it is not defined as something that is related to a particular illness but how that illness may affect a person in coping with his needs. Therefore, you can have two people with exactly the same condition and one copes better than the other, so the one who copes better does not get the help, as I see it. Maybe we need to re-examine the change that was made, with the best intentions, is really ... I can understand that if somebody sees somebody next door with exactly the same problems but coping less well being helped, then it must seem that there is something wrong with the system because, from the person's point of view, presumably the help is because of the problems he has had, not because of how successful he is in overcoming them.

Obviously, I will devote as much time as I can to see what we can do to improve the situation. When I have something to report, I will let the hon. Member know without having to wait for his question. I will let him know how it is going.

Hon. D A Feetham: I will frame it in terms of a question: does he not recognise that the answer that he has given me actually goes to the heart of what is the problem, in my view? That is that the hon. Gentleman has alighted on the definition of disability, what is 'disabled' for the purpose of qualifying for this benefit. The problem that we have with this is that different panels essentially look at the different criteria and come to different decisions, even if it is the same illness or the same disability affecting a person in exactly the same way. That is the problem that we have here, and that is why I suggested to the Hon. Minister that perhaps either the definition of disabled for the purpose of the benefit is actually set out in the statute and is very clear, and with the criteria underneath, if necessary, and these panels' attention is then drawn to the statutory definition; or, alternatively, there is a guidance note that is issued by the Government with a detailed explanation of what 'disabled' means for these purposes. That then deals with the situation, because, at the moment, the problem we have is that different people are treated in different ways, and it really is extremely unfair to those who are unsuccessful; those who are successful will not complain.

Also – again, I will frame it as a question – will he not agree that this is also an area where there could be cross-party work between the Government and the Opposition? Certainly from this side of the House we are quite prepared to meet with the hon. Gentleman and essentially pinpoint what have been the problems by reference to examples and how we think the legislation could be improved.

Hon. Sir J J Bossano: I am not going to comment until I know more about this. I will get back to the hon. Member when I feel that I know as much about it as he seems to know.

Chief Minister (Hon. F R Picardo): Mr Speaker, if I can be of assistance, one of the things that has become very clear to me and one of the things that I am working on at the moment, unrelated

to disability benefit, is how issues of disability that each Department deals with – in other words, not issues to do with payments, which is what the hon. Gentleman is talking to the Hon. the Father of the House about, which is the responsibility of the Father of the House and which the Father of the House has answered, but issues that other Departments deal with. For example, the Ministry of Transport deals with the disability permit and the Ministry of Housing deals with the housing issue. All of these things, we feel, are not joined up enough and we need to join them up in a different way.

Some of the work that the Little Smiles group has been doing and has been brought to the attention of the Government is designed to try and make the process for the parent of a child with disabilities, or the next of kin, guardian or parent of the adult with disabilities, or indeed the person with disabilities in certain circumstances, who needs to engage with the Government ... They should only need to engage once – a benefit is something slightly different, but when it comes to engagement with the Government – so that you do not have to go round the houses to ensure that you are getting the things you need. That is some work that we are already very advanced on and I hope to make an announcement quite soon. I also expect to be able to brief the Hon. Mr Bossino when we first get together, perhaps before we are a Select Committee, but just to exchange views, because I think, on that, there is much that we can improve.

We think that we have improved the service that each of the Departments give to people who have disabilities, but we think that we can further improve things by joining up access to those different ... I say 'benefits' without the word meaning payments, but with all the different things that Government does and facilities that we give to disabled people without requiring them to fill in the form that requires the information as to disability etc. on a per Department basis. This should happen once. The Government should then have the information and the Government should be providing, through its different Departments, the assistance that the family of a disabled person needs, and not ... Some families of disabled persons do not know about a particular help that is given by a particular Department, whilst what should happen is that the Government should bring all of these facilities together and make them available to people who have a particular disability that would benefit from what we do in other instances.

I hope that work will see the light of day very soon, and I hope hon. Members opposite will welcome it and that we can, as I indicated during the course of my Budget address, deal with these issues in a less partisan way going forward, as many mature democracies do, where they do things not on a party-political basis.

ADJOURNMENT

Chief Minister (Hon. F R Picardo): Mr Speaker, given that hon. Members are indicating that they do not wish to ask anything else, I would propose that the House should now adjourn until tomorrow at 3.30 in the afternoon.

Mr Speaker: I now propose the question, which is that this House do now adjourn to Thursday, 29th July at 3.30.

I now put the question, which is that this House do now adjourn until Thursday, 29th July at 3.30. Those in favour? (**Members:** Aye.) Those against? Passed.

This House will now adjourn to Thursday, 29th July at 3.30 p.m.

The House adjourned at 6.39 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.43 p.m. – 7.05 p.m.

Gibraltar, Thursday, 29th July 2021

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The Gibraltar Parliament

The Parliament met at 3.43 p.m.

[MR SPEAKER: Hon. M L Farrell BEM GMD RD JP *in the Chair*]

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

SUSPENSION OF STANDING ORDERS

Standing Order 7(1) suspended to proceed with laying of papers

Clerk: Meeting of Parliament, Thursday, 29th July 2021.
Suspension of Standing Orders, the Hon. the Chief Minister.

- 5 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to move, under Standing Order 7(3), to suspend Standing Order 7(1) in order to proceed with the laying of documents on the table.

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

PAPERS TO BE LAID

Clerk: Papers to be laid, the Hon. the Chief Minister.

10

- Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to lay on the table the Annual Report of the Board of Charity Commissioners for the year ended 2013; the Annual Report of the Board of Charity Commissioners for the year ended 2014; the Annual Report of the Board of Charity Commissioners for the year ended 2015; the Annual Report of the Board of Charity Commissioners for the year ended 2016; the Annual Report of the Board of Charity Commissioners for the year ended 2017; the Annual Report of the Board of Charity Commissioners for the year ended 2018; the Annual Report of the Board of Charity Commissioners for the year ended 2019; and the Annual Report of the Board of Charity Commissioners for the year ended 2020.

20

Mr Speaker: Ordered to lie.

Questions for Oral Answer

CHIEF MINISTER

Q186/2021

Parking spaces sold – Numbers remaining, reasons why

Clerk: We now continue with answers to Oral Questions. We commence with Question 186 and the questioner is the Hon. E J Reyes.

25 **Hon. E J Reyes:** Mr Speaker, can Government say how many parking spaces were recently sold to Lessees of Harbour Views and how many parking spaces still remain to be sold, giving the reasons why this is so?

Clerk: Answer, the Hon. the Chief Minister.

30 **Chief Minister (Hon. F R Picardo):** Mr Speaker, there were 316 parking spaces available for sale at Harbour Views. Completions are pending in respect of 11 parking spaces due to extensions of time requested by the lessees' lawyers due to current workloads.

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

35 Can the Chief Minister please confirm that there are none pending to be sold, because 316 were sold and 11 had to be completed. Do any parking spaces remain unsold as such?

40 **Hon. Chief Minister:** The information that I have, Mr Speaker, suggests in the way that I have expressed it, that there were 316 available for sale of which only 11 remain as yet unsold in the sense of the *completion* has not occurred, but the sale has been agreed.

Q187-8/2021

Civil Service and public sector sick leave – Numbers and mental health issues

Clerk: Question 187. The Hon. E J Phillips.

45 **Hon. E J Phillips:** Mr Speaker, can the Government now state the number of people within the Civil Service/public sector who have taken sick leave on grounds of mental health issues particularly depression and/or anxiety for every month since January 2021?

Clerk: Answer, the Hon. the Chief Minister.

50 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer with Question 188.

Clerk: Question 188. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government state the sick rate for the Civil Service over the last 12 months?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker – I am trying to make sure that I have got the right thing for him – the information requested in relation to the number of officers is not available in the form requested as the data *currently* collected relates to the number of sick days only. This has now been uploaded on to the Government website. As the statistics were not published online at the time that the questions were submitted, I now hand over a copy of the information available to the hon. Gentleman.

Mr Speaker, the sick leave rate for the Civil Service over the last 12 months from July 2020 to June 2021 is 2.1%.

Mr Speaker, I am also happy to ask that the statistics should be compiled on the basis of the number of officers, which is not what we had agreed last time. But if the hon. Gentleman thinks that that is useful I am quite happy, going forward, to also have it compiled in that way since it is uploaded to the website in that way.

Answers to Question 188

Table SLR.1
Sick Leave in the Civil Service

Month	Days sick leave due to Anxiety	Days sick leave due to Depression	Days sick leave due to Work-related Stress	Days sick leave due to other Mental Health Condition	Total Days sick leave due to Mental Health Conditions	Sick leave rate due to Mental Health Conditions	Days sick leave due to Minor Illness	Days sick leave due to Work-related injury	Days sick leave due to Other Physical Health condition	Total Days sick leave due to Physical Health Conditions	Sick leave rate due to Physical Health Conditions	Total Days sick leave	Total sick leave rate
January 2021	294	47	93	10	443	0.6%	399	125	514	1,038	1.3%	1,481	1.8%
February 2021	300	2	73	94	469	0.6%	478	60	309	847	1.2%	1,316	1.8%
March 2021	233	24	58	74	388	0.5%	821	62	661	1,544	1.9%	1,932	2.4%
April 2021	263	18	27	79	387	0.5%	658	81	679	1,417	1.8%	1,804	2.3%
May 2021	289	17	21	60	386	0.5%	737	123	706	1,566	1.9%	1,952	2.4%
June 2021	344	46	46	77	512	0.7%	771	79	681	1,531	2.0%	2,043	2.6%
July 2021													
August 2021													
September 2021													
October 2021													
November 2021													
December 2021													
Total	1,721	153	318	394	2,585	0.5%	3,863	530	3,550	7,942	1.7%	10,526	2.2%

Updated 23 July 2021

Notes

(i) Sick leave rate is the percentage of working days that are lost because of sickness absence.

(ii) The monthly figures have been rounded off from the actual figures and need not necessarily equal the yearly total.

Source: Government Departments

Sick Leave in the Statutory Authorities and Agencies

Month	Days sick leave due to Anxiety	Days sick leave due to Depression	Days sick leave due to Work-related Stress	Days sick leave due to other Mental Health Condition	Total Days sick leave due to Mental Health Conditions	Sick leave rate due to Mental Health Conditions	Days sick leave due to Minor Illness	Days sick leave due to Work-related injury	Days sick leave due to Other Physical Health condition	Total Days sick leave due to Physical Health Conditions	Sick leave rate due to Physical Health Conditions	Total Days sick leave	Total sick leave rate
January 2021	69	41	46	3	159	0.8%	156	31	71	258	1.2%	417	2.0%
February 2021	36	51	42	1	130	0.7%	194	39	64	297	1.6%	427	2.3%
March 2021	98	44	39	22	203	1.0%	299	58	90	446	2.1%	649	3.1%
April 2021	57	14	43	4	118	0.6%	234	48	85	367	1.8%	485	2.4%
May 2021	74	17	57	49	197	0.9%	254	31	92	377	1.8%	574	2.7%
June 2021	43	29	52	45	169	0.8%	234	36	72	342	1.7%	511	2.5%
July 2021													
August 2021													
September 2021													
October 2021													
November 2021													
December 2021													
Total	377	196	279	124	976	0.8%	1,369	243	474	2,086	1.7%	3,062	2.5%

Updated 23 July 2021

Source: Statutory Authorities and Agencies

Notes

(i) Excludes the Gibraltar Health Authority and Gibraltar Regulatory Authority.

(ii) Sick leave rate is the percentage of working days that are lost because of sickness absence.

(iii) The monthly figures have been rounded off from the actual figures and need not necessarily equal the yearly total.

Table SLR.1

Sick Leave in the Civil Service

Month	Days sick leave due to Anxiety	Days sick leave due to Depression	Days sick leave due to Work-related Stress	Days sick leave due to other Mental Health Condition	Total Days sick leave due to Mental Health Conditions	Sick leave rate due to Mental Health Conditions	Days sick leave due to Minor Illness	Days sick leave due to Work-related injury	Days sick leave due to Other Physical Health condition	Total Days sick leave due to Physical Health Conditions	Sick leave rate due to Physical Health Conditions	Total Days sick leave	Total sick leave rate
January 2020	184	71	73	10	338	0.4%	1,525	60	717	2,302	2.9%	2,640	3.3%
February 2020	242	29	43	12	325	0.4%	1,353	32	1,069	2,454	3.3%	2,779	3.8%
March 2020	354	9	48	48	458	0.6%	1,047	30	988	2,065	2.6%	2,523	3.2%
April 2020	276	2	52	34	363	0.5%	408	7	540	955	1.3%	1,318	1.7%
May 2020	113	0	27	22	161	0.2%	293	15	454	742	0.9%	903	1.1%
June 2020	203	13	25	1	242	0.3%	487	0	603	1,090	1.4%	1,332	1.7%
July 2020	259	29	106	13	406	0.5%	379	0	626	1,005	1.3%	1,411	1.8%
August 2020	283	28	54	11	375	0.5%	391	62	735	1,188	1.5%	1,562	2.0%
September 2020	245	15	70	25	354	0.5%	581	59	698	1,337	1.8%	1,691	2.2%
October 2020	368	21	78	31	497	0.6%	660	2	657	1,319	1.7%	1,816	2.3%
November 2020	302	78	8	122	510	0.7%	599	94	606	1,299	1.7%	1,808	2.3%
December 2020	230	46	55	99	424	0.5%	433	109	457	998	1.2%	1,422	1.7%
Total	3,056	339	636	422	4,451	0.5%	8,153	470	8,128	16,751	1.8%	21,202	2.3%

Updated 23 July 2021

Notes

(i) Sick leave rate is the percentage of working days that are lost because of sickness absence.

(ii) The monthly figures have been rounded off from the actual figures and need not necessarily equal the yearly total.

Source: Government Departments

Sick Leave in the Statutory Authorities and Agencies

Month	Days sick leave due to Anxiety	Days sick leave due to Depression	Days sick leave due to Work-related Stress	Days sick leave due to other Mental Health Condition	Total Days sick leave due to Mental Health Conditions	Sick leave rate due to Mental Health Conditions	Days sick leave due to Minor Illness	Days sick leave due to Work-related injury	Days sick leave due to Other Physical Health condition	Total Days sick leave due to Physical Health Conditions	Sick leave rate due to Physical Health Conditions	Total Days sick leave	Total sick leave rate
January 2020	71	0	12	22	105	0.4%	182	40	124	346	1.5%	451	1.9%
February 2020	78	0	10	0	88	0.4%	127	20	449	596	2.7%	684	3.1%
March 2020	59	6	14	4	83	0.4%	627	15	178	820	3.5%	903	3.8%
April 2020	123	0	34	0	157	0.7%	414	14	91	519	2.3%	676	3.0%
May 2020	154	0	59	0	213	0.9%	343	10	108	461	2.0%	674	2.9%
June 2020	97	8	0	0	105	0.5%	427	4	111	542	2.4%	647	2.8%
July 2020	124	16	168	0	307	1.3%	382	40	123	544	2.3%	851	3.6%
August 2020	54	0	104	0	157	0.7%	366	10	121	497	2.2%	654	2.9%
September 2020	43	0	22	8	72	0.3%	365	11	109	485	2.2%	557	2.5%
October 2020	147	18	0	0	165	0.7%	399	0	83	482	2.1%	647	2.8%
November 2020	91	4	96	0	191	0.8%	313	9	101	423	1.9%	614	2.7%
December 2020	139	39	93	0	270	1.2%	338	31	100	469	2.0%	739	3.2%
Total	1,179	90	611	34	1,913	0.7%	4,280	204	1,697	6,181	2.2%	8,094	2.9%

Updated 23 July 2021

Source: Statutory Authorities and Agencies

Notes

(i) Excludes the Gibraltar Health Authority and Gibraltar Regulatory Authority.

(ii) Sick leave rate is the percentage of working days that are lost because of sickness absence.

(iii) The monthly figures have been rounded off from the actual figures and need not necessarily equal the yearly total.

- 70 **Hon. E J Phillips:** Mr Speaker, I am very grateful. What I will do is I will digest these figures, and if I can come back on a supplementary afterwards? But it is very helpful because we have had this discussion with the Chief Minister, and the Chief Minister actually stated that this data is very useful information for the Government as well as the Opposition.
- So I will come back with a further question if necessary. Thank you.

Q189/2021

Board of Charity Commissioners –
Submission of annual reports

- 75 **Clerk:** Question 189. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government confirm that the Board of Charity Commissioners have been submitting annual reports on their operations as required under S4(5) of the Charities Act and, if so, why have no reports been tabled in Parliament in recent years?

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

- Chief Minister (Hon. F R Picardo):** Mr Speaker, the Board of Charity Commissioners have recently provided their Annual Reports for the years 2013 to 2020. I have had the pleasure to lay them on the table today.
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No Annual Reports can be found for the period 2003 to 2011 when the hon Member's Party was in Office. No records exist for 2012, either.

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Q190/2021

**Purchasing & Procurement Policy –
Change of departmental procedures**

Clerk: Question 190. The Hon. K Azopardi.

Hon. K Azopardi: Mr Speaker, have Government changed the departmental procurement procedures for supplies, materials or equipment in the Education or other Departments and, if so, how and why?

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Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, as I have already stated in answer to Question 212/2020, in March 2019 the Government introduced a Purchasing & Procurement Policy, which lays out the Government's policy and procedures for Government Departments when sourcing goods, services and/or works.

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As part of Government's digital transformation initiative, Government is currently overhauling its manual processes including introduction of eSourcing, eOrdering and Payment digital platforms. These platforms, together with robust reporting tools and audit trails, simplify and provide a greater level of supervision and monitoring of Government spend. The Department of Education is one of the latest Departments to adopt all of the aforementioned platforms.

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Procurement via the eSourcing platform, as opposed to the former '3 quote system', is increasing competition and transparency of Government spend and allowing the market to price itself. Departments now have a tool that lets them explore suppliers via what they sell, allowing start-ups an equal opportunity to bid for Government work. Departments not using the eSourcing platform continue to use the former '3 quote system'.

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The policy also prohibits Departments from using market-limiting specifications and includes an ethical code of conduct for dealing with suppliers.

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Hon. K Azopardi: Mr Speaker, I am not sure, is this a sort of written policy that was put in place, or is it just internal guidance to Departments?

Hon. Chief Minister: Mr Speaker, I think that, as I stated in Answer 212/2022 it is a written policy, and it is a new system that has been implemented; and people are trained on the system, etc.

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Hon. K Azopardi: Mr Speaker, some of the feedback I am getting from, especially the Education Department, is that the former process used to be that when you got towards the end of the academic year, subject leaders would basically source certain things for their particular courses. What they would do is they would go online and obtain a best price quote for particular goods, but they are being told now that they need to go through these new processes that I imagine is partly what the hon. Member is talking about; and that is, in some cases, making the purchase of the particular article or goods more expensive.

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Is the Chief Minister aware of that? If not, will the Government look into those matters, because I assumed that the purpose of the changes would be, as he said, to create better value for money. So if it is that there are people in particular Departments that could previously feel

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that they could source goods at a better price, perhaps there should be an engagement with Government on that, and perhaps he would look into it.

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Hon. Chief Minister: Mr Speaker, the Department of Education is one of the few Departments that, for exactly that reason, is able to contract outside of eProcurement platforms, where better value-for-money opportunities are able to be obtained. I am very surprised that the hon. Gentleman is being told that because, in fact, the opposite happens to be the case. Indeed, the whole *raison d'être* for this new electronic digital purchasing and procurement policy is to prevent waste, abuse, corruption and mismanagement.

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Hon. K Azopardi: Mr Speaker, I am grateful for that and I will certainly go back to the people who gave me the information, and with the assurance that the hon. Member has just given that in fact depending on the Department, but certainly in Education, it happens to be one of the few Departments that can do that and can still proceed as it used to. Are there other Departments that can also do that? I am not sure if the hon. Gentleman heard my question. Yes?

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Hon. Chief Minister: Mr Speaker, the Procurement Department *itself* suggested that in the Department of Education it was necessary to continue to operate on the basis of teachers being able to source materials outside of what may be available locally, because the UK's system of education, which is the one that we marry entirely, sometimes provides for there to be greater opportunities for procurement of things at even lower prices than may be available locally. So my understanding is that this happens in Education. I do not have a note of it being available in respect of any other Department. I am being told by the Minister who rolled out the policy that in fact there is a carve-out for the Department of Education in particular, because of the nuances that I have just referred to.

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Mr Speaker: Next question.

Q191/2021
Gibraltar banknotes –
Numbers issued

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Clerk: Question 191. The Hon. K Azopardi.

Hon. K Azopardi: Mr Speaker, how many Gibraltar banknotes were issued during each of the last three calendar years, namely 2018, 2019 and 2020, and how many have been issued in the six months to 30th June 2021?

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Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, the following were the bank notes issued by HM Government of Gibraltar during the last three calendar years and the six months up to 30th June 2021: in 2018, 1,153,700 banknotes were issued with a value of £20,485,500; in 2019, 1,442,000 banknotes were issued with a value of £24,376,500; in 2020, 699,500 banknotes were issued with a value of £12,714,000; and as at 30th June 2021, 386,800 banknotes have been issued with a value of £6,000,225. (*Interjection by Hon. K Azopardi*)

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Answer to Question 191

Period	Notes Issued	Value
2018	1,153,700	£20,485,500
2019	1,442,000	£24,376,500
2020	699,500	£12,714,000
30 th June 2021	386,800	£6,225,000

175 **Hon. K Azopardi:** Sorry, I asked that without pressing my microphone, so maybe I should ask that again.

In respect of 2018, 2019 and 2020, so in the last three calendar years, given the numbers he has spoken about, what is the process? Is it that these notes are new and then replace ones in current circulation?

180 **Hon. Chief Minister:** Well, Mr Speaker, it is not a direct calculation but as banknotes come in, if they are no longer in a decent state, they are retained and retired from circulation and replaced by new notes. But it is not a direct relation. Obviously, we do not put out only one new £20 note because you have collected one that is not in a fit state of circulation, you sometimes add more or you may add less than you have collected.

185 **Hon. K Azopardi:** Mr Speaker, just to understand the process a bit, I guess the bank notes are issued on the instruction of Her Majesty's Government, then presumably arrive and they are kept in Treasury, I guess. Is it a Treasury decision to issue them into the economy, or how does it work?

190 **Hon. Chief Minister:** Mr Speaker, I am advised that this is a demand-led service. In other words, as the banks ask for more currency we provide the currency that they seek. We tend to have sufficient in reserve to be able to issue more, but we also have to be careful not to have too much in reserve, because obviously the security costs of keeping large amounts of cash can outweigh the value of keeping large amounts of cash available in the Government's own custody.

195 **Hon. K Azopardi:** So, Mr Speaker, then, is it fair to say that while the Chief Minister has given me a statistic on banknotes issued, there would then be other information if I were to ask the question of bank notes released into the economy by Treasury? Is that right? (*Interjections*)

200 **Hon. Chief Minister:** Mr Speaker, the answer to that is no. This is the amount of currency released into the economy. It *may* be – and I hesitate to invite a question which we may not be able to answer, but just following through the discussion that we are having – that we may be able to tell him how many we have dematerialised; in other words, how many we have cancelled as they have come in, and how much it has been 'worn' as it has come in.

205 The hon. Gentleman should know that it is likely that we will never be able to match up the calculations because some people may simply retain currency; some currency may have flown, in the sense that it may have left Gibraltar and collectors may have taken it, or tourists may inadvertently have taken it expecting to be able to exchange it wherever they may be, or use it wherever they may be. So those issues mean that the calculations will never reconcile exactly.

210 **Mr Speaker:** Next question.

Q192/2021

Import duty –

Remove for remote education and work

Clerk: Question 192. The Hon. K Azopardi.

215 **Hon. K Azopardi:** Mr Speaker, will Government remove the 10% import duty on personal imports on goods that can be used for remote education and work?

Clerk: Answer, the Hon. the Chief Minister.

220 **Chief Minister (Hon. F R Picardo):** Mr Speaker, as I have already made public in my recent Budget address, there will be no significant changes to import duty tariffs at this point.

Hon. K Azopardi: I understand that, Mr Speaker.

225 The information and the motivation for the question is that we are getting feedback from people. There has been a culture change in the last 18 months, people are working from home and so on. Perhaps it would be good in the future for the Government to reflect on what it can do to facilitate that climate for working from home, and perhaps this is one of the measures that the Government would look at when it does.

230 **Hon. Chief Minister:** Mr Speaker, my retort in that respect is that he has asked about two key areas of economic activity – education and work. Anything which is for use in education already attracts no import duty. The hon. Gentleman said things which are going to be used *remotely* in education, so if they are for education they are already at zero.

235 If something is going to be used for the purposes of remote working, one of the parts of my Budget address which set out how we are supporting that, was in the allowance which we are providing for equipment for businesses, so that any equipment purchased in particular, as I said during my Budget address, for remote working, is now attracting a *very* generous allowance at a tax level. He asked about education and he asks about the workplace in education, and *already* items which are for education are not charged import duty and in the workplace we have given
240 the benefit in the context of the allowance.

Hon. K Azopardi: I think that is right, and I accept that.

245 Of course, the allowances the Chief Minister talks about are in relation to business, and the question was more directed on personal input, so someone who wants to work from home as sort of self-employed, I am not sure they would have the benefit of those allowances. But perhaps if they do then the Chief Minister will clarify that.

Hon. Chief Minister: Mr Speaker, the allowances that I am referring to are – as he, I think, will recall in the context of my speech – corporate allowances and deductions which are permitted.

250 In the context of the self-employed, the sort of instrument that I imagine he is referring to is a laptop, for example, that might be purchased for the purposes of working from home. Now, in that context, Mr Speaker, a laptop would be seen as a multi-use piece of equipment which would be used both for work and for entertainment, as well as for the purposes of booking personal excursions into the hinterland, for example. So therefore it is not being considered as something
255 which is entirely for work purposes for issues related to duty.

If it were in the context of a corporate that is purchasing a computer for an office then the attitude is different. Indeed, if an office is purchasing a computer for an individual to work from home for the office, the attitude is different because the business has made the decision to purchase the instrument for work. This is the treatment that is given both at Income Tax and
260 Corporate Tax level and on import duties.

Mr Speaker: Next question.

Q193-4/2021

**Government-owned property companies and I&DF –
Property sales cost, purchaser, vendor, price**

Clerk: Question 193. The Hon. K Azopardi.

Hon. K Azopardi: Mr Speaker, can Government provide a schedule of the property sales crediting Government-owned property companies for the calendar years 2018, 2019, 2020 and 2021 – the latter up to 30th June 2021 – broken down by cost of the sale and identifying the purchaser and vendor and the price of each sale?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer this question with Question 194.

Clerk: Question 194. The Hon. K Azopardi.

Hon. K Azopardi: Thank you, Mr Speaker, can Government provide a schedule of the land and property sales crediting the Improvement and Development Fund for the calendar years 2018, 2019, 2020 and 2021 – the latter up to 30th June 2021 – broken down by cost of the sale and identifying the purchaser and vendor and the price of each sale?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I now hand over to the hon. Gentleman a schedule with the information requested.

As the hon. Gentleman knows, some of the statistical information requested is already published on the Government website in a generalised format. It is not possible to accurately provide the hon Gentleman with a breakdown of costs for each of these sales.

Additionally, as the hon. Gentleman should be aware, we are not able to provide information detailing the purchasers and vendors of each sale, as this would be in breach of the Data Protection Act.

Mr Speaker, I can also confirm that there are no sales between the I&DF and the companies.

Answer to Question 193

Property Sales crediting Government Owned Companies

	2018	2019	2020	2021
Gibraltar Co-Ownership Company Limited	£468,214	£261,803	£362,459	£443,231
Westside-Two Co-Ownership Company Limited	£124,574	£231,776	£646,829	£554,246
GAR Limited	£3,442,698	-	-	-
Brympton Co-ownership Company Limited	-	-	£73,984	-
GEP Limited (through Gibraltar Car Parks Ltd)	-	-	£299,900	£1,979,340
Gibraltar Commercial Property Company Limited	£1,449,648	£718,705	£476,712	-
GRP Investments Company Limited	£2,745,456	£88,492,356	£105,093	£179,311

Answer to Question 194Property Sales crediting I&DF

Period	Sales
2018	£16.83m
2019	£59.67m
2020	£15.27m
30 th June 2021	£10.00m

Hon. K Azopardi: Sorry, Mr Speaker, I was staring at the schedule when the hon. Member was talking, so I am going ask the question and if he said it then he will forgive me and maybe he can repeat the answer.

I accept, I understand what he says about perhaps the identification of particular purchasers and vendors, I understand that to some extent, although I will need to reflect on it further and see. But, in terms of individual sales, why is it that we could not be provided the information in respect of individual plots, particular properties, even on an anonymised basis, with particular prices? I do not understand that.

Hon. Chief Minister: Mr Speaker, can I just say that I think we could provide him vendors. I did not want him to misinterpret what I said, when I said that we could not provide information detailing the purchasers and vendors of each sale. We are talking about each transaction, but of course the vendors could be disclosed because the vendors are the Government in its various incarnations, whether it is GRP or whether it is the Government itself. Of course, we could disclose vendors, but the reference there is to the relationship between the vendor and the purchaser, who are the people whose information we hold as Data Controller, and I am advised we cannot disclose.

Mr Speaker, as for the breakdown of the cost of each property, which is what he asked us for, it is very difficult to be able to understand what the hon. Gentleman is saying. So, for example, what is the cost of sale of a property at the Walks? Is it zero, because we received that property from the MOD under the Lands Deal? Or is it the £60 million that it has cost us to relocate the MOD under the Lands Deal, divided by the number of properties that we took from the MOD, plus all of the legal fees associated with all of the transactions involved in ensuring that we have title in an entity that is able to sell and then able to give a head lease to? We really would find it very difficult to do that calculation on a property-by-property basis.

Mr Speaker, also in relation to the properties in question, in particular, I think it would be very difficult to now recreate a schedule in the time available which sets out every plot number and name against an amount. The Government does not account in that way. Therefore, going back to recreate that now would be extraordinarily complex. But this information is, if I may say so, of course publicly available in the context of all of this being registered land and all of the sales having to be registered.

Remarkably, though, the information being publicly available, we are not able to provide it. That is to say, if the Government through GRP sells a property to K A Azopardi, then the Government and K A Azopardi go and register that sale, probably twice: we would probably register the sale of the property, which is the conveyance; and probably, depending on his salary, we might also register a mortgage in respect of that property. So there is a double registration in respect of that. Yet we are not able, as data controllers, to give his name across the Floor of the House.

That does not mean that the information is not public. It is just that it cannot be made public by the Government as Data Controller, in that we are across the Floor of the House. I hope that is helpful to him.

Hon. K Azopardi: That is helpful to a certain extent, but it does not provide us with much more, although I understand what the hon. Member is explaining. But, can I just go to his table, if I may, and just ask a couple of questions; and, as I say, we will reflect further on the process that he has described in accordance with what is available publicly, and then perhaps we can ask a more refined question if necessary?

So GRP Investments and the property sales crediting Government-owned companies, I can see a number of figures, but the one that really stands out there in 2019 is this £88.4 million property sales crediting GRP Investments Company Ltd. Could the Chief Minister clarify what that is about?

Hon. Chief Minister: Mr Speaker, it is what we invited them to my office to explain. That is the Eruca transaction.

Hon. K Azopardi: And then, equally, in relation to property sales crediting the I&DF, the £59.67 million, is that also part of the Eruca Hassans Centenary-kind of transaction?

Hon. Chief Minister: Mr Speaker, I think that is different. I think the idea is at the end of the MOD process there had been an expectation to put £60 million into the I&DF and that, I think, is the payment of all of the MOD land sales which were available at that time, principally us. Not the whole £59 million, I have said £60 million because that is the amount of the Book transaction, if I can call it that loosely, of the sale of land which the Government of Gibraltar would do with the properties we received from the MOD under the Lands Deal that they did. The £59 million will be sales of land generally into the I&DF that year, and a large portion of the amount of sales of those MOD property transactions into the I&DF at that time. I think that is exactly how it was made up, but I would have to look in detail to the breakdown of it in order to be able to satisfy the hon. Gentleman.

Hon. K Azopardi: If the Chief Minister could also then clarify the other sums in the I&DF in respect of 2018, 2020 and 2021, the nature of those particular transactions. *(Interjection)*

So the same question that I have asked in relation to the 2019 figure. Can he clarify has he got information in respect of those figures for 2018, 2020 and 2021? So what is the £16.83 million in the I&DF about, and so on?

Hon. Chief Minister: Mr Speaker, those are the general property sales and there will be different elements, so there will be £10 million in there which will be the sale of the Victoria Stadium to the GFA and £6 million in there will be the sale of the Victoria Stadium to the GFA. You will recall it was £16 million, and £10 million was paid in one year and the balance was paid in another year when certain conditions precedent had been complied with, I forget, we shared that in the House, we were monitoring it in the House, so that is the other larger transaction that I can recall would have been included in that. Otherwise, there will be other sales of land which mount up and go into the I&DF.

Hon. K Azopardi: Finally, Mr Speaker, can I ask about the GAR Ltd, not a company that I am familiar with but my learned friend and my hon. colleague, Mr Clinton, has given me some information, but can he perhaps clarify what the £3.4 million in respect of GAR Ltd is?

Hon. Chief Minister: Not at this stage, Mr Speaker, because I do not want to say something which might inadvertently be incorrect. I do not think I have got the information here with me and, given the number of questions the hon. Gentleman has asked, I do not want to say something which might lead to the House being misled. I am very happy if he wants a fuller breakdown of that and he writes to me, I am quite happy to provide it. But from what I can see here – and sometimes things are provided in a type that it is no longer possible to read, aged 49. Unless he holds it for me whilst I read it to him at a distance, I am afraid I cannot assist further.

Mr Speaker: Next question.

Q195/2021

**EU Negotiating Mandate on future Relationship Treaty –
Publishing date, and commencement of talks**

Clerk: Question 195. The Hon. K Azopardi.

395 **Hon. K Azopardi:** Mr Speaker, does Government have information as to when it is expected that the EU's Negotiating Mandate for the purposes of talks on a future Relationship Treaty with Gibraltar will be published, and when the talks themselves will start?

Clerk: Answer, the Hon. the Chief Minister.

400 **Chief Minister (Hon. F R Picardo):** Mr Speaker, as the hon. Gentleman is aware, and as most of Gibraltar now knows, the draft EU Negotiating Mandate was published in quite unfortunate terms, if I may say so – going beyond the realms of my script for the first answer – on Tuesday, 20th July 2021.

405 **Hon. K Azopardi:** Yes, and I think there is common ground that the content of the mandate is unfortunate, to say the least. I think we have both said it does not provide the basis for a way forward and we certainly, on this side of the House, wish the Government luck in their negotiations to obtain what I have always called a safe and beneficial agreement for Gibraltar. So
410 God speed on that.

The second part of the question was when the talks themselves will start. I do not know if the hon. Member has something that he can update people listening who will be interested to know where things lie?

415 **Mr Speaker:** Because there has been a technical fault we are going to have to have a rerun of that last question.

Clerk: Question 195. The Hon. K Azopardi.

420 **Hon. K Azopardi:** Mr Speaker, I am reminded – thankfully it is only one question, by the way, and the Father of the House may remember – that many years ago, when I was in Government, he and I debated some EU treaty, I forget what it was exactly. We went for an hour and a half on a recorded debate on GBC and I went back to my office only to be rung by GBC to say that the recording had not worked and could we come back and do it again! Obviously, we all decided not
425 to. But on this occasion, Mr Speaker, it is only one question, so I can manage it, we have a script in front of us.

Does Government have information as to when it is expected that the EU's Negotiating Mandate for the purposes of talks on a future Relationship Treaty with Gibraltar will be published, and when the talks themselves will start?

430

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, take two!

435 As the hon. Gentleman is aware, the draft EU Negotiating Mandate was published on Tuesday, 20th July 2021.

Hon. K Azopardi: Mr Speaker, I am grateful for that. I think I have already said that we wish the Government well in trying to secure a safe and beneficial agreement for Gibraltar. In follow-up, I also asked whether the talks themselves will start, and perhaps the hon. Member can comment on that.

Hon. Chief Minister: Thank you, Mr Speaker.

As I indicated a moment ago, the Government of Gibraltar and the Deputy Chief Minister and the negotiating team, and indeed all my Cabinet colleagues and I, do not consider that this mandate can form the basis of a treaty that we would be prepared to sign up to.

Having said that, Mr Speaker, in terms of the answer to his question as to *when* the negotiations would commence, the Government of the United Kingdom has also set out that it does not believe that this negotiating mandate can lead to a successful treaty. Together, the Government of Gibraltar and the Government of the United Kingdom have set out our own mandate, which is faithful to the New Year's Eve Agreement. We have been ready to start the negotiations for a treaty which were faithful to the New Year's Eve Agreement, since March, when the Foreign Secretary came to Gibraltar and we issued that mandate here on the Rock, and we remain ready to do so. The fact that it will be August next week would not prevent us, Mr Speaker, from being ready to start those negotiations next week, as we would have been ready to do so in March or April earlier this year.

We do hope that the Council, the European Union, when looking at the draft mandate will consider the issues that we have already said publicly about the concerns that the Government of Gibraltar and the Government of the United Kingdom jointly have about the mandate, and why we do not think it can lead to a successful negotiation. I do hope, Mr Speaker, that the final conclusion of this chapter in the history of Spain, the European Union, the United Kingdom and Gibraltar will be that we are able to see a successful conclusion of what the hon. Gentleman refers to as a 'safe and beneficial' treaty by the time we are saying that we are closing our books on this, and not closing our books in the absence of a treaty.

Supplementary questions to 187 and 188 –

Hon. E J Phillips

Mr Speaker: The hon. Member Elliott Phillips had a number of supplementary questions he wished to put in relation to Questions 187 and 188.

Hon. E J Phillips: Mr Speaker, I am grateful.

First of all, I am grateful to the Chief Minister for providing this data. When you drill down on some of the detail and get out Mr Clinton's abacus in order to analyse some of these figures, does the Chief Minister agree that this is a worrying statistic, generally, in relation to those sick days that are taken for mental health conditions? On *our* analysis they amount to, in particularly this year, 25% of all sick leave days taken in respect of the Civil Service; and in respect of last year for the full year of 2020 amounts to 21%.

Now in the United Kingdom, according to the rather limited research I had to do on this particular question, it amounted to 11%, Mr Speaker. So, in essence, what I am asking the Chief Minister is whether this does concern the Government that this rate appears to be quite close to double that of the United Kingdom for mental health, in particular.

That is the first supplementary, I do have another one if the Chief Minister –

Chief Minister (Hon. F R Picardo): Mr Speaker, absenteeism due to sickness must always concern us, as an employer. We need to know that we are ensuring that our employees are being looked after in an appropriate way and that we are discharging our duty of care to them. Of

course, the Government therefore took steps some time ago in order to have occupational advice available, and we have added that expertise in our Human Resources Department in order to try and address some of the problems that officers may be having.

I would say, of course, Mr Speaker, that 2020 and 2021 are probably the worst possible years in order to assess the prevalence of the incidence that the hon. Gentleman refers to. Unfortunately, as I indicated to him when we first had his question, we did not have the statistics and we are going to now start seeing the statistics compiled and maintained and will be able to compare like with like, and decide whether the trend tells us anything. In particular, 2020 has been probably the most stressful year, certainly I have lived through, and I know that many public officers have felt the same thing, and many people in the private sector have felt the same thing. So this may be, conversely, the best year in which to make the assessment as to the difficulties that we are experiencing for that reason. So we will have to see that in the run of play.

Of course, Mr Speaker, I would say that in the context of that 25% and that 21% you would be classifying what I might call the classic Gibraltar 'Certificate of Unfitness', which is anxiety and depression. Therefore, Mr Speaker, I think that we need to carefully consider whether we should be as concerned as the figures at first blush suggest, from a mental health point of view; or whether from an employment and productivity point of view we might have different concerns that we might also as a community need to address in a different way.

So I think that the hon. Gentleman's question has helped us to identify *numerically* the issue that we may be dealing with, but not necessarily enable us to identify genuinely what sort of level of mental health issue we may be dealing with in the public sector – although in 2020 and 2021 the rules are different, I think, given the stresses and strains that the pandemic has put on all of us, where there is probably much more genuine anxiety and depression than there has been in the past when there might have been an equal *number* of certificates granted in that respect.

Hon. E J Phillips: Mr Speaker, I agree with much of what the Chief Minister has said, save that insofar as the point that he makes for 2021 – and, although it has been a special year, if you look at a comparison to the United Kingdom from 1995 right down to 2021, the trajectory for sick leave and absenteeism has gone straight down. So the UK this year had the lowest at 1.8% even in the context of COVID because they found that furlough, social distancing and home-working actually drove down absenteeism, which sort of runs contrary to the suggestion, if I can put that at its highest, that the Chief Minister is making that it has been a particular stressful year.

I think it has been, of course, but whether that then relates into the data ... I get from his question that the jury is really out, because we still need to crunch the numbers a bit more to really understand what the true level of sickness is and whether it is in acceptable limits, because clearly sickness and absenteeism creates a very huge burden on a country's economy. So again for the United Kingdom, I think it is £350 million the public purse is affected by absenteeism and sickness, and globally the economy in the United Kingdom is £77.5 billion.

So what I am suggesting to the Chief Minister is that if we can potentially get data back beyond that period of time, so that we can start drawing a chart that allows us to have more of an assessment, is that within the Government's data range? I am trying to be helpful because, whilst I agree with most of what he said, I think it is probably too soon to tell, and in fact the trend actually in the United Kingdom is very, very different.

Hon. Chief Minister: Mr Speaker, the hon. Gentleman will forgive me for saying that I am getting anxious and depressed just at the thought of having to reconstitute the statistics for years gone by, not least because we were told when he last asked the question, he will recall, that statistic had not been maintained and that it would be very difficult to reconstruct it. That is why I said to him when he asked, we agree with you that this is an important statistic to maintain and let's maintain it from here on in, and then let's have the trend. Of course, Mr Speaker, it means that the trend will start in a pandemic period, which is not necessarily going to be what you might call ground-zero for the purposes of calculation, not necessarily an average year.

535 I do hear what the hon. Gentleman says about the United Kingdom. Of course, the
circumstances of the United Kingdom are very different to the circumstances of Gibraltar in the
context of the world of work, not least because of the distances involved in going to work. An
individual staying at home to work from home is something that is more likely to be necessary in
540 the public sector in the United Kingdom, where people might have to commute to work, rather
than in Gibraltar where people were asked to stay at home, not because of the distances to
commute to work, but because we were operating teams A and B in the public sector. People
were working but working from home, and others were working but working from the office and
then swapping so that we could ensure that we could continue to provide public services.

So I do not think that the hon. Gentleman can take a direct extrapolation of what we see in the
545 United Kingdom. I believe, like him, that if we went back and were able to reconstruct the data,
we might realise that we are starting from different bases to the United Kingdom. On my feet,
I have the idea that, although it may be very difficult for the Government to recreate the
information from the point of view of the Government as an employer, it *may* be possible – and I
really do not know whether this information is maintained already electronically, but the hon.
550 Lady is here and she may be able to assist us and find out. It may be possible that as the provider
of Public Health Services in Gibraltar we might be able to say, without looking at whether it is
private sector or public sector, how many Certificates of Fitness or Non-fitness for Work on the
grounds of mental health issues – the principal of which will be anxiety and depression, as the
hon. Gentleman knows – have been granted in years before 2020.

555 That will not match up, Mr Speaker, with the dataset that we are now providing which will be
very precise and very particular and will be for the public sector, because in the health services
those certificates will be polluted with information from those who might be working in the
private sector; although the incidence of sick leave in the private sector is, my gut tells me, lower –
but my gut is not a statistician, as he knows.

560 So Mr Speaker, I will see through the good offices of the hon. Lady whether at least we have
that information. We might at least be able to see that, when digitisation arrived in the GHA,
whether those things which are written on Fitness for Work Certificates are maintained in
electronic form, or whether we would still have to go back to the actual certificate, which might
make it just impossible to do in the time available. Not in the time available, because we are not
565 now five days from a question, but whether it would be a particularly laborious exercise to do.

Questions for Written Answer

Clerk: We now proceed to Answers to Written Questions, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to table the answers to
Written Questions W8/2021 through to W22/2021.

SUSPENSION OF STANDING ORDERS

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

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

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

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

Order of the Day

BILLS

FIRST AND SECOND READING

**Imports and Exports (Miscellaneous Amendment) Bill 2021 –
Temporarily deferred**

Clerk: Bills. First and Second reading.

575 A Bill for an Act to amend the Imports and Exports Act, 1986 and the Integrated Tariff Regulations 2017.

The Hon. the Chief Minister.

580 **Chief Minister (Hon. F R Picardo):** Mr Speaker, can I ask that the House proceed with the other Bills before I do that, because I think I have to identify the letter I have sent you on abridgement etc., so if we could proceed with the other Bills, I will then be able to proceed with the Constitutional Abridgement also.

**Public Health (Amendment) Bill 2020 –
Second Reading approved**

Clerk: We then proceed with the Second Reading of a Bill for an Act to amend the Public Health Act to control the emission of smoke by vessels and for connected purposes.

585 The Hon. Minister for the Environment, Sustainability, Climate Change and Education.

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Thank you, Mr Speaker.

590 I have the honour to move that the Bill be now read a second time. Mr Speaker, I will refer the House, as I will later in Committee stage, to two letters that I address to you, one dated 29th June 2020 with an amendment and the other one dated 3rd June 2021 with a further amendment, and clearly we will need to change the date to 2021, as is normal.

595 Mr Speaker, in recent years public concerns regarding the environmental and health impact of maritime pollution have increased. This is because maritime transport is a considerable contributor to air pollution and carbon emissions. However, significant environmental

improvements are obtainable by changing shipping practices. Of particular concern has been the practices of vessels whilst in ports or in close proximity to inhabited coastal areas. In Gibraltar concerns have been expressed about the impact that the emission of smoke from vessels may have on air quality and respiratory health. The 2019 GSLP Liberal Manifesto committed to introducing legislation to control emissions from ships, especially black smoke.

In developing the Bill consideration was given to the position adopted by a number of other jurisdictions, including the United Kingdom, China, Hong Kong, Singapore, Malta, Spain and Dubai. The legislations present in Hong Kong, Malta and the United Kingdom were considered most appropriate, given that: (a) they specify a fixed period of time beyond which emissions of smoke is prohibited; and (b) they do not provide any person with the discretion to consider whether the smoke is a nuisance or dangerous, thus providing more certainty to the public as well as to shipowners and masters. Ultimately, the Bill most closely resembles the Maltese legislation, which is more stringent in its application of the offences for the prohibition than the legislation currently in force in the United Kingdom.

In summary, Mr Speaker, the Bill introduces a new section 92A to the Public Health Act in the part of that Act which addresses nuisances and offensive trades, and in particular under the sub-parts dealing with smoke nuisances. The Bill creates a prohibition not just in the Port but within the entirety of British Gibraltar territorial waters on the emission of dark and black smoke for prescribed periods of time. The term 'smoke' has been defined widely, to include soot, ash, grit and gritty particles emitted in smoke or steam. It will therefore not be possible to avoid sanction under the Bill by claiming that the emission was steam and not smoke.

Identification of dark and black smoke will be by reference to shades 2 and 4 respectively on the Ringelmann Chart, which is a scientific scale for measuring the apparent density or opacity of smoke. It is used in Hong Kong, Malta and in the United Kingdom to identify smoke emissions from vessels. In relation to dark smoke being less opaque and therefore likely containing fewer polluting particulates than dark smoke, the relevant time limits for emissions are contained in a table introduced into Schedule 22. The table describes certain events which are likely to inevitably result in emissions of some smoke, such as a breakdown in combustion equipment or when a vessel must force its combustion equipment due to navigational difficulties. In these cases, the vessel is prohibited from emitting dark smoke for between five and 10 minutes, or more, within an aggregate of one hour. This is subject to the additional restriction that it must not emit dark smoke continuously for over three minutes. In relation to black smoke, vessels are prohibited from emissions which exceed two minutes within a period of 30 minutes. By way of illustration, Mr Speaker, if a vessel emits black smoke for 90 seconds, and 20 minutes later does so again, it will be in breach of the prohibition.

The intention of the Bill is to deter reckless or inconsiderate emissions which can be avoided by cleaner and more responsible shipping practices. It therefore includes two defences for vessels which emit smoke in circumstances where the incident cannot be avoided. The first relates to emissions taking place in circumstances where there is a risk to life or to the safety of the vessel. The second defence relates to circumstances where smoke is emitted as a result of a failure in the vessel's furnace. However, this defence is limited to cases where such failure cannot reasonably be foreseen or provided against and that after the failure of the furnace occurs the emission of smoke cannot reasonably be prevented or minimised.

There is an exemption, Mr Speaker, which applies only to Her Majesty's Navy or ships belonging to the Government of Gibraltar whilst employed for the purposes of Her Majesty's Navy. This exemption is necessary to comply with certain constitutional arrangements, in particular that matters of defence in Gibraltar are the remit of the United Kingdom. The consequence of breaching the prohibition is that the shipowner and master will each be guilty of a criminal offence and liable to a fine of up to £5,000. This is a higher penalty than is currently present in other port jurisdictions, such as Malta, Singapore or Hong Kong. It is considered that the level of the sanction will not deter operators of vessels with environmentally conscious shipping practices from

stopping at Gibraltar. However, it will encourage those who may be reckless as to when and how they emit smoke to take more care when in Gibraltar waters.

650 The Royal Gibraltar Police, the Department of the Environment, the Gibraltar Port Authorities and maritime surveyors all frequently patrol or overlook Gibraltar waters and will play an important role in witnessing and recording any emissions which may be suspected to be in breach of the prohibition in order to ensure enforcement is carried out effectively.

I commend the Bill to the House.

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

The Hon. Elliott Phillips.

Hon. E J Phillips: Yes, Mr Speaker, just very briefly.

660 Of course, this side of the House will fully support and endorse what the Hon. the Minister for the Environment has said. This legislation is a long time coming and there have been a number of incidences, that have been widely reported by our journalists within the community, and have been, to be fair, responded to by the Government in quick order, Mr Speaker.

665 I take the point that this legislation has been moulded around the regime that exists in Malta and we have learnt experiences from those in the other territories, such as Hong Kong. And when I did look at this Bill way back when it was first published, of course, the particular permitted periods that are contained in the Schedule to the Bill reflect those that were published in Hong Kong. So of course we will support this, Mr Speaker, and any measure that the Government will introduce to improve the quality of the air, particularly as it relates to the shipping industry.

670 Mr Speaker, I would ask one question for clarification if the Minister is able to do so, and this is a concern that has been raised to me by activists in this particular area in terms of air quality, who have said to me, in a quite forthright way, that there are other forms of pollution emanating from vessels that might also contribute to air pollution that might not be described as the Government is describing it as dark smoke or black smoke. Therefore if the Government could
675 give an indication as to what it will be intending to do insofar as those omissions that affect the quality of the air that we breathe, Mr Speaker. But we on this side of the House will certainly support the legislation as proposed.

680 **Mr Speaker:** Does any other hon. Member wish to speak on the general principle areas of the Bill? The Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, I associate myself with the comments by my hon. Friend and approve of this Bill, as I will always approve of any measure aimed at tackling and mitigating pollution and improving, of course, the quality of our air.

685 Mr Speaker, however, I hope we can continue to reduce our exposure to these kinds of harmful pollutants and that we can look towards a horizon in which black smoke is not only reduced but actually disappears completely from our skies. So needless to say, of course, I shall be voting in favour of this Bill.

690 **Mr Speaker:** The Hon. Gilbert Licudi.

Hon. G H Licudi: Mr Speaker, this is a Bill which I worked on with the Hon. Member the Minister for the Environment when I was Minister with responsibility for the Port, and it is of course an important Bill. But it is also important to look at the context and the effect of the Bill.

695 As the Hon. Member, the Minister for the Environment has rightly said, the main purpose of this Bill is to provide a deterrent so the people of the country of Gibraltar, so the people who bring ships to Gibraltar know that we have this piece of legislation and that it would be an offence to act in breach of this legislation.

I do note, and of course it will be for the Hon. Minister to reply to hon. Members opposite, that the Hon. Mr Phillips says this is a long time coming and there have been several incidents which have been shown on social media. Certainly, it is good that we have legislation in place, so to the extent that this could have been done before, yes, it could have been welcomed. The issue is what practical effect would it have had; and is it correct that there have been several incidents which may not have happened if this legislation had been in place – bearing in mind in particular, that the purpose of the legislation primarily is deterrence, rather than to see ships spurting dark or black smoke, wait the appropriate number of hours or minutes and then go and say, ‘Right, you have committed an offence we are prosecuting you, and we are fining the owner and the master.’ That is certainly not the purpose of this Bill.

Certainly during my time as Minister with responsibility for the Port I cannot think of one single incident of the areas that we have seen photographs or some videos, which would have full fallen foul of this particular Bill, because this talks about particular periods of time or an aggregate over a particular period of time of dark or of black smoke. The reason for that is – and the hon. Member opposite has recognised the efforts that the Government has made in dealing with this matter. One of the issues that I wanted to highlight is the proactive efforts that are made in Gibraltar, but in particular by the Port Authority, and something that I was obviously made aware of when I had that responsibility. I wanted to comment on one or two incidents which were brought to my attention where there was some dark or black smoke, and it is not unusual for ships to issue a little bit of black smoke when the engine is turned on, that is quite normal. What is not normal is for a ship to have dark or black smoke over an extended period, which is what *this* is intended to stop. But there have been one or two occasions where the Port Authority has seen an emission of dark smoke and has acted very, very promptly indeed.

As Hon. Members will know, the Port Authority previously was at the North Mole, now it is at a very privileged position in a very good vantage point near Lathbury Barracks, where there are views of the bay, there are views of the whole of the Straits, there is a view of the East Side and, whenever there has been an occasion when there has been an unusual amount of dark or black smoke for a short period of time, those on duty have acted proactively by calling up the captain immediately and asking them immediately to stop that – if necessary, by switching off the engines. That has happened on a number of occasions.

So what I want to do is to commend the proactive nature of the approach that has been taken throughout various years, certainly since we have been in Government, by the Port Authority, commend the efforts of the Captain of the Port and the diligence of the Captain of the Port or the Deputy Captain of the Port and all their staff that do look after this, despite the fact that we did not have the Bill in place. So it is not that this is necessary to stop that happening because that has been stopped, and nipped in its bud every time there has been any sort of indication, even though there was not a legislative back-up to send over a police officer to arrest somebody or to prosecute somebody. This gives that cover whenever that happens, but importantly it provides that deterrence.

But I do want to make clear that the Government, and the Port Authority in particular, has always acted swiftly and thoroughly to stop these occurrences happening, and this will be a mark that Gibraltar will not tolerate this sort of behaviour and that ships that want to flout environmental protection laws are not welcome in Gibraltar.

Mr Speaker: The Hon. Prof. John Cortes.

Hon. Prof. J E Cortes: Yes, Mr Speaker.

First of all, I would like to thank the Hon. Gilbert Licudi not only for his contribution now, and we have been in touch about this Bill for quite a while, but also for his own personal help and that of his team in the discussions and the research that went into drafting this Bill.

I absolutely confirm how proactive the Port Authority is and how closely it works with the Department of the Environment in dealing with these and other issues out in our waters. So I want

to thank the Hon. Mr Licudi for that. Also, obviously to thank both the hon. Lady and the Hon. Mr Phillips for their support. There have been a number of delays, as we know, due to the House not meeting perhaps as frequently because of COVID, but nevertheless we are where we are now.

755 I would like to just add, I was going to say that earlier, that clearly this has also been discussed with the current Minister for the Port, the Hon. V J Daryanani who totally supports it, as does the rest of the Government.

On other measures for other contributions to negative air quality by shipping there are some that are being considered including, and this has been mentioned before, I think possibly in this House, the question of onshore power, which I know is being considered in certain cases, and it is
760 something that we clearly have to keep under review.

So I thank hon. Members across the House for their support and once again commend the Bill.

Mr Speaker: I now put the question which is that a Bill for an Act to amend the Public Health Act to control the emission of smoke by vessels and for connected purposes be read a second
765 time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Public Health (Amendment) Act 2020.

**Public Health (Amendment) Bill 2020 –
Committee Stage and Third Reading to be taken at this sitting**

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill
770 be taken today, if all hon. Members agree.

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

**Imports and Exports (Miscellaneous Amendment) Bill 2021 –
First Reading approved**

Clerk: A Bill for an Act to amend the Imports and Exports Act 1986 and the Integrated Tariff
775 Regulations 2017.
The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that a Bill for an Act to amend the Imports and Exports Act 1986 and the Integrated Tariff Regulations 2017 be read a
780 first time.

Mr Speaker: I now put the question which is that a Bill for an Act to amend the Imports and Exports Act 1986 and the Integrated Tariff Regulations 2017 be read a first time. Those in favour?
(**Members:** Aye.) Those against? Carried.
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Clerk: The Imports and Exports (Miscellaneous Amendment) Act 2021.

**Imports and Exports (Miscellaneous Amendment) Bill 2021 –
Second Reading approved**

Chief Minister (Hon. F R Picardo): Mr Speaker, this Bill was published on Tuesday, and I certified this Bill as urgent under section 35(3) of the Constitution, as I indicated I would do during the course of my reply on Monday to hon. Members' Budget addresses. I have a copy of the letter that I have provided to you, Mr Speaker, in case any Member has not had sight of it.

Mr Speaker, this year we have made very limited changes to the duty tariffs, despite it being over two years since we last affected significant changes. I said during the course of the Budget debate, and I confirmed today to the hon. Member in answer to one of his questions, I did not think it was prudent to do so given the discussions that are still to be held in respect of the potential treaty between the United Kingdom and the European Union on the basis of the New Year's Eve agreement framework, and the possible changes that that could bring to our import duty regime in the near future – so long as those changes are changes which are acceptable to the Government of Gibraltar, and which we consider would be in the trading interests of Gibraltar and the Gibraltar businesses that we all represent in this House. So, Mr Speaker, the amendments that I made were the ones only that I referred to in the context of that reply, and in the measures that I set out in my original speech on the General Principles and Merits of the Appropriation Bill for this year.

Mr Speaker, the amendments therefore provide as follows: with respect to Fuel Import Duty and to give a wider interpretation than is presently the case for the term 'ship', section 2, interpretation of the Imports and Export Act will be amended to include a reference to a 'vessel' which will include any ship, tug, lighter and boat of any kind whatsoever, including a jet-ski, whether the same is propelled by steam or otherwise or is towed – which I am advised, Mr Speaker, are terms which are still terms of art and relevant in the context of the movement of vessels. I have not seen a steam ship in Gibraltar waters for many years, Mr Speaker, but I am told that this could still be an attraction that might feature one day in our territorial sea.

Sections 64 and 70 of the Act are amended to include the words: 'Save in such cases as are prescribed by Regulations ...' to allow the Government on a case-by-case basis to make changes by regulation to the provisions of these sections, which refer to 'Exemption from duty of aircraft and their parts and certain fuel oil,' and also 'A refund of duty on motor spirit re-exported respectively', and that is a term of art from the legislation. In order to continue to raise revenues from the consumption of polluting fuels, the import duty rebate on motor spirit supplied from land and otherwise to vessels less than 18 m in length and used for non-commercial purposes – that is to say those who are fuelling a hobby or a pleasure and not those who require fuel for a professional purpose – is reduced by one-third, and the supply of these fuels will therefore attract one-third of the relevant fuel duties. Any diesel fuel supplied from land or otherwise to vessels less than 18 m in length, used for non-commercial purposes, will now attract 12 pence of duty per litre, roughly the same amount as will be due by the reduction of the rebate by one-third in respect of other fuels. Non-commercial purposes, Mr Speaker, however, will not include vessels used by Government Departments and Authorities, agencies, law enforcement agencies or such other persons as the Government of Gibraltar may designate from time to time.

These increases, Mr Speaker, will retain Gibraltar's attraction as a port for visiting vessels but will also provide much-needed revenue for the public coffers at this time. As part of the Government's continued efforts to curb the health problems arising from smoking, as well as our commitment to tackle all illicit tobacco smuggling and in line with the provisions of the World Health Organization framework convention on tobacco control, the import duty per carton of 200 cigarettes will be increased also by 50p to £15.50 per carton from the date that I announced last week during my Budget address. That is reflected, Mr Speaker, as an amendment to the Integrated Tariff Regulations for 2017 by substituting a duty rate of £75 per 1,000 cigarettes with the rate of £77.50 per 1,000 cigarettes.

Mr Speaker, I therefore commend the Bill to the House.

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

840 **Hon. K Azopardi:** Mr Speaker, in respect of this Bill and indeed another Bill that is on the agenda, on which I will repeat the point, we will support this Bill. It does not engage on the issues of principle that we were talking about at Budget time.

I say nothing. I just rise really to say that the Chief Minister prefaced his sort of incursion into this Bill by making some remarks about the possible impact of the EU Treaty into our imports and exports framework. I say nothing about that. I am sure in due course should something be on the
845 table there will be plenty of debate on that issue.

I do not know if my hon. colleague, Mr Clinton, will have something to add on this Bill, but we will support it.

850 **Mr Speaker:** The Hon. Roy Clinton.

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

My only point is to echo what the Leader of the Opposition has just said and also in fact to say I welcome the prompt bringing of the Bill to the House, as indeed the other amending Bill to the Income Tax Act to bring into effect the Budget measures, as this will indeed make life easier for
855 the Income Tax Office and practitioners alike and, of course, the general public.

I will, Mr Speaker, make some fuller comments when we come to look at the Income Tax Act. Thank you.

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

Hon. Ms M D Hassan Nahon: Mr Speaker, thanks.

Just to say very briefly that I will be supporting the Bill because increasing import duties on petrol is a clean and green way to generate revenue.

865 So I will be supporting the Bill. Thank you.

Mr Speaker: The Hon the Chief Minister.

870 **Hon. Chief Minister:** Mr Speaker, I am very grateful for those indications of support in respect of the revenue-raising aspects of the appropriation, these are absolutely the right measures for Gibraltar now in the context of the administration of our import duties and the raising of revenues from importations to Gibraltar, for all the reasons that I set out, Mr Speaker, in my wider address on the Appropriation last week.

875 I will simply of course point out to hon. Members that I do have great difficulty in understanding their political logic, but it is a matter entirely for them. They have not voted that we should be able to spend the money that we receive to pay the civil servants and public servants of Gibraltar and provide the public services that we provide, but they are voting, Mr Speaker, to *raise* the money that we will spend on that basis. That, of course, is a matter entirely for them, which we have ventilated already but, Mr Speaker, I very much welcome their support in respect of this Bill.

880

Mr Speaker: I now put the question which is that a Bill for an Act to amend the Imports and Exports Act 1986 and the Integrated Traffic Regulations 2017 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

885 **Clerk:** The Imports and Exports (Miscellaneous Amendment) Act 2021.

**Imports and Exports (Miscellaneous Amendment) Bill 2021 –
Committee Stage and Third Reading to be taken at this sitting**

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to move to give notice that the Committee stage and Third Reading of the Bill be taken today, if all hon. Members agree.

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

**Income Tax (Amendment No. 3) Bill 2021 –
First Reading approved**

Clerk: A Bill for an Act to amend the Income Tax Act 2010.
The Hon. the Chief Minister.

895 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to move that a Bill for an Act to amend the Income Tax Act 2010 be read a first time.

Mr Speaker: I now put the question which is that a Bill for an Act to amend the Income Tax Act 2010 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.
900

Clerk: The Income Tax (Amendment No.3) Act 2021.

**Income Tax (Amendment No. 3) Bill 2021 –
Second Reading approved**

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the Bill now be read a second time.

905 For the same reasons that I indicated a moment ago, I have given notice that although this Bill was published on Tuesday, it should be dealt with under the provisions of section 33(3) of the Gibraltar Constitution as being too urgent to permit the expiry of six weeks. Mr Speaker, I understand all hon. Members have had notice of that and the Leader of the Opposition has indicated his acceptance of the reason for that.

910 Perhaps I should say a little more about that, given what he has said a moment ago. Just to reflect on the record, Mr Speaker, that what we jointly consider to be the urgency in the context of these Bills is to ensure that our Statute Book, our *Corpus Juris*, is provided with all of the provisions which we have announced already bite, as from midnight on the night that I delivered my first Budget address on Tuesday, 20th of this month, and that that should now be provided for as soon as possible in our laws. And so the urgency, Mr Speaker, that I think we are agreeing is the
915 relevant urgency, is that our laws should be up to date as soon as possible with the charging of duties and, in this case, relief from taxation which the House has by the majority vote of the Government side provided for – because the only reason that the House has passed the Appropriation Bill, as Hon. Members of course know, is because of our vote – but to ensure, therefore, that the Budget provisions are in our law as soon as possible. So this is not an urgency
920 of something external that is happening and we have to provide for, this as an urgency of our own agreed motion to ensure that our laws are up to date as soon as possible.

So, Mr Speaker, this part of what we are doing, the Income Tax (Amendment No.3) Act 2021, gives effect to the measures announced which are designed to encourage investment and growth

in our economy, and which are designed to provide incentives for business as we transition into an environment after the impact of both our exit from the EU and the aftermath of the COVID pandemic.

Mr Speaker, as I mentioned previously, the other Income Tax measures announced in my Budget address, such as the increase in the rate of Corporate Tax from 10% to 12.5%, and the increase in various allowances, and the changes to the taxation of higher executives possessing special skills, and Category 2 individuals, and the changes to the environmental measures have already been dealt with, because those measures are measures that are amended by way of regulation. The regulations that provided for those changes were published as Legal Notices, 330 to 345, inclusive.

Turning now to this Bill, Mr Speaker, what this Bill does in clauses one and two of which provide the usual introductory provisions is to deal with the remaining aspects of what I announced. Clause 3, in particular, provides for the amendment of Schedule 3 of the Income Tax Act in the following terms: By subclause (2) it provides for a new deduction to be available to any person carrying out or exercising a trade in or from real property situated in Gibraltar. Those persons will be able to claim a deduction of up to 1% of the acquisition costs of eligible properties against the assessable income for defined accounting periods, or years of assessment, subject to anti-avoidance provisions designed to prevent the abuse of such an incentive. No deduction can be claimed by persons already claiming the deduction commonly referred to as the Industrial Buildings Allowance. So this is a different allowance but it will not be one that you can add to the industrial business allowance, it is either one or the other.

Subclause (3), Mr Speaker, increases the first-year allowance for both plant and machinery and computer equipment for defined accounting periods or years of assessment, allowing for greater investment and upgrade of infrastructure and equipment. The amount allowed as first-year allowances had remained unchanged since these were first introduced and now is, we believe, the right time to increase these allowances in order to assist in jump-starting our economy.

Subclause (4), Mr Speaker, accelerates capital allowances of the pool of qualifying expenditure for defined accounting periods or years of assessment, enabling businesses to get these benefits as soon as possible in order to assist them during these difficult and uncertain times.

Subclause (5) amends the definition of 'plant and machinery' for the purposes of the pool of qualifying expenditure by extending this to include full electric vehicles for defined accounting periods or years of assessment. Previously the definition excluded private motor vehicles or those not used in the ordinary course of the trade or business.

In line with my Government's green agenda, Mr Speaker, and as I more particularly set out in my initial Budget address, we will now allow capital allowances on all *full* electric vehicles, including up to a maximum of 50% of the eligible sum, where the full electric motor vehicle is used *partly* in the ordinary course of the trade or business, it no longer has to be *wholly* for the trade or business. The existence of this anti-avoidance measure ensures that no one is able to abuse this measure and benefit in a way that was not intended.

Subclause (6) extends the existing deduction for training costs by an additional 10%, taking this up from 50% to 60% for defined accounting periods and years of assessment. This increase is designed to incentivise businesses to continue to invest in training in the workplace.

Subsection (7) introduces a number of new deductions similarly designed to promote growth and expansion whilst preserving the existing labour market and seeking to attract foreign direct investment.

Paragraph 18, which is to be added to Schedule 3 of the Income Tax Act, provides for a deduction for defined accounting periods or years of assessment in relation to marketing and promotion. Under this measure, persons will be able to claim a further 50% of eligible marketing and promotional costs reducing their tax burden proportionately whilst investing and promoting in the jurisdiction and putting Gibraltar on the map – or on the Google Map, Mr Speaker, as we might say these days. The costs within scope include those incurred in promoting products or

975 services to consumers in relation to the production of the assessable income of the trade or business in or from Gibraltar.

Paragraph 19, which is added to Schedule 3 also of the Income Tax Act, provides for a deduction for defined accounting periods or years of assessment in relation to fixed payroll costs. Those persons eligible for this measure will be able to claim a further 50% of eligible fixed payroll costs, ensuring that there is an incentive to both retain and expand the workforce in tandem with a reduction in tax costs in these difficult times. These measures will ensure that we assist businesses where it is needed at this crucial time. Fixed costs exclude variable payments such as bonuses, incentive or compensation payments, overtime and allowances and those employees registered in employment as at 1st July 2021, which are within scope. Presently these amendments to Schedule 3 of the Income Tax Act apply to accounting periods or years of assessment ending in the period extending from 1st July 2021 up to and including 30th June 2021.

Paragraph 20 allows the Minister to amend the amount of any expenditure allowances or deductions or extend any time period in relation to these measures by way of regulations negating the need for an amendment to primary legislation allowing necessary modifications to be expedited.

Mr Speaker, I should have said from 1st July 2021 up to and including the 30th June 2023, which is the way that I announced it during the course of my Budget address.

So, Mr Speaker, for all those reasons, I commend the Bill to the House.

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

The Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, thank you.

1000 Equally, as is the case in respect of the Imports and Exports Bill which we took just before this one, obviously we welcomed the measures that will give relief to business during the Budget session that we had last week, and so we will vote in favour and support this legislation. We also welcome the principle that legislation should be brought to the House quickly and simultaneously with the Budget session so that there is clarity in the legislation and that is good for industry, so we certainly also support that aspect. It is something that my hon. colleague, Mr Clinton, has been talking about for some time.

1010 Mr Speaker, on the detail itself of the Bill, there is one section though that perhaps the Chief Minister will comment on in his reply, and it is something that was of course not mentioned in the Budget measures themselves, which is a sort of general power, clause 20, which is an insertion of a power in the Income Tax Act, where the Minister will by regulation have an ability to amend Schedules etc., which may then mean that the Government does not come to the House in future Budgets and does it by regulation. I wonder whether that is something that should happen and perhaps doing it this style, this now innovative style of presenting this Bill might not be a better way forward rather than doing it by regulation.

1015 Generally, Mr Speaker, as I said before in respect of the Imports and Exports Bill, and just to place it on the record that we are going to support this because we welcomed these aspects in the Budget measures. The Chief Minister, in his comments on the reply on the Imports and Exports Bill, said he struggled with the logic, but with all due respect to him – and I am not going to rerun the Budget debate which was *lengthy* – but it would have been obvious to anyone listening to our speeches why we voted on the principles that we did. I think he is clever enough to understand that, and it is rather disingenuous to say otherwise. I think it is perfectly obvious from the face of the contributions made on this side of the House why we did so. This Bill does not engage that, and we are quite happy to support it.

1025 **Mr Speaker:** The Hon. Marlene Hassan Nahon.

Hon. Ms M D Hassan Nahon: Thank you, Mr Speaker.

This Bill aims to create fiscal incentives for businesses to invest in things that I think are necessary for our economy. It might provide some relief from the significant increase in costs with the huge hikes in Social Insurance and what they will present for businesses in Gibraltar.

1030 The question, Mr Speaker, is whether this Bill will be sufficient and whether the deductions it includes will be of use for some of our smaller businesses. We will have to see the impact of these measures in practice, but many in our business community are extremely worried about the impact that an increase in their costs, coupled with a downturn in business will have on our small business ecosystem. But I do support the merits and the principle of this Bill and I will be voting in
1035 favour, Mr Speaker, thank you.

Mr Speaker: The Hon. Roy Clinton.

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

1040 First of all, I think I need to disabuse the notion that the Government actually voted on anything other than the Appropriation earlier this week, because when we talk about the measures on the Appropriation, they are two different things; and of course the Appropriation Bill that they voted on was only about expenditure. We are now discussing items, which I have pointed out before should properly come within a Finance Bill. The Father of the House will, I am sure, be able to
1045 confirm that in the past when he debated a Finance Bill, he would perhaps vote in favour of a particular clause or against another one, but there would be a discussion about the particular measures, whether to increase a tax or give an allowance, or perhaps the allowance should be higher or lower.

So, Mr Speaker, this sort of process, although we have brought it in today, as the Leader of the
1050 Opposition has said, in a rather innovative way, obviously my preference would be for a Finance Bill which would wrap everything up. But we are deprived perhaps over the years of the ability to debate particular measures in depth and so actually perhaps we should go a little bit further or a little bit less. Of course you cannot have that kind of discussion in the Appropriation Bill because that is not what it is about: the Appropriation is about the Appropriation. Unfortunately,
1055 Mr Speaker, for whatever reason, the Budget measures have been announced during the Appropriation debate and we have, in our minds, taken it that they are one and the same but they in fact are not. Which means, Mr Speaker, that when the Chief Minister sits down at the end of his contribution on the Appropriation Bill, in fact none of what he says has any legal effect because, quite simply, it does not figure in the Appropriation Bill which is eventually voted on.

1060 In order to bring it into effect, Mr Speaker, the Chief Minister has to, by regulation, publish the amendments and today we are seeing another amendment to primary legislation, which at least we are now having the opportunity to talk about in, as it were, real time and not perhaps a year or two later, which is a bad habit that the House has fallen into.

So, as I said before, I welcome that this is now brought together as promptly as possible, and I
1065 agree that it should be done as quickly as possible after the debate, but let us not conflate Finance Bill measures with the Appropriation Bill debate; they are completely different things, Mr Speaker. Of course, if you are having healthy revenues you may not choose to raise tax or change anything to do with tax, but the actual legal mechanism is separate, Mr Speaker.

So, of course, it is entirely plausible that you may disagree with one thing on the Appropriation
1070 Bill and agree with something else on the Budget measures in the Finance Bill, which this is effectively what we are doing today – a pseudo Finance Bill in an innovative way.

Mr Speaker, in terms of the Income Tax Act, as the Chief Minister has pointed out, there are six amendments which have gone through by way of regulation, and we have this amendment today on the allowances that will come in, which of course we can only welcome, in that they
1075 stimulate the economy and help businesses to recover. So in that respect, obviously, that is welcome. But I am slightly concerned, as the Leader of the Opposition has pointed out, Mr Speaker, that there is also a power in here to allow the Minister to amend things by regulation,

in which case Mr Speaker, in future, we would be deprived of the opportunity to debate any changes in respect of these sorts of allowances or deductions.

1080 But other than that, Mr Speaker, in terms of what we need for the economy we have no problem supporting the Bill, other than with that reservation about the clause at the end giving the Minister power to amend by regulation. Again, as I say, Mr Speaker, there is a huge amount of difference between a Finance Bill and the Appropriation Bill.

Thank you, Mr Speaker.

1085

Mr Speaker: The Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, I thank Hon. Members for their contributions. The contributions that we have heard I will seek to generously deal with, trying to put aside the controversy that we always find in the context of the debate of the Appropriation Act, because the Appropriation Act has grown into a sort of 'state of the nation debate' and many nations – I was watching today in Spain, for example – have at this time of year a state of the nation exchange. In Spain, party leaders value the political year at this time; in the United States it is done at the beginning of the calendar year; and our tradition comes from the Westminster tradition where, at Budget time there is a general debate about the state of the nation's finances, and the state of the nation's finances reflect the state of the nation.

Mr Speaker, trying to leave that aside, I will try and deal with the contributions that we have heard by seeking to very generously describe them as absolute nonsense. The reason that they are absolute nonsense, Mr Speaker, is that hon. Members will have noted that the measures that we are dealing with under the Income Tax Act, which they have indicated they will be supporting, are deduction measures, they are allowances. All of the measures which one would have considered to be the controversial measures – the increase of corporate taxation by a quarter, 2.5%, 25%; the increases in taxation to high executives possessing special skills; and the increases in taxations to category 2 individuals – all of those, Mr Speaker, have been dealt with by way of regulation. In other words, the increases, Mr Speaker, are dealt with by way of regulation.

Mr Clinton says from a *sedentary* position – as a friend of mine used to say, a *sedentary* position – that we should have had a Finance Bill. Mr Speaker, I say to him with the very greatest of respect, that he has to understand that the legislation that we have is the legislation that his party put on the statute book and the legislation that his party put on the statute book provides for all of those things to be amended by regulation, right? And the hon. Gentleman cannot say from a *sedentary* position by Joe, because on the face of the document he has his answer. This is the Income Tax Act 2010, and however much I tried in 2007 that Sir Joe should have been Chief Minister by 2010, we did not achieve it and this Act was brought to the House, Mr Speaker, by the GSD Government. It provided that the increases of taxation that should usually give rise to a debate, the hon. Gentleman said whether we think things should go up more or less, would not come to the House for a debate, that there would be a mechanism for those things to be amended by way of regulation.

Let me just conject an argument for that, Mr Speaker. The Father of the House was reminding me that in the 49 years that he has been here when there *were* Finance Bills, the Finance Bills were never successfully amended by the Opposition. Their party, Mr Speaker, when it was in Government, brought in a tradition – and this is why I have started by reflecting the relatively international tradition in different parliaments of having a state of the nation moment, either in a parliament or outside it. Their party brought in a practice which was to have an Appropriation debate where the Leader of the House, the one that they sought to keep in power in 2011, Mr Speaker ... Well, did I say 'they'? Some of them, Mr Speaker. The smile on Mr Phillips's dulcet face reminded me that he was not quite trying to keep Sir Peter in power in 2011, and neither was the current leader of the GSD trying to keep the GSD in power in 2011. He was saying, I suppose, in shorthand, 'A pox on both the houses of the GSLP and GSD'.

1130 But the practice that had been brought about by the GSD, which we have simply continued, is to bring an Appropriation Act, Mr Speaker, during the debate of which, apart from debating the state of the nation, announcements are made as to the increases of certain dues, duties, taxes, etc. Mr Speaker, we were very concerned about that, for reasons not dissimilar to what Mr Clinton has set out, about provisions raising dues from individuals in any way, shape or form, which were not followed up by pieces of legislation. We have tried to be very careful, when there are increases which are not provided for by way of regulation, to do them as soon as possible; except of course the last few years have been a disaster, as I have admitted on a number of occasions.

1140 In particular, Mr Speaker, in the context of Social Insurance contributions, the Father of the House and I had a blazing row – I believe, Mr Speaker, you might even have been here in a different guise at the time – with the then Chief Minister about the fact that he was raising Social Insurance and not having legal cover to do so, for a reason. The things that we are dealing with now, tobacco duty, etc., do not amount to deductions from a wage packet. The Social Insurance contribution in some instances is a deduction from a wage packet.

1145 So not only have you got an instance where you are raising the dues of an individual without legal cover simply because you announce it from here, you are, to boot, going against the provision of something which hon. Members might recognise when I refer to it, called the ‘Truck Act’. The Truck Act is an old Victorian provision that says: ‘A man’s pay packet is sacrosanct and you can only deduct from it the amounts which are agreed with him or which the state provides which he is deemed to have accepted.’

1150 There would be, in the time when they were in Government, deductions from pay packets done before laws provided for it or individuals agreed to it. We were very concerned about that and we raised that at a number of debates and the Hon. the former Chief Minister, then Peter Caruana, insisted that it *could* be done and insisted that it *would* be done, not least because the Government was the largest employer and would be making the deductions. Many in the private sector would be paying the Social Insurance contributions on a quarterly basis in their reconciliations, and so therefore it was done in that way. Well, Mr Speaker, we thought it was entirely wrong and we were very concerned about it.

1160 That is why, in particular this year, we have wanted to make the announcement in relation to Social Insurance contributions before the Budget; and the hon. Gentleman, in one of his public statements in relation to this, raised why this was being done before the Budget. The reason for that, Mr Speaker, is that the date on which Social Insurance goes up for the purposes of the accounting period is 1st July – and the Father of the House, who had taken over, was very concerned that it would create an accounting issue for people. I do not know whether it is an accounting standards issue or an accounting issue for people if you put something up, but you do so retrospectively – because we would be having a Budget debate on 20th July. But in respect of the position of Social Insurance contributions that is from 1st July, when some people who are weekly paid might already have had their pay packets. So that is the reasoning, Mr Speaker.

1170 But this Bill is to provide allowances. No, it is the opposite, okay? In the Imports and Exports Act that we have dealt with we were raising the duties in respect of particular things. But there of course, Mr Speaker, you are dealing with a relationship between the collector and those who import tobacco, who import it into a bond where the collector can impose conditions and the announcements having been made, it is the accepted practice that those who import into a bond are not charged until the legislation is changed and therefore they know, because there has been an announcement, what the Government’s intention is from a particular period in time, etc. And in relation to fuels there is also that arrangement, because we are talking about a small number of importers: there are 12 tobacco wholesalers and, I think, two or maybe three wholesalers of fuels.

1180 But here, Mr Speaker, what we are doing with this Bill is bringing charges down, or giving allowances. The hon. Gentleman’s address in relation to the debate that we would have in this House would make sense in the context of the *raising* of taxation, but his party has provided a

mechanism for itself and future Governments in order to be able to deal with those things by way of regulation in the context that we have demonstrated, because we have raised corporate taxation by signing a regulation.

1185 So, Mr Speaker, in addressing the concerns that hon. Members seem to have about the final paragraph of this Bill – the power to amend the Schedule – all we are doing is ensuring that in the context of *these* measures also, we are providing that lever. Because that will make it easier to do that which the hon. Gentleman wishes to see – and I think I can deduce from the way that he has presented his statement today – two wishes. The first is to have the legal clarity of the measures announced, whether they are the increases in dues or the increases in allowances and benefits;
1190 and second, to have a debate in this House about those increases, or deductions, or allowances.

I am giving him at least the first because the regulations which have been published already – and these Bills deal with the uncertainty in the future in relation to these measures, which are not the most controversial measures, I would imagine, that you are dealing with in the context of taxation – we will simply link them up to the ability which *their* party provided under the Income
1195 Tax Act to be able to provide the amendments to *these* measures by way of regulation.

Mr Speaker, from recollection, and I will look at it again ... What the measure for amendment by regulation will provide is for the amendment of the amount of expenditure, allowance or deduction and the period of time, so it is hardly the greatest usurpation of this Parliament's powers in the context of this new amendment which we have introduced during the course of the
1200 debate this week, to be able to change those parameters. Because the parameters that might really matter – for goodness' sake, the corporate rate of tax in Gibraltar, that they have already provided for – should be something that is amendable by regulation, as we have demonstrated, as are all the other matters that I have provided for.

Mr Speaker, I do think that it is important to reflect that in the way that they brought appropriations to this House – and I say 'they' because at the same time within 2011, the
1205 hon. Gentleman who was wishing a pox on the houses of both the GSD and the GSLP Liberals, until 2003 he had been an integral member of the GSD house in this House. Already in that period, the practice of an Appropriation debate, akin to a UK Budget debate, state of the nation announcement, that as from midnight tonight, had been happening here. So it ill behoves the
1210 hon. Gentleman, Mr Speaker, to disassociate himself not just with the things that his party used to do when he was no longer in it or when he was no longer in this House, it ill behoves for the hon. Gentleman to disassociate himself from himself and his own actions, because he was here sitting next to the then Leader of the House and applauding his mechanisms.

He is shaking his head, Mr Speaker, which no doubt will make people wonder whether they
1215 can ever consider credible anything that he does, (*Interjections*) because if he was sitting here supporting the budgets of the Hon. former Chief Minister and he did not mean it, (*Interjections*) I mean it is really quite remarkable. (*Interjections*) No, no, no, I am not rerunning the debate, the hon. Gentleman is wrong. I am addressing exactly the point that they have raised – (*Interjections*)

No, Mr Speaker, this is the usual story from the hon. Gentleman of trying not to be accountable
1220 for the things that he has done as a Member of this Parliament. As a Member of this Parliament, he has sat here and he has supported the practice that he now decries, and that practice was to bring an Appropriation Bill, have a state of the nation debate, and announce *increases* in dues from the public, not provide a Finance Bill, which he now considers would have been an essential and proper thing to do, *and* provide for those increases to be charged to individuals without legal
1225 cover, Mr Speaker.

He is now saying that that is not appropriate. Well, Mr Speaker, it was as appropriate when we might have needed to do it as when they wanted to do it. But what is more is they left behind a trail of evidence, not just in *Hansard* but in the Income Tax Act. In the GSD Income Tax Act, which
1230 he is not responsible for because he was not here in this House to do it, he was by then in the PDP – because I have read all his press releases this week in preparation for Tuesday, Mr Speaker – I can recall what he was saying in respect of the Income Tax Act was that it was long overdue!

So, Mr Speaker, when we raise those dues in exercise of the regulatory power that they gave us as Government of Gibraltar, it does not appear to them to be right. Mr Speaker, I think that is simply further evidence of their legislative hypocrisy. They think that they can create legislative powers for Ministers which are in safe hands when they are the Ministers, and that it is really quite unacceptable for us as Ministers to give effect to the regulatory power that they have, in law, created. So, therefore, Mr Speaker, without wanting to rerun the debate that we have had earlier, but addressing this key issue, I think it is fundamental to show that hon. Members' positions change when they are the legislators and when they are Opposition Members.

That, Mr Speaker, brings me to the next point that the hon. Gentleman raises. When he says that it is, because he says so, disingenuous to suggest that it is – at the very least, peculiar – that an Opposition that has voted against a Budget then comes to this House – for reasons that I am grateful – to support a measure announced in the Budget. Not just the measure, Mr Speaker, that is the collection of dues; in other words, they have supported the imports and exports amendment which *raises* dues. They are supporting the measure, which also provides taxpayers' relief, which is this measure.

Mr Speaker, if they might have had the slightest point, they had it in relation to the first Bill, they certainly do not have it in relation to this Bill. This Bill is part of the Appropriation for a simple reason. The Appropriation is the taking of money to do a thing, in effect by relieving the public purse of the benefits of the tax that we would raise because we are giving this relief and these allowances, we are *giving* and therefore *applying* monies by not raising them.

So, Mr Speaker, it is absolutely nonsensical for them to say that the Appropriation Bill was not about this and that they voted in the Appropriation Bill against the measure, because this has nothing to do with it, when this is one of the key elements that we provided for. But indeed, Mr Speaker, where they are right, and because they have focused on it now, it is important that we take the benefit of them having highlighted what they did not vote in favour of – what they have expressly again today doubled-down in saying that they did not vote in favour of – was the spending, the direct spending. Because they are not happy, Mr Speaker, with the spending that is provided for in the book; because that is the spending that is provided for in the Bill, the spending that is provided for in the book.

Mr Speaker, the spending that is provided for in the book is the spending for the public services and for the public servants. So they confirm that they have not supported that spending, but that they do come here to support the raising of the revenues under the Import Duties Act and the allowances that we are introducing now.

So frankly, it is not disingenuous to point out to the hon. Gentleman that there is a great incongruity between the position that they take during the debate on the Appropriation Bill and the position that they are taking now. It is disingenuous of the hon. Gentleman to suggest that it is not disingenuous. And, as ever, Mr Speaker, I speak fully convinced that when someone finally decides that they want to read every volume of our *Hansard* and work out how this debate originated many years ago, we were true and honest to a position, and they moved from pillar to post, depending on where they were sitting – as best exemplified today by their attitude to regulations providing for the amendment of rates, dates and other provisions of the Income Tax Act when they were legislators, but now thinking it is not the right thing to do.

Mr Speaker, the other point to make is that things being delayed years, is something which is never going to be something that we wish to see happen. There are some circumstances where it is unfortunately inevitable, as I have indicated to the House in the context of the supplementary Appropriation Bills. But Mr Speaker, hon. Members have to remember that they represent in this House those who brought to the legislation delayed years, even in the context of Social Insurance contributions, which is a deduction from pay. So our concerns sometimes provided for a few weeks, but then sometimes for many months and I think, from my discussion a moment ago with the Father of the House, some delays which went beyond 12 months; and I think on one particular occasion we were amending to provide for Social Insurance contributions for two years. In other words, we amended backwards to year X and then year Y in one year of legislation, because the

1285 amendment had caught up with itself. I cannot provide the actual date here, but it is the recollection of both the Father of the House and me, so it must have been in the period when I was already an Opposition Member of this House; and that, frankly, Mr Speaker, concerned us greatly for the reasons I have already indicated in relation to the Truck Act.

1290 Mr Speaker, there are no huge hikes in Social Insurance. It is absolute nonsense to suggest that there are huge hikes in Social Insurance. It is just not true, Mr Speaker, and in my discussions with members of the business community since the Budget debate, many have told me, 'Well, we don't like it when you raise anything and we had to say something.' But I will put in that context the thing I have heard today from the hon. Lady about huge hikes in Social Insurance, because there are no such huge hikes.

1295 The point I would make in this respect, Mr Speaker, which I think is an important one to make, in particular to commercial individuals – to people who own the businesses that we are talking about, not so much to working people – is that those who own businesses and companies in Gibraltar, many of them, not all of them, have private medical insurance. *Many*, not all of them, have private medical insurance. When their private medical insurance provider, whether it be BUPA PPP, AXA PPP or any other provider, sends them an annual letter – and it is usually an annual letter – telling them that their contributions are going up by a particular amount and that their direct debits are going to be increased, most, Mr Speaker, do not bat an eyelid. Yet when the pandemic hit, the 60% of the Social Insurance contribution that they give, which goes to the GHA is what enabled the GHA, with the support of the taxpayer, to be the entity that provided the additional ventilators with the support of the community; that provided the wards, including the 1305 Florence Nightingale Ward; that provided, with the help of the United Kingdom, the vaccinations and the people providing the vaccinations.

1300 So nobody in the commercial world bats an eyelid when their private medical insurance goes up and yet when their Social Insurance goes up – despite the fact that 40% of it goes to their own pension and 60% of it goes to the medical provision that has seen us proudly through at least the phases we are through already of the pandemic – people say that this is a height too far and huge.

1310 Mr Speaker, look, we have got to get real. We have got to stop pandering to the things that are not real and people understand. The commercial classes in Gibraltar fully understand these things, and we are doing ourselves no favours by pretending otherwise in this House, for the purposes of the partisan political debate, which we are not taking anywhere with those sterile arguments.

1315 If the businesses in Gibraltar need more help in the coming months, the Government will be considering with the business representative organisations, and for itself, how we can provide that help. But raising Social Insurance, Mr Speaker, is but a drop in the ocean of the considerable assistance that this Government has given to most, if not all, businesses in Gibraltar; and those that have not had the assistance have not had it because they have come to the Government through their representative organisations to say, 'Look, we don't need it. We can go on. This is a difficult time. You should not be using taxpayers' money to help us. We can go on.'

1320 Mr Speaker, I am also bound to reflect to hon. Members the very important number of businesses who have returned the assistance that we have already given them, because they have been able to turn things around for themselves and they have wanted to support the taxpayer and wanted to demonstrate their gratitude for the work done by the taxpayer in supporting businesses, by returning funds that they had in the pandemic.

1325 Mr Speaker, that is the reality that sees us bring this Bill to the House for the purposes of providing for the deductions and allowances that I announced in my Appropriation Bill addresses. I commend the Bill to the House.

1330 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Income Tax Act 2010 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Income Tax (Amendment No.3) Act 2021.

**Income Tax (Amendment No. 3) Bill 2021 –
Committee Stage and Third Reading to be taken at this sitting**

1335

Chief Minister (Hon. F R Picardo): Mr Speaker, I beg to give notice that the Clerk seek to print this text slightly larger next time!

Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

1340

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

**Small Unmanned Aircraft (Offences) Bill 2020 –
First Reading approved**

1345

Clerk: A Bill for an act to confer powers to police officers and authorised persons relating to small unmanned aircraft and requirements in the Civil Aviation Act 2009 and subsidiary legislation, to provide for fixed penalties for certain offences relating to small unmanned aircraft and for connected purposes. The Hon. the Deputy Chief Minister.

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Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, I have the honour to move that a Bill for an Act to confer powers to police officers and authorised persons relating to small unmanned aircraft and requirements in the Civil Aviation Act 2009 and subsidiary legislation, to provide for fixed penalties for certain offences relating to small unmanned aircraft and for connected purposes, be read a first time.

1355

Mr Speaker: I now put the question, which is that a Bill for an Act to confer powers to police officers and authorised persons relating to small unmanned aircraft and requirements in the Civil Aviation Act 2009 and subsidiary legislation, to provide for fixed penalties for certain offences relating to small unmanned aircraft and for connected purposes be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

1360

Clerk: Small Unmanned Aircraft (Offences) Act 2020.

**Small Unmanned Aircraft (Offences) Bill 2020 –
Second Reading approved**

Deputy Chief Minister (Hon. Dr J J Garcia): I have the honour to move that the Bill be now read a second time, and I give notice, Mr Speaker, that at the Committee Stage of the Bill, the year 2020 will need to be changed to 2021 in different parts of the Bill.

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Mr Speaker, this Bill aims to reproduce the equivalent measures introduced by the air traffic management and unmanned aircraft legislation progressed in the UK Parliament. The objective is to create offences for the misuse of equipment commonly known as drones. The misuse of such equipment poses serious safety and security concerns: firstly, to the safety of aircraft; secondly, to the safety of persons living in the urban environment; and, thirdly, to wildlife living in the environmentally protected areas of the Upper Rock and BGTW. Those concerns have been brought to the attention of the Government by the Director of Civil Aviation.

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The House will recall that between 19th and 21st December 2018, hundreds of flights were grounded at Gatwick Airport following reports of drone activity in the area. This is perhaps the

most well-known incident but it is, sadly, not the only one. There is a constant and continuous misuse of these devices all over the planet and Gibraltar is no exception to this general rule. Part of the reason for this explosion in their use is because drones have become smaller and more affordable.

Mr Speaker, this Bill is therefore modelled on the Bill before the Westminster Parliament. However, it has been adapted to meet the particular circumstances of Gibraltar. The Bill, as I said, seeks to address the safety and security concerns which arose in the United Kingdom and also to tackle the environmental concerns which have become all too apparent here in Gibraltar.

Indeed, one area where the misuse of drones has been reported is the Upper Rock. This can cause an adverse effect on the environment and on wildlife. The smaller drones are sometimes mistaken for birds of prey by nesting or breeding birds. The larger drones have been known to scare away macaques when operated in close proximity to them. The Bill therefore serves more than one purpose and it is structured in that way.

Hon. Members will have seen that the proposed legislation envisages a multi-agency approach to the enforcement of the offences that will be created. The enforcement rests on three categories of officials. The first category is police officers who have full powers of enforcement; the second category is defined as authorised officers who have full powers of enforcement with the exception of the power in section 6 to enter and search premises under a warrant; the third category is defined as authorised persons, and their powers will be more limited.

Mr Speaker, the Bill proposes that the authorised officers will be the Royal Gibraltar Police and HM Customs. This allows also for the involvement of the Gibraltar Defence Police. The latter would act under the provisions of section 78 of the Police Act 2006 and the Memorandum of Understanding between the Royal Gibraltar Police and the Ministry of Defence. Customs officers are also an essential part of the enforcement framework. Hon. Members will have seen that they are on constant patrol all over Gibraltar. It is therefore for this reason that they will have all the powers of a police officer except the powers in relation to section 6 to enter and search premises under a warrant.

The authorised persons with more limited powers under the Bill are officers of the Borders and Coastguard Agency (BCA) and the environmental protection officers. BCA officers, Mr Speaker, are present in all the entry points to Gibraltar but also, importantly, in the area of the Air Terminal and the runway. The functions of environmental protection officers under the Bill are limited geographically only to the Upper Rock Nature Reserve and to British Gibraltar Territorial Waters.

This legislation was drafted in consultation with the Royal Gibraltar Police. The objective behind the expansion of enforcement powers to other agencies is in order to improve the timeliness of the response to the flight of a drone. It is important to understand that drones are in the air for a relatively short period of time, typically 25 minutes, without a battery charge. The inclusion of other agencies improves the response time particularly, as I said earlier, in respect of the environmental protection officers who have a direct interest in enforcement, as we continue to witness the occasional misuse of drones on the Upper Rock.

Mr Speaker, this Bill improves the enforcement of the small unmanned aircraft provisions in the Civil Aviation (Air Navigation) Regulations 2009 and of certain offences in the Prison Act. The Bill includes powers: (a) to require a small unmanned aircraft to be grounded; (b) to stop and search persons, vessels and vehicles in specific circumstances; (c) to enter and search premises under a warrant; and (d) to issue fixed penalty notices in certain situations. The above reflects the potential seriousness of any given situation that Gibraltar could find itself in, and this cannot be underestimated.

Mr Speaker, an authorised person is able to require an operator to ground a small unmanned aircraft where there is reasonable belief that an offence is being, or is likely to be, committed. This again is a means of providing immediate enforcement. It would also serve to act as a significant deterrent to anyone thinking of using a small unmanned aircraft illegally. There is currently no existing power which permits a police officer to require a person to ground a small unmanned aircraft in the circumstances provided for in the Bill.

1425 The provisions of the Bill, Mr Speaker, provide an authorised officer with the power to stop and search any person, vessel or vehicle or anything in or on a vessel or vehicle. This power applies where the authorised officer has reasonable grounds for suspecting that they will find a small unmanned aircraft and/or any article associated with a small unmanned aircraft which is, or has been, involved in the commission of certain offences in the Civil Aviation (Air Navigation) Regulations or the Prison Act. Where relevant, the provisions of the Criminal Procedure and Evidence Act 2011 apply to the seizure and retention of property.

1430 Small unmanned aircraft offences in the Civil Aviation Regulations and the Bill are summary-only offences. This means that the existing provisions for entry and search powers into premises which exist for indictable offences cannot be used for the misuse of drones. The Police are therefore not able to adequately investigate small unmanned aircraft-related offences. The Bill proposes to put in place a warrant process which will safeguard the use of this power by involving the independent judgment of a magistrate. The result of this is that the Police would need to justify the case for a warrant to enter and search premises to an independent third party.

1440 Mr Speaker, the Bill therefore provides for an amendment to Schedule 14 of the Criminal Procedure and Evidence Act 2011, allowing for searching premises under a warrant to be extended to the offences appearing in sections 4 and 5 of the Bill. The powers in the Bill for authorised persons to require proof of small unmanned aircraft operator registration or remote pilot competency will assist enforcement of these requirements. Those powers will also assist authorised persons to enforce other requirements in the Regulations. This comes with the power to require the production of evidence of any exemption or permission in relation to the Regulations that apply to the particular flights.

1450 The Bill refers to requirements under the Civil Aviation (Air Navigation) Regulations and creates powers in relation to those requirements. For the record, the term 'small unmanned aircraft', Mr Speaker, relates to any unmanned aircraft, other than a balloon or kites, having a mass of not more than 20 kg without its fuel, but including any articles or equipment installed in or attached to the aircraft at the commencement of the flights.

Finally, the Bill also provides a power to issue fixed penalty notices for fixed penalty offences. The use of this power is limited to less serious offences.

1455 Mr Speaker, this Bill addresses a vacuum in our legislation. The equipment that it seeks to regulate is relatively new. It has become apparent from incidents elsewhere that the misuse of such equipment can lead to serious safety and security concerns in respect of both persons and of aircraft. In Gibraltar, there are also environmental concerns and the problems we face in living in an intense urban environment. The Director of Civil Aviation, for this reason, has consulted widely with law enforcement agencies and other relevant bodies. This includes the Commissioner of Police, the Collector of Customs, the CEO of the Borders and Coastguard Agency and the Ministry for the Environment.

Mr Speaker, I commend the Bill to the House.

[Banging on desks]

1465 **Mr Speaker:** Before I put the question, does any Hon. Member wish to speak on the general principles and merits of the Bill?

The Hon. the Leader of the Opposition.

1470 **Hon. K Azopardi:** Mr Speaker, I am grateful for the Deputy Chief Minister's comprehensive setting out of the rationale for this Bill, which we support. We will vote in favour. We consider it appropriate and necessary, for all the reasons that he has given, which was clear – at least not in such detail – but it was certainly clear when we read the Bill that this certainly posed dangers of that type and that the Police needed such enforcement powers, and we will certainly support it.

Mr Speaker: The Hon. Marlene Hassan Nahon.

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Hon. Ms M D Hassan Nahon: Mr Speaker, I too echo the words of the Leader of the Opposition. I thank the Deputy Chief Minister for his exhaustive contribution and also consider it a necessary piece of legislation which I will of course be voting in favour of.

Thank you.

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Mr Speaker: The Hon. the Deputy Chief Minister.

Hon. Deputy Chief Minister: Mr Speaker, only to thank the Hon. Members for their support.

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Mr Speaker: I now put the question, which is that a Bill for an Act to confer powers to police officers and authorised persons relating to small unmanned aircraft and requirements in the Civil Aviation Act 2009 and subsidiary legislation, to provide for fixed penalties for certain offences relating to small unmanned aircraft and for connected purposes be read a second time. Those in favour? **(Members: Aye.)** Those against? Carried.

1490

Clerk: Small Unmanned Aircraft (Offences) Act 2020.

**Small Unmanned Aircraft (Offences) Bill 2020 –
Committee Stage and Third Reading to be taken at this sitting**

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

1495

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

**Mutual Legal Assistance (Council of Europe) (Amendment) Bill 2021 –
First Reading approved**

Clerk: A Bill for an Act to amend the Mutual Legal Assistance (Council of Europe) Act 2018. The Hon. the Minister for Health Authority, Justice, Multiculturalism, Equality and Community Affairs.

1500

Minister for the Health Authority, Justice, Multiculturalism, Equality & Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, I have the honour to move that a Bill for an Act to amend the Mutual Legal Assistance (Council of Europe) Act 2018 be read a first time.

1505

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Mutual Legal Assistance (Council of Europe) Act 2018 be read a first time. Those in favour? **(Members: Aye.)** Those against? Carried.

Clerk: Mutual Legal Assistance (Council of Europe) (Amendment) Act 2021.

**Mutual Legal Assistance (Council of Europe) (Amendment) Bill 2021 –
Second Reading approved**

Minister for the Health Authority, Justice, Multiculturalism, Equality & Community Affairs
(Hon. Miss S J Sacramento): Mr Speaker, I have the honour to move that the Bill for the Mutual Legal Assistance (Council of Europe) (Amendment) Act 2021 be read a second time.

Mr Speaker, clauses 1 and 2 contain provisions in relation to the title and entry into force of the Act. Clause 3 amends certain sections of the Mutual Legal Assistance (Council of Europe) Act 2018, referred to as ‘the 2018 Act’, to implement in part specific provisions of the additional protocol to the European Convention on Mutual Assistance in Criminal Matters dated 17th March 1978 – the Additional Protocol, Mr Speaker – which are not currently provided for in Gibraltar Law.

In addition, the Bill also provides the following: (a) a regulation-making power to amend the 2018 Act by regulation for the purposes of implementing international conventions and agreements; and (b) a clause restricting the use of any information or evidence provided by the Judicial Authority in Gibraltar under a request for assistance, to prevent the equivalent authority in a contracting state from using this information or evidence for another purpose without the consent of the Judicial Authority in Gibraltar.

The European Convention on Mutual Assistance in Criminal Matters, dated 20th April 1959, already applies to Gibraltar and is given effect in our 2018 Act. This Bill tweaks the Act so as to implement Chapter 1 of the Additional Protocol. There are three main chapters to the Additional Protocol, which each contracting state can agree to form part of, or to reserve out of, under Article 8. Gibraltar is seeking extension of Chapter 1 of the Additional Protocol, but with similar reservations to the United Kingdom; and is also reserving out of Chapters 2 and 3.

Chapter 1 modifies the text of the convention by removing the possibility of refusing mutual assistance requests in criminal matters, solely because the request concerns a ‘fiscal offence’. Gibraltar can still refuse to grant a request by relying on one of the grounds under Article 2b of the convention. The additional protocol is an important post-transition arrangement following Brexit.

I will now take each part of clause 3 as they appear on the Bill. Subclause (2): the amendments to section 2 of the 2018 Act are necessary to implement Chapter 1 to the Additional Protocol as they remove the exclusion of fiscal offences from the definition of ‘relevant offence’, and it also removes the reliance on the definition of ‘offence’ in the Mutual Legal Assistance International Act 2005, which excludes fiscal offences.

Subclause (3): the addition of subclause (3) to section 5 of the 2018 Act complies with Chapter 1 of the Additional Protocol, as it would allow mutual assistance requests for fiscal offences to be acceptable in Gibraltar. The new subsection 5(3) to the 2018 Act provides that the Mutual Legal Assistance International Act 2005 is to be read for the purposes of the 2018 Act as including fiscal offences.

Subclause (4): the addition of section 11A imposes a necessary restriction on any relevant authority in a contracting state, to the use made of the information and evidence obtained from the Judicial Authority in Gibraltar. In essence, the authorities in other contracting states cannot use the information or evidence from the Judicial Authority in Gibraltar for any other purpose than that specified in their request for mutual assistance.

Subclause (5): a new section 18 is proposed for the 2018 Act. This is a regulation-making power to make amendments to the 2018 Act by regulation for the sole and limited purpose of implementing conventions and international agreements. There are similar provisions in other Acts, to name but a few: section 184(2) of the Proceeds of Crime Act 2015; section 129(g) of the Imports and Exports Act 1986; section 152(1)(f) of the Terrorism Act 2018; section 223A(1)(b) of the Merchant Shipping Act.

Mr Speaker, I commend this Bill to the House.

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

The Hon. the Leader of the Opposition.

1560

Hon. K Azopardi: Mr Speaker, certainly grateful for the explanation of the Minister, because it was not immediately obvious from the explanatory memorandum, unless you had regard to the protocol, next to reading the Bill itself.

1565

Can I just ask her to perhaps deal with in her reply: is there any other sort of motivation in terms of this? Is this Bill coming from some kind of concern in respect of our current legislation? Because obviously the protocol that she relies on is a 1978 protocol which has been kicking around for quite a while. So what is it that motivates taking this legislation now in this way? Is it related to perhaps that we have left the European Union and therefore we are now relying on the protocol? Is that what it is? And, is the Government concerned in respect of the fiscal offences, that we may not get reciprocity from other countries in the context of our departure from the EU?

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Mr Speaker: The Hon. Minister.

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Hon. Miss S J Sacramento: Mr Speaker, yes, the Hon. Member is right in that he refers to this being one of the consequential matters arising out of Brexit arrangements; and it is, in a sense, a formality in relation to fiscal offences. So the legislation is being amended in order to cover that respect. So what this does, Mr Speaker, is replaces that regime that we had before.

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Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Mutual Legal Assistance (Council of Europe) Act 2018 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Mutual Legal Assistance (Council of Europe) (Amendment) Act 2021.

**Mutual Legal Assistance (Council of Europe) (Amendment) Bill 2021 –
Committee Stage and Third Reading to be taken at this sitting**

1585

Minister for the Health Authority, Justice, Multiculturalism, Equality & Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

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

**Private Sector Pensions (Amendment) Bill 2021 –
First Reading approved**

1590

Clerk: A Bill for an Act to amend the Private Sector Pensions Act 2019 to replace the Pensions Commissioner, to make consequential amendments arising from the enactment of the Financial Services Act 2019 and to make provisions for sizes of employers and for connected purposes.

The Hon. the Minister for Digital and Financial Services.

Minister for Digital, Financial Services and Public Utilities (Hon A J Isola): Mr Speaker, I have the honour to move that a Bill for an Act to amend the Private Sector Pensions Act 2019 to replace the Pensions Commissioner and to make consequential amendments arising from the enactment of the Financial Services Act 2019, and to make provision for sizes of employers and for connected purposes to be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an act to amend the Private Sector Pensions Act 2019 to replace the Pensions Commissioner, to make consequential amendments arising from the enactment of the Financial Services Act 2019 and to make provision for sizes of employers and for connected purposes, be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Private Sector Pensions (Amendment) Act 2021.

**Private Sector Pensions (Amendment) Bill 2021 –
Second Reading approved**

Minister for Digital, Financial Services and Public Utilities (Hon. A J Isola): Mr Speaker, I have the honour to move that the Bill now be read a second time.

Mr Speaker, this Bill amends the Private Sector Pensions Act 2019, which was enacted to ensure that private sector workers were entitled to choose whether they wished to make a contribution to a pension plan. It requires the employer to contribute towards that employee's pension plan if the employee so chooses to participate in such a plan. The Act did not come into force in 2019, but set out the dates of implementation for the different categories of employer with the implementation for the largest category, i.e. Enterprise Employers, planned for 1st July 2021. This date has been slightly deferred and the implementation for Enterprise Employers will now be 1st August 2021.

The fundamental effect of the Pensions Act has not changed, but amendments have been made in order to update references to the Financial Services legislation, which underwent a significant change since this Act was passed, and to facilitate the logistical and administrative aspects of the Act. The amendments also delay implementation of the Act for certain types of employers to give them some breathing room in circumstances where most businesses have been affected by the pandemic.

The first significant amendment made by this Bill is that the role of the Pensions Commissioner is to be carried out by the Gibraltar Financial Services Commission, rather than the Commissioner for Income Tax. This facilitates matters, given that the GFSC already has some regulatory responsibilities, experience and expertise in respect of pension schemes.

A number of consequential amendments arise from that change, namely, granting the Pensions Commissioner powers to delegate functions to employees of the GFSC, and to exchange information with Government Departments to ensure a streamlined and simpler process for employers. The Act provided for the Pensions Commissioner to have the powers that the Income Tax Commissioner had under the Income Tax Act 2010. In light of the change of the Pensions Commissioner to the GFSC the Bill introduces such powers expressly, including enforcement powers for the entry and search of premises upon receipt of a warrant issued by a magistrate in the event that there are suspicions that the Act is not being fully complied with.

In addition, the Bill allows members of the public to raise complaints arising from the Act or the Financial Services Ombudsman. The Bill also introduces the power for the Pensions Commissioner to charge employers a fee for registration under the Act, which would be necessary to cover the costs of administrative and supervisory work, which will need to be undertaken as a

result of the Act. Such costs are more appropriately funded by the private sector than the Government.

Lastly, Mr Speaker, the Bill changes the dates for which employers are required to comply with the provisions of the Act. In other words, the dates from which private sector employers need to begin making contributions to the pensions of those employees who have opted to contribute to a pension. In making this change the Bill introduces a new category of 'Enterprise Employer', being those who employ more than 251 employees. Only these largest employers will be required to comply with the Act this year from 1st August 2021. Under the Act, those employers who fell into the 'large' category, namely those with between 101 and 250 employees, would have been required to comply this year, but the Bill has pushed this back to 2022.

The start date for all other categories of employers has been delayed by one year, except for the smallest category employer. Micro-Employers' implementation date remains 1st July 2027. This gives private sector businesses the breathing space which we understand they require after the effects of the pandemic whilst also balancing the needs of private sector employees to provide for their futures.

Mr Speaker, I am grateful to the Financial Services Commission for undertaking to do this work as well as the support and the preparation of this Bill, particularly Julian Sacarello who has worked closely with us, as well as Gemma Vasquez and Tania Rahmany from Hassans, who were not on the original Act and have now supported the work in relation to the preparation of this Bill.

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

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

The hon. Roy Clinton.

Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his introduction to the amendments to the Private Sector Pensions Act. We of course supported the original Bill which became the Act and obviously we will support anything that makes the administration and those things that the Minister deems are necessary, to make this Act effective.

But, Mr Speaker, I have a couple of questions for the Minister that arise from the changes that have been introduced. Firstly, if the Minister could advise why it was that there was a change in definitions? Because originally the scaling of the different types of employers was done on the basis of Schedule 9 of the Companies Act 2014, as listed in the Act that we debated some time ago. It has now changed to go by, not that definition, but by numbers of employees. I would be grateful if the Minister could advise what was it that influenced that change of methodology, because of course in the Companies Act definitions we will be looking at other things – turnover, assets, not just employees. So I would be interested to know what it was that has led to this change in thinking. And of course the Enterprise Employer is a new category, which was not in the original Act.

In terms of the Financial Services Commission, as a body, obviously I assume that the necessary work has been done in preparation for it in order to enable them to undertake the administrative burden that this will require.

There is one question I have, Mr Speaker, and that goes to the back of the Bill, which is a one-liner at the very end in Explanatory Memorandum, and it says:

Finally, this Act provides for immunity from the sanctions available under the Act for the Government in cases where the Government acts as a pension provider or pension administrator.

I think that must refer to clause 14, item (c), and it talks about inserting a new clause (u) and this is:

'exempting, in the public interest, specific pension plans and their administrators from the provisions of this Act.'

1685 I would be interested to know what the rationale for that is because if you read the original Act, which did not come into force, it does say quite clearly that:

3.(1) This Act does not require a pension plan to be provided in respect of employment or service which constitutes a “public service” within the meaning of the Pensions Act.

(2) This Act does not apply to pensions established under the Social Security (Insurance) Act and any regulations made thereunder.

1690 So I am just curious to know why it is that Government feels it needs this clause, in terms of effectively giving itself immunity where you are a pension provider. I can only imagine that case would arise where it is in relation to a pension provided by a Government company in terms of, I do not know, whether that comes under the definition of public service or not.

I do find it peculiar that there is a desire to insert this clause (u) allowing for exemption in the public interest. I find it a bit hard to understand what the public interest could be where they require exemption.

1695 Lastly, Mr Speaker, in terms of the complaints procedure to the Financial Services Ombudsman. If this Act comes into force so that people or employers – certainly the Enterprise Employers will have to get this up and running for 1st August – I would imagine the Public Service Ombudsman has to at least be in place for when this legislation comes into force. I would be grateful if the Minister could give an indication, unless I have missed it already, as to when he expects the Financial Services Ombudsman legislation to be enacted; or, rather, put into force.

1700 Thank you, Mr Speaker.

Mr Speaker: The Hon. Minister.

1705 **Hon. A J Isola:** Mr Speaker, dealing with the points the hon. Member has raised, I think dealing with the last point first, the complaints procedure. As the hon. Member will know, the very first group will be the Enterprise Employers with firms of over 251, which kicks off with effect from 1st August for the period of three months during which they have to enter into those arrangements. So there is time for them to do that, and I would hope that within that period we would be in a position to take the next step forward in the commencement of the Financial Services Ombudsman position. So I would hope there would be no issue there.

1710 With respect to the immunity, this is a point that will arise, I suspect, later on towards the end of the implementation with a final group that we call the ‘Micro-Employer’, which is 14 or less. Those are firms that are going to have very few members. It is unlikely that they are going to set up their own pension plan. I believe the larger firms will probably set up their own pension plans for the employees – group pension plans. But the further down you go with the smaller the firm becomes, the harder that will become.

1715 The cost of administering pension plans is expensive. So when you have got very few employees, it is unlikely that a firm will take the step to work to do that for their employees and they maybe subscribing to *group* pension plans, if I can call them that, where the cost of administration of these plans is greatly reduced. I know there are some insurance providers in Gibraltar who are looking at the pooling of pension plans where they are able to put their money together to reduce the cost. Otherwise, it would be ridiculous for the firm with 14 employees to set up a full-blown pension plan where the costs would outweigh the return they may make in any given year. Consequently, that is the reason why that clause is there in the event of the Government pension plan being made available to them. Probably, exactly. We do not want to find ourselves being on the wrong end of a lawsuit if something is done, when all we are trying to do is pool monies and investing them in line with what we are doing for everyone else.

1720 Mr Speaker, so why have we changed the groupings? We changed the groupings because we felt – again on advice, and we have consulted on these – that it is better to start with a very, very large ... Which is why the new Enterprise Employer has been created. There are only 11 such firms

which are impacted, which also gives us more time to see how this works through, to identify and thrash out any changes that may be required in its functionality, before we move on to extending it further. By handing it over, I think it was 101 or 150 employers, this just gives us more time if there are fewer employees impacted in phase 1.

1735 I would expect the first two categories would be offering group pension plans for their staff, because they have the volume of people, and some of them already do. As you may know, any pension plan for a firm which has 99 members or more is already regulated by the Financial Services Commission, so those really are quite easy for them to take up, because they are already registered and, in a sense, regulated. So this will enable us to move more swiftly with those that
1740 already exist in the main before we move on to the others. So it really is just a practical way of enabling only the larger firms to be impacted at this stage before we move it out to next year and every year thereafter, kicking into the new schemes.

I hope that deals with the hon. Member's questions.

1745 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Private Sector Pensions Act 2019 to replace the Pensions Commissioner, to make consequential amendments arising from the enactment of the Financial Services Act 2019, and to make provision for sizes of employers and for connected purposes, be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

1750

Clerk: The Private Sector Pensions (Amendment) Act 2021.

**Private Sector Pensions (Amendment) Bill 2021 –
Committee Stage and Third Reading to be taken at this sitting**

Minister for Digital, Financial Services and Public Utilities (Hon. A J Isola): Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

1755

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

**Procedural –
Short recess with retiring Clerk, Paul Martinez**

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

1760

Chief Minister (Hon. F R Picardo): Mr Speaker, before I move that we should go into the Committee Stage and Third Reading, I am advised that today will likely be the last day that the Clerk is with us, because tomorrow, although we will sit, he has a personal appointment that he needs to attend to. He has been kind enough, despite my doctor's and wife's advice, to provide for everyone a cake with tea; and if we continue now with the Third Reading we are going to get
1765 to dinner time before we can enjoy with him the fruits of his kindness.

So, Mr Speaker, can I move, with our best wishes, that the House should recess for 15 minutes (*Banging on desks*) and return when you think it is appropriate, on the hour or before, so that we can enjoy that with our dear Paul.

Mr Speaker: The House will recess for a reasonable period of time.

The House recessed at 6.35 p.m. – and resumed at 6.55 p.m.

COMMITTEE STAGE AND THIRD READING

1770 **Clerk:** Committee Stage and Third Reading, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Well, Mr Speaker, a very reasonable time was had by all.
(Interjections)

1775 Mr Speaker, I have the honour to move that the House should resolve itself into Committee to consider the following Bills clause-by-clause: the Imports and Exports (Miscellaneous Amendment) Bill 2021; the Income Tax (Amendment No. 3) Bill 2021; the Small Unmanned Aircraft (Offences) Bill 2020; the Public Health (Amendment) Bill 2020; the Mutual Legal Assistance (Council of Europe) (Amendment) Bill 2021; and the Private Sector Pensions (Amendment) Bill 2021.

In Committee of the whole House

Imports and Exports (Miscellaneous Amendment) Bill 2021 – Clauses considered and approved

1780 **Clerk:** A Bill for an Act to amend the Imports and Exports Act 1986 and the Integrated Tariff Regulations 2017.
Clauses 1 to 4.

Mr Chairman: Clauses 1 to 4 stand part of the Bill.

1785

Clerk: The long title.

Mr Chairman: The long title stands part of the Bill.

Income Tax (Amendment No. 3) Bill 2021 – Clauses considered and approved

1790 **Clerk:** A Bill for an Act to amend the Income Tax Act 2010.
Clauses 1 to 3.

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

Clerk: The long title.

1795

Mr Chairman: The long title stands part of the Bill.

**Small Unmanned Aircraft (Offences) Bill 2020 –
Clauses considered and approved**

Clerk: A Bill for an Act to confer powers to police officers and authorised persons relating to small unmanned aircraft and requirements in the Civil Aviation Act 2009 and subsidiary legislation to provide for fixed penalties for certain offences relating to small unmanned aircraft and for connected purposes.

Clause 1, as amended.

Deputy Chief Minister (Hon. Dr J J Garcia): Yes, Mr Chairman, simply to amend the date from 2020 to 2021.

Mr Chairman: Clause 1, as amended, stands part of the Bill.

Clerk: Clauses 2 to 3.

Mr Chairman: Clauses 2 to 3 stand part of the Bill.

Clerk: Part 1, clauses 4 to 7.

Mr Chairman: Part 1, clauses 4 to 7 stand part of the Bill.

Clerk: Part 2, clauses 8 to 11.

Mr Chairman: Part 2, clauses 8 to 11 stand part of the Bill.

Clerk: Part 3, clauses 12 and 13.

The Chairman: Part 3, clauses 12 and 13 stand part of the Bill.

Clerk: Part 4, clauses 14 to 17.

Mr Chairman: Part 4, clauses 14 to 17 stand part of the Bill.

Clerk: Part 5, clauses 18 to 20.

Mr Chairman: Part 5, clauses 18 to 20 stand part of the Bill.

Clerk: The Schedule.

Mr Chairman: The Schedule stands part of the Bill.

Clerk: Long title.

Mr Chairman: The long title stands part of the Bill.

**Public Health (Amendment) Bill 2020 –
Clauses considered and approved**

1840 **Clerk:** A Bill for an Act to amend the Public Health Act to control the emission of smoke by
vessels and for connected purposes.
Clause 1, as amended.

1845 **Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E
Cortes):** Yes, Mr Chairman, the amendment to clause 1 is a change to the year 2021 as in the last
Bill we have just done.

Mr Chairman: Clause 1, as amended, stands part of the Bill.

1850 **Clerk:** Clause 2.

Mr Chairman: Clause 2 stands part of the Bill.

Clerk: Clause 3, as amended.

1855 **Hon. Prof. J E Cortes:** Yes, Mr Chairman, I will refer to my letters of 29th June 2020 and 3rd
June 2021, with proposed minor amendments.

Mr Chairman: Clause 3, as amended, stands part of the Bill.

1860 **Clerk:** The long title.

Mr Chairman: The long title stands part of the Bill.

**Mutual Legal Assistance (Council of Europe) (Amendment) Bill 2021 –
Clauses considered and approved**

1865 **Clerk:** A Bill for an Act to amend the Mutual Legal Assistance (Council of Europe) Act 2018.
Clauses 1 to 3.

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

1870 **Clerk:** The long title.

Mr Chairman: The long title stands part of the Bill.

**Private Sector Pensions (Amendment) Bill 2021 –
Clauses considered and approved**

1875 **Clerk:** A Bill for an Act to amend the Private Sector Pensions Act 2019 to replace the Pensions
Commissioner to make consequential amendments arising from the enactment of the Financial
Services Act 2019 and to make provision for the sizes of employers and for connected purposes.
Clauses 1 and 2.

Mr Chairman: Clauses 1 and 2 stand part of the Bill. (*Interjection*)

Minister for Digital, Financial Services and Public Utilities (Hon. A J Isola): There is a letter of amendment today, which I have circulated, changing the date of commencement from 1st July 2021 to 1st August 2021. (*Interjection*) Okay.

Clerk: Clause 3, as amended.

Mr Chairman: Clause 3, as amended, stands part of the Bill.

Hon. A J Isola: I am grateful to the Chairman, as I am for the cake that the Clerk has delivered to us this afternoon.

Clerk: The long title.

Mr Chairman: The long title stands part of the Bill.

**Imports and Exports (Miscellaneous Amendment) Bill 2021 –
Income Tax (Amendment No. 3) Bill 2021 –
Small Unmanned Aircraft (Offences) Bill 2020 –
Public Health (Amendment) Bill 2020 –
Mutual Legal Assistance (Council of Europe) (Amendment) Bill 2021 –
Private Sector Pensions (Amendment) Bill 2021 –
Third Reading approved: Bills passed**

Clerk: The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the Private Sector Pensions (Amendment) Bill 2021; the Imports and Exports (Miscellaneous Amendment) Bill 2021; the Income Tax (Amendment No. 3) Bill 2021; the Small Unmanned Aircraft (Offences) Bill 2020; the Public Health (Amendment) Bill 2020; and the Mutual Legal Assistance (Council of Europe) (Amendment) Bill 2021 have been considered in Committee and agreed to, with some amendments, and will shortly be read a third time and passed.

Mr Speaker: I now put the question, which is that the Private Sector Pensions (Amendment) Bill 2021, as amended; the Imports and Exports (Miscellaneous Amendment) Bill 2021; the Income Tax (Amendment No. 3) Bill 2021; the Small Unmanned Aircraft (Offences) Bill 2021, as amended; the Public Health (Amendment) Bill 2021; and the Mutual Legal Assistance (Council of Europe) (Amendment) Bill 2021 be read a third time and passed.

Those in favour of the Private Sector Pensions (Amendment) Bill 2021? (**Members:** Aye.) Those against? Carried.

Those in favour of the Imports and Exports (Miscellaneous Amendment) Bill 2021? (**Members:** Aye.) Those against? Carried.

Those in favour of the Income Tax (Amendment No. 3) Bill 2021? (**Members:** Aye.) Those against? Carried.

Those in favour of the Small Unmanned Aircraft (Offences) Bill 2021? (**Members:** Aye.) Those against? Carried.

Those in favour of the Public Health (Amendment) Bill 2021? (**Members:** Aye.) Those against? Carried.

Those in favour of the Mutual Legal Assistance (Council of Europe) (Amendment) Bill 2021?
(**Members:** Aye.) Those against? Carried.

ADJOURNMENT

1920 **Chief Minister (Hon. F R Picardo):** Mr Speaker, given that the House has now concluded the Bills that the Government would wish to take through their stages before we adjourn for the summer, I move that the House should adjourn to tomorrow afternoon and we will deal with Government motions – of which I understand there will tomorrow be two that we can take – and those motions which hon. Members may also put on the Order Paper.

So, tomorrow at 3 p.m.

1925 **Mr Speaker:** I now propose the question which is that this House do now adjourn to Friday, 30th July at 3 p.m.

I now put the question which is that this House do now adjourn to Friday, 30th July at 3 p.m. Those in favour? (**Members:** Aye.) Those against? Passed.

This House will now adjourn to Friday 30th July at 3 p.m.

The House adjourned at 7.05 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.04 p.m. – 7.21 p.m.

Gibraltar, Friday, 30th July 2021

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The Gibraltar Parliament

The Parliament met at 3.04 p.m.

[MR SPEAKER: Hon. M L Farrell BEM GMD RD JP *in the Chair*]

[ACTING CLERK TO THE PARLIAMENT: S Galliano Esq *in attendance*]

SUSPENSION OF STANDING ORDERS

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

Acting Clerk: Meeting of Parliament, Friday, 30th July 2021.

Order of Proceedings: Suspension of Standing Orders. The Hon. the Chief Minister.

5 **Chief Minister (Hon. F R Picardo):** Mr Speaker, good afternoon and thank you.

Before I read the suspension, the Government's intention is to suspend Standing Orders and then move on to the motion which will proceed with the other suspension, in order to proceed with a motion, first, which has not had the adequate period of notice, and then deal with the other motion.

10 So, in that order, I beg to move, under Standing Order 7(3), to suspend Standing Order 7(1) in order to proceed with Government motions.

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

Standing Order 19 suspended to proceed with Government motions

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

I hereby give notice of motion, under Standing Order 59, to proceed with the suspension of Standing Order 19, in order to proceed with Government motions.

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

Order of the Day

GOVERNMENT MOTIONS

**Community Care Action Group letter to HE the Governor –
Call for withdrawal of inaccurate and misleading parts –
Motion carried**

Acting Clerk: The Hon. the Chief Minister.

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

This House:

NOTES the terms of the letter delivered to His Excellency the Governor by the Chairman of the Community Care Action Group, Mr Joe Capurro, in relation to the said Group's claims against the Trustees of the independent charity, Community Care;

FURTHER NOTES the cogent and clear explanations provided by the Minister for Social Insurance, the Father of the House, the Hon. Sir Joe Bossano MP, in his contribution on the Second Reading of the Appropriation Bill 2021, as to the history of pensions in Gibraltar and in particular the circumstances that gave rise to the creation of Community Care by a group of private individuals;

ALSO NOTES the statements by the Chief Minister, the Leader of the House, the Hon. Fabian Picardo QC MP, in his reply during the debate on the Appropriation Bill 2021, dealing with the many inaccuracies contained in the letter from the Chairman of the Community Care Action Group to His Excellency;

FURTHER NOTES AND AGREES that, given the material inaccuracies contained in the letter to His Excellency from the Chairman of the Community Care Action Group, Mr Capurro, the Chief Minister has been right to call on the Group to withdraw the letter to His Excellency, at least insofar as the blatant inaccuracies therein contained;

And therefore now calls upon the Community Care Action Group to withdraw those parts of the said letter to His Excellency which have been demonstrated to be inaccurate and which are therefore misleading.

Mr Speaker, that is the motion that is before the House this afternoon. For the purposes of the record and to ensure that we know exactly what we are dealing with, and so that we are not, for one moment, said to be proceeding on a basis other than a factual basis, and also for the purposes of posterity, I think it appropriate that I should read into the record the various documents which
25 are relevant to the debate to be had this afternoon.

I want to start, in what I consider to be the correct chronological order, by referring the House to a letter that I received on 1st July 2021, a letter that was delivered to the Hon. the Deputy Chief Minister, who, in my absence from Gibraltar, wanted to ensure that we did the courtesy to the Community Care Action Group of receiving their demonstration to No. 6 Convent Place and receiving their letter. This is a letter also from Mr Joseph Capurro, dated 1st July 2021, and I should
30 say, for the record, that I am pleased to recognise that Mr Capurro is in the Gallery. The letter reads as follows:

Dear Chief Minister

Petition from the Community Care Action Group

We have just handed a petition for your Government to the Deputy Chief Minister, signed by 4,272 adult persons residing in Gibraltar; 3,126 signatories have signed in person at our petition signing stations in Gibraltar over the

last six days, and the other 1,146 are electronically signed with change.org. As the bulk of the signatures have been collected in less than a week, it is obvious that there is strength of feeling and a much larger petition of signatures could have been collected in a longer period. In other words, this is the tip of the iceberg of support. We have a mandate of over 12% of the population to demand that the community officer allowance rules and conditions be reinstated as they were prior to the arbitrary decision implemented on 17th February 2020 and pay the allowance arrears to our members and all such claimants. Alternatively, if this does not happen, we demand that you equalise the pensionable age for men and women in all new schemes, and pay pensions for men and women from age 60, as you vowed in your party's election manifestos of 2011, 2015 and 2019. We have waited long enough since February 2020 and now ask you to resolve this by 31st July 2021.

That is to say tomorrow. I make no comment on the content of that letter at this stage; I will return to it later.

35 Mr Speaker, also for the purposes of the record, here is a letter dated also 1st July 2021, which was handed in to his Excellency the Governor, Vice-Admiral Sir David Steel, at the Convent, at the same time. I do not know whether the chronology of the day meant that it was delivered before or after the letter to the Deputy Chief Minister, but certainly given the geography of Convent Place, it would have been a moment or two before. The letter, again for the purposes of the
40 record, reads as follows.

Dear Sir David

Copy petition from the Community Care Action Group Gibraltar

I am the Chairman of the Community Care Action Group, who are a group of men in their late 50s and very early 60s. Our petition is directed at the Gibraltar Government and at Community Care.

The Gibraltar Government created Community Care (a registered charity funded by the Gibraltar Government) to operate the community officer allowance and the household cost allowance. The community officer allowance is a scheme for Gibraltar-resident men aged 60 to 65 that was created by the GSLP Government in 1988 for the benefit of Gibraltar-resident men in lieu of paying state pension increases to all pensioners.

The community officer scheme has been in existence for over 30 years, and it has been the expected practice that 60-year-old men would apply to become a community officer and would automatically receive the community officer allowance. The household cost allowance is a scheme for Gibraltar-resident women aged 60-plus and also for men aged 65-plus that was created by the GSLP Government in 1998 in lieu of paying state pension increases to all pensioners. In effect, when a pensioner combines their Community Care payments with their state pension, they together form the equivalent of this country's 'state pension'.

On 17th February 2020, Community Care suddenly implemented immediate changes to the community officer scheme rules and disallowed new claimants who were in receipt of occupational pensions and new claimants who were in business or in employment. They claimed that this has been mainly due to abuses. However, they have not substantiated their claims, notwithstanding the fact that Community Care were managing the charity themselves for over three decades.

In the GSLP Liberal Government manifestos of the 2011, 2015 and 2019 elections, they stated that they were committed to funding Community Care and ensure its survival. The Government also vowed (in keeping with EU law), to equalise the pensionable age for men and women in all new schemes and pay pensions to men and women from age 60. Due to the exclusion of our members from the community officer allowance and therefore not yet being eligible to receive a state pension until they attain the age of 65, it is no surprise that not only are men being clearly discriminated against but now these men do not receive this income, in breach of legitimate expectations, despite having paid their social security and taxes for the required years.

It is reasonable to expect that when men have been promised financial security in their retirement and it is arbitrarily taken away, they then demand that the Government and Community Care implement immediate changes to grant the men state pension and household cost allowance equalisation with women at age 60.

When any changes are introduced to existing citizens' retirement, it is the expected norm that, apart from a consultative process with all parties affected by the proposed changes, the changes are made in the years ahead, having given the affected citizens plenty of advance warning, and then the changes can be gradually phased in. This has not been the case here with the introduction of overnight, arbitrary and drastic changes which have caused our members untold grief and financial loss.

The timing of the changes to the community officer allowance coincided with the start of the COVID-19 public health restrictions. Our group have respected all lockdown and human contact laws and have only recently been able to have meetings and meet with Government and Community Care. We believe that the Government and Community Care are resolute in their decision to continue to implement the announced changes and are intransigent.

The GSLP party have instigated a disturbing and vilifying campaign against our committee and our members via their party newspaper, the *New People*. We believe that their activists are using intimidating tactics against anyone who signs with our group or speaks out against Government or Community Care.

In Gibraltar, there is no independent overseeing body that can keep our Government in check in this and other matters until the next election.

We are writing to you to appraise you of the current situation regarding the Government's handling of this predicament that we find ourselves in. We are holding a demonstration to bring awareness to our cause in the hope of making the Government and the trustees reconsider their position. We wish to thank you for accepting this copy petition.

You sincerely etc.

Joseph A E G Capurro

Chairman of the Community Care Action Group

Mr Speaker, also, finally, for the sake of the record, I responded to that letter, on 23rd July 2021, with a letter sent by email to CommunityCareActionGroup@outlook.com, addressed also to Mr Capurro, which reads as follows:

Dear Mr Capurro

I am writing pursuant to our constructive meeting last week at No. 6 Convent Place and to record several points of agreement between us. For clarity, it is worth recording that the meeting was attended by committee members of the Community Care Action Group and the Chairman of Community Care, Mr James Levy QC.

During the meeting, I reiterated the Government's position that Community Care is a private charity and the decisions its committee takes fall entirely under its own independent prerogative and discretion. Mr Levy also reiterated this to all of us repeatedly throughout the meeting. I nonetheless welcomed the productive nature of the meeting and noted the concerns that have been raised by the group's committee and members. I will not, however, record the many areas of disagreement between us, as those are obvious.

Following the meeting, I am, however, pleased to write to you to set out three broad points that all sides present agreed. These are as follows: (i) there is an extant European Union obligation on the Government of Gibraltar to equalise the pensionable age; (ii) there is an obligation on the Government of Gibraltar, contained in Gibraltar's Constitution under the provisions against discrimination on the grounds of sex, to equalise the pensionable age; and (iii) there is a measure of agreement between us, if not with the trustees of Community Care, that it is unfair that those who were unaffected by the changes in the Community Care rules on 17th February 2020 should continue to receive payments in full. Mr Levy, however, reiterated that these individuals are now being required by the charity to work a number of hours a week.

As I explained during the meeting, the Government is committed to the equalisation of the pensionable age. These are manifesto commitments, as well as being obligations for the reasons set out above. We are therefore currently in the process of publishing a Command Paper on the equalisation of the pensionable age. I reaffirm the commitment I made during our meeting, but subject to the comments in the final paragraph of this letter, to meet with your group after the publication of the Command Paper and to listen to your views on its content. I cannot, however, commit to a date for publication of the Command Paper given the considerable work required to finalise technical aspects of its content.

It would be remiss of me to fail to refer to the statement by the Hon. Sir Joe Bossano MP in Parliament this week during our Budget session. He addressed many issues on the Government's policy in respect of pensions, as well as providing key historical facts about the state pension in Gibraltar. I attach a copy of Sir Joe's speech.

Finally, I have to also record my Government's complete disagreement with all aspects of the letter sent to His Excellency the Governor. Sir David kindly passed a copy to me immediately, given that the aspects of your letter related to constitutional responsibilities of Ministers, not the United Kingdom. (I am not commenting on the party political aspects of it in re to the GSLP.) For the reasons set out eloquently in Sir Joe's address, the characterisation of Community Care, its foundation and purpose as set out in your letter are wrong and considerably damaging to the real independence of the charity. I therefore have to ask you to withdraw the aspect of the letter to His Excellency the Governor that relates to the foundations and purpose, not the parts that relate to the GSLP, which, although I dispute as leader of the GSLP, I am not addressing in this letter to you as Chief Minister before I am prepared to meet with you again on the Command Paper or otherwise.

Given the references to them in this letter, I am copying Sir Joe and Mr Levy for their information.

It was a real pleasure to meet you. I hope that we will be able to meet again.

With best wishes.

45 Mr Speaker, I have now read into the record of *Hansard* the three letters that I think were relevant for the purposes of this House's understanding of the issues with which we are dealing.

I have also brought with me a copy of the petition which was handed in to the Deputy Chief Minister at No. 6 Convent Place and which was the purpose of the demonstration, as set out in the letter by Mr Capurro to His Excellency the Governor and probably also to me, saying that they were marching to deliver this petition to us. This petition is accompanied by a cover notice, which

50 I think I should read, given that it is, I believe, the petition that was put online and which was provided for people to sign. That petition reads as follows:

Petition by Community Care Action Group Gibraltar.

They petition that the community officer allowance be restored or equalised with the state pension of women aged 60.

The Community Care Action Group have been fighting for their right to have their community officer allowance to be restored to pre 17th February 2020 and arrears paid to the group. Alternatively, they are calling on Government to equalise men's state retirement age with women at age 60 and calling on Community Care to equalise men's household cost allowance with women at age 60. There is gross inequality and unfairness between genders and their respective retirement ages. This affects all men and their families now and in the future.

Gibraltar state pensions are among the lowest in the developed world. The Gibraltar Government previously boasted how high our GDP was, yet it pays a miserable third world state pension to its citizens. They have now changed the rules to the pension alternative to exclude more men aged 60 to 65 from receiving it. When so doing, they did not consult with the affected men, they did not give the affected men any warning of any forthcoming changes, and they also failed to make introductory changes. It all happened on 17th February 2020.

For men aged 60 to 65, the state pensions are supplemented by the community officer allowance, which changes to the household cost allowance from age 65-plus. For women aged 60-plus, the state pensions are supplemented by the household cost allowance. In both cases, were it not for the community officer allowance and the household cost allowance combining with the state pension, there would be state pension poverty. Recent changes to the community officer allowance eligibility by introducing punitive conditions means that many previously eligible men aged 60 can no longer receive the allowance.

We are petitioning the Government and Community Care to either revert to the pre 17th February 2020 changes and pay arrears, or equalise men's state retirement age with women at age 60, like the GSLP promised in their 2011, 2015 and 2019 manifestos.

It then says:

If you have already signed the electronic petition with change.org, we thank you, but you cannot also sign this petition, as it would be a duplicate.

Please help us petition the Gibraltar Government and Community Care Ltd, writing your first name and last name, country of residence and email address, and sign your name at the foot of this petition. By signing, you agree to all of the above.

The petition is addressed to HM Government of Gibraltar and Community Care.

The letter provided in the change.org facility says:

Greetings.

Community officer allowance be restored or equalised with state pension of women age 60.

55 Mr Speaker, I think those are all the relevant documents, and they are now before the House for the House to ensure that it is not in any way misled by anything that may be said during the course of the debate that might inadvertently suggest something which is not actually what has been provided for in the context of the letters that I have referred to.

60 The purpose of this motion is to highlight the issues that arise in the context of the letter to the representative of Her Majesty the Queen in Gibraltar, the Governor, in the letter of 1st July, which is the second of the documents that I read into the record of *Hansard*. I identified, during the course of the Budget debate, a number of things set out in this letter which are just absolutely and entirely factually wrong, and the factual inaccuracies which I referred to are, for the reasons that I also referred to the House during the course of my reply in the Appropriation debate,
65 considerably dangerous to all the arguments that every political party in this community in the past has made in relation to the independence of Community Care, the reason for its foundation, indeed the reality of the history of its foundation and its purpose. I say in the past because it may be that some political parties have changed their position, or have a position which they have not had in the past because they have not had a past, which is not as it perhaps would be best to be
70 in the context of the protection of the independence of Community Care.

The statements that I made are cumulative to those which were made, also during the Second Reading and when we were debating general principles and merits, by the Hon. Father of the House. The Father of the House set out in great detail the history of Community Care, as I have indicated in the text of the petition, provided in the analysis that he did at the time, and I am sure he will share with us today the reasoning behind the private individuals who decided to start the Community Care charity. The private individuals, at the time, shared their motivations with the public, and what we had from Sir Joe was the benefit of the recollection of the historical record, which is now provided for in *Hansard* for posterity and which all those who might have signed this petition and who might have written these letters etc. might genuinely not have had – although, as Sir Joe has indicated, all of this is a matter of public record and research would have provided for it. But if we assume that, unfortunately – and this is no criticism of anyone in particular, but of all of us – many of us believe that the world started when the internet Google archive tells us that it started and if we search on Google and it is not there, it did not happen – it is a good thing that there are historical records of the Egyptians and the Phoenicians on Google, otherwise we might think that they had not started the whole of civilisation – you might be forgiven for not researching further in the archive and for not looking at the material at the time. Given that we have the benefit of a walking archive in the Father of the House and he very eloquently and clearly set out the position during the course of his contribution on the Second Reading, after that date we now have it and we have it for posterity.

Mr Speaker, I did not detect anything in the speeches from hon. Members opposite which sought to contradict the factual history that was provided by Sir Joe Bossano, and indeed much of his reasoning. It may seem like a moment ago because we have been having such fun in the House, but given that that contribution already happened over a week and a half ago, and given the things that the Hon. the Father of the House said about the history of Community Care and his own analysis of the letter that had gone to His Excellency the Governor, I thought it was particularly important in my reply to also address those issues and to go vehemently through the errors that we had identified which go to the core of the issues which are necessary to protect Community Care – not just in the context of the ongoing debate about whether or not the trustees and Community Care might be persuaded by those who are making their claims to bring back the community officer scheme, but the protection of Community Care as a whole. This was the point that the Father of the House was making and this was the point that I wanted to reiterate when I spoke in the House on Monday on the subject and I went through those parts of the letter to His Excellency the Governor that I thought it was appropriate to highlight and to take issue with.

I think that today, having read also into the record my letter of 23rd July 2021 to the Chairman of the Community Care Action Group, I have also given the House chapter and verse of what I told the action group were the things that concerned me about the letter and why I thought it was appropriate to ask them to withdraw it before we could once again meet and be able to have the sort of measure of agreement and convivial opportunity for continued work. These things are fundamental. They go to the core of what Community Care is and what it is there for. As I have said before, it is about foundation and purpose. Those are the things that I was very keen to ensure are very clear and on the record of *Hansard*; not just in the mists of the Appropriation debate, where many things are said and hundreds of pages of *Hansard* are produced and this might be lost, but in the context of a freestanding motion which identifies this issue and deals with it in a freestanding way.

Additionally, I think it is fair to say that the Government wants to ensure that what we are saying here – just as what I said in my letter to the Chairman of the Community Care Action Group and just as what I said in the context of my contribution and reply on the Second Reading of the Appropriation Bill and the Father of the House said in his own contribution – is none of that goes to that parts of the letter to His Excellency the Governor which might be read as a complaint in respect of the party which I lead. Writing to His Excellency the Governor, to me, to the Leader of the Opposition – as the Father of the House sometimes says when we are in a lively debate, to the “SURSUM CORDA” – if you wish, to say what you like about the Gibraltar Socialist Labour Party, is

something which is up to the individual who might wish to send that communication, make the statement etc. There is absolutely no desire to see or address those parts of this communication which are simply what you might call the party political fray. The party political fray is the party political fray. Things may be said which we take huge issue with and which we say are not true, but they are said, and that is the party political fray.

My concern today, as Leader of the House and as Chief Minister of Gibraltar, not as leader of the GSLP – although it is that post which gives me the honour of being Chief Minister and Leader of the House – is about the statements as to the foundation and purpose of Community Care insofar as this communication to the person who has responsibility, under our Constitution, for external relations, defence and security, not because this matter affects defence or security but because it could be said to be a matter which affects external relations for a number of reasons – and this analysis is important – first of all, because the obligation to have no discrimination between men and women, which is contained in our Constitution, although perhaps not framed in identical terms, is one of the international obligations of the United Kingdom. The United Kingdom is a signatory to the European Convention on Human Rights, which contains a similar prohibition against discrimination on the grounds of sex. And so, because of the previous arguments that were shared also by the Father of the House with us as to the rationale that the private individuals who founded Community Care put out there at the time, one of the issues that this relates to – and, indeed, we saw it manifest itself in the politics of the mid to late 1980s and later – is that there are claims by Spanish individuals and, in some instances also advanced on their behalf by Spanish officials – in respect of eligibility to pensions in Gibraltar, different rates of pensions in Gibraltar and even, potentially, Community Care. And so, this letter – the letter which is complained of – is written to the person who, under our Constitution, is the person with responsibility for external relations, of course in the context that, as all hon. Members know, although the Constitution says that about external relations the Chief Minister of Gibraltar and, in my case, most of my Cabinet, because we are in partnership on these issues, spend most of their time thinking and acting and working on matters of external relations. But, of course, our Constitution is our Constitution.

And so, for all of the reasons that I have already outlined, which I went further into in the context of the debate on the Second Reading of the Appropriation Bill, and for the reasons I have indicated today and have set out in my letter to the Chairman of the Community Care Action Group on 23rd July 2021, the Government believes that it is not in the public interest of Gibraltar, in particular of men over the age of 60 and women over the age of 60, that there should be a letter to His Excellency the Governor – that is to say to the person responsible for Gibraltar's external relations under the Constitution, which then opens up all of the rest of the responsibility for external relations outside of Gibraltar for Gibraltar – which contains material inaccuracies from a group that represents, it says, this particular demographic of men and women in a way that could potentially undo the good work done by those who founded Community Care and the purpose for which they founded it.

I say that in the context of the history of this matter and in the context of the reality in the United Kingdom today. What do I say to the relevant part of the history of this matter? The relevant part of the history of this matter, from my point of view, is that although, of course, there have been many elections in the United Kingdom since 2002 and 2003, in a Foreign Affairs Committee meeting the then Minister for Europe, now Lord Peter Hain, said in evidence that as far as the United Kingdom government was concerned, Community Care was a scam, and he said he believed it was a scam that was designed to avoid liabilities etc., something that all hon. Members in this House are, or should be, aware of. That was quickly countered by the former Chief Minister of Gibraltar, Sir Peter Caruana, in terms that enjoyed the full support of this side of the House, as he expressed it then, and the Father of the House today, who was then the Leader of the Opposition, who expressed support for those things then. Indeed, I think it was about at that time that the Father of the House said the thing I have referred, I think, to the Hon.

Mr Feetham in the context of my reply earlier this week: ‘Before they get to him,’ meaning Sir Peter, ‘they have to go through me,’ on issues like Community Care, joint sovereignty etc.

Mr Speaker, this letter tells that self-same British government, although of a different political hue and complexion, some 17 years on, that what they said was a scam and we said was not is exactly what they said it was, that actually this is the state pension as paid in Gibraltar, and it does that on entirely erroneous grounds. You might even argue – because the Government is not here to apportion any blame – that there is no desire on the part of those making these assertions to say anything which might be untrue or misleading, they are simply reflecting their understanding, as at 1st July, of what the position was, however wrong they might be; and of course that defence was available until the Father of the House spoke and gave all of the history of the matter a week and a half ago, and until I reiterated that and also went through the detail and set out the concerns of the Government.

But now, with the benefit of the history of this matter properly set out, to permit this letter to continue to lie on the record, as if it were a grassroots movement of the people of Gibraltar communicating to Her Majesty’s Government of the United Kingdom, through the office of the Governor in Gibraltar, that all of the things that they said were wrong with Community Care which Her Majesty’s Government of Gibraltar said were not true, were actually the reality is extraordinarily damaging to the incredible work that has independently been done now for so many years by the trustees of the independent trust, Community Care, who created this foundation for a purpose unrelated to the purposes set out in the letter of 1st July 2021. Because we have an obligation to protect the demographic that this group says it represents – we have an obligation to protect them even from themselves, Mr Speaker – the Government must act to ensure that all of the inaccuracies contained in this letter are properly pointed out and properly highlighted, and to ensure that there is no possible way that the position of Her Majesty’s Government of Gibraltar today and the position of Her Majesty’s Government of Gibraltar in 2002-03 is in any way mischievously traversed by anyone who might seek to, in some way, abuse the letter of 1st July sent by the Community Care Action Group and use it to somehow thwart the purpose and utility of Community Care for the self-same demographic that is represented by this group.

There is absolutely no desire, however, to, in any way, not see continued expression of the persons who are represented by the Community Care Action Group. As I have set out in my letter of 23rd July, I look forward to continuing to engage with them. There are three areas of agreement between the Government and the Community Care Action Group, agreement upon which we can build and hopefully be able to find a way forward that might be useful and that might satisfy at least some of the issues that have arisen in the context of the debate, to continue to hear the voice of the Community Care Action Group, to continue to see their expression of concern, to encourage them to continue in communication with the Government and with such other action as they may consider is appropriate in a democratic and free society where everyone is free to speak their mind and to express themselves as they will – another one of the constitutional obligations that exist.

But of course the Government has an obligation to correct the things that are wrong. That is not in any way to affect a person’s freedom of expression, because to do that would be to suggest that everyone in our society has the freedom of expression except the Government, which has not the right to counter things which are demonstrably factually wrong, however dangerous those things may be to the public interest of Gibraltar. For example, of course anyone *in* Gibraltar is free to say that Gibraltar is or should be Spanish. Everyone is free to say that, and the Government of Gibraltar, on behalf of all the people of Gibraltar, is entitled to get up and counter that on behalf of the people of Gibraltar and express why we believe that there was a treaty signed in 1713, that there was a conquest in 1704, and all of the reasons that led to the magnificent leadership of the Father of the House and all former Chief Ministers who have attended the United Nations to express that we are the rightful owners of the land of Gibraltar.

225 The fact that you counter something does not mean that you are somehow stifling the right of
expression. I want to be particularly clear about that because the Government is not saying that
the Community Care Action Group should not write to the Leader of the Opposition, to the
Governor, to the Foreign Secretary or to the “SURSUM CORDA”, as the Father of the House often
says. They can write to whomever they like, and the Government has the right to counter the
230 things that they might say in those letters with our own view as to what is correct and to
encourage, in the way that I am doing today, that in a respectful and proper debate, when we
have already put out there that there are dangers that we believe could affect our ability – that of
all of us, once we are in our dotage, beyond 60 and before our rebirth in our early 80s – to have
our income protected in the way that successive Governments of Gibraltar, including the
235 Government hon. Members represent, have been able to do.

For that reason, the Government believes that the right thing to do is to highlight this
specifically as we are highlighting it and to seek to continue a respectful, proper and convivial
relationship with the Community Care Action Group after these huge material and factual
inaccuracies have been removed. Of course, what we are seeking is a call from this Parliament –
240 this Parliament being the place of expression of the democratic will of the people of Gibraltar
through its various elected representatives, of a view from the Parliament. That view can either
be unanimous or it can be expressed through its majority, but here is where the people of Gibraltar
come to speak through their elected representatives. The maximum expression of the freedom of
expression is that the people of Gibraltar elect 17 people to come to this place called Parliament.
245 Indeed, after 2006, we are no longer a House of Assembly. We no longer come here simply to
assemble, we no longer come here simply to legislate, as we might have under the Legislative
Council; we come here, as a Parliament, to parlay, and because we are here to parlay, we are here
to express our views in the freedom of expression that we have, not just like every other citizen
but with the further privileges afforded to Members of this House.

250 It would be, in my view, a gross dereliction on the part of the Government of Gibraltar to fail
to express the majority view of the people of Gibraltar through their elected representatives as to
the clear and present danger that this letter represents to the future of Community Care, both for
men and women aged over 60 years, whilst at the same time reaffirming our agreement with the
Community Care Action Group on the three points I have set out, that there is an extant obligation
255 to equalise pensionable age, that there is an obligation under the Constitution to have no
discrimination between the sexes in respect of inter alia the pensionable age, and that there is a
measure of agreement between us as to the way that the trustees acted in respect of those who
are still in receipt of the community officer allowance.

Mr Speaker, I think that in Gibraltar you would be hard pressed to find an issue on which
260 Gibraltarians of all ages have been as united for decades as the support that there has been here
for Community Care, and in particular the household cost allowance that is paid to women over
the age of 60 and men and women over the age of 65.

Community Care has been a cause of some political discord only in the context of who might
defend it more, until late in hon. Members’ time in Government when the former Chief Minister
265 then made a statement about Community Care being a ticking time bomb and we took issue with
that, and then – when he was relieved at the top of the GSD – under the strong and effective
leadership of the former Leader of the Opposition, Daniel Feetham, reaffirmed that the U-turn on
the GSD’s part in respect of Community Care was complete and they no longer considered it a
ticking time bomb, they considered it a treasure to look after carefully, as had been politically the
270 unanimous position up to and including before the ticking time bomb reference. Indeed, in
successive Appropriation debates, the debate has sometimes been more or less about the
reserves of Community Care based on what donations this Parliament might make at the end of
each year from the Social Assistance Fund, in the way that I explained in great detail to the Hon.
Mr Clinton, who accepted that he had particularly missed this year’s top-up contribution. So, this
275 House has been united in the defence of Community Care most of the time, and that is the
expression of the will of the people of Gibraltar.

So, entirely respecting that there may be a difference of opinion beyond the three points of agreement between the Government and the Community Care Action Group, entirely respecting the fact that those disagreements may lead us not to be able to finally agree a way forward but always hopeful and expectant that, through respectful debate and proper engagement, we will be able to grow those three points of agreement that I set out in my letter of 23rd July, which I have read to all hon. Members and which I sent to Mr Capurro – entirely hopeful of that – I think that the Government would really like to see these unfortunate errors in the letter of 1st July 2021, which are such a clear and present danger to the future of Community Care, withdrawn so that we can quickly get beyond this and quickly start to get to solutions.

Mr Speaker, the Government is very much looking forward to hearing of the other expressions of opinion that there may be in this House, so that we can, together, make a decision, which I hope will be a unanimous decision, to move forward to assist the Community Care Action Group with those parts of its claims which are agreeable. I very much look forward to seeing hon. Members vote in support of this motion, if I can persuade them of it – no doubt I will hear what concerns they might have, if any – and that this House should be able to move together in its continued defence of Community Care without the things that led the then Minister for Europe, now Lord Hain, to call Community Care a scam continuing to appear in a communication from a Gibraltar demographic of men and women over the age of 60 as a pressure group of that demographic presented to the Queen’s representative in Gibraltar, His Excellency the Governor, Sir David Steel, who, under our Constitution, has responsibility for our external relations.

Mr Speaker, I hope I have dealt with all the issues that hon. Members would want me to address in the context of this debate and to explain to them and to the whole House why it is that the Government felt that this motion was appropriate now, on – if memory serves me, because I am not very good with dates and remembering what I had for lunch – 30th July, or 29th July, some 29 or 30 days since that letter was on the record, some nine days since the Father of the House set out the whole history of this matter, a whole week after, in responding, I was able to set out my concerns about that letter to the public, and a full working week since 23rd July, when I wrote to Mr Capurro setting out those concerns directly.

Mr Speaker, as I have said before, I recognise that Mr Capurro is in this House. I am very pleased that he is here to hear directly from the Government what our concerns are, without our concerns being traduced by anyone’s interpretation of what those concerns are. For that reason, I commend the terms of the motion to the House.

Mr Speaker: I now propose the question in the terms of the motion moved by the Hon. the Chief Minister.

The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, thank you.

If one steps back from the text of this motion, it actually has very little to do with what the Chief Minister has been talking about. This motion is not about Community Care, it is not, either, about being united on Community Care, although it could have been achieved. Had it been done properly and proper notice had been given and there had been a discussion, we could have had a united motion on Community Care. I certainly agree that Community Care is not a scam or has ever been a scam. It has always been a separate and distinct organisation, separate from the Government, and that has always been the position that successive Governments have defended and which we continue to defend when I speak for my party. But this motion is not about any of that. This motion really is pretty outrageous at different levels. It is outrageous because there is a lack of real notice when there is no urgency to deal with this issue – Parliament and the role of Parliament is being abused, in my view – and because the motion, at its heart, is the opposite of what the Chief Minister has been talking about. It is about lack of democracy, not about democracy. So, Mr Speaker, I want to deal with those issues in my contribution.

I want, first, simply to note how this came about, because, as Mr Speaker knows and all Members know, there is a clear five-day rule when motions are delivered. Members are normally supposed to get five clear days' notice of a motion. The reason for that is clear: so that people get proper notice and can understand, can engage, if necessary. But this is not really what has happened on this issue. What has happened on this issue is, if we take the clock back to yesterday, which is when this was filed, we get a motion in the text of the motion that the hon. Member has spoken about, that says that the Chief Minister intends to take the motion at the next meeting of Parliament. In other words, at that point in our communications we are making the safe assumption that the Chief Minister wants to deal with this motion not now but in September or October, whenever the House next sits. We then, about two or three hours later – I recall it at five to one – get another motion in the exact same terms, except that, instead of it saying at the next meeting of Parliament, it says at this meeting of Parliament. When I enquired yesterday on what basis is the Chief Minister seeking to have this motion heard, this new one, it was pointed out that there was that motion on the abridgment of time. But that motion on the abridgment of time had been provided to Members on this side with an email from Parliament together with the motion on the conferring of the Medallion of Honour on Sohail Bhatti, so we had assumed that the motion on abridgment of time was about Sohail Bhatti.

It does raise all sorts of issues as to whether, in fact, it is possible to hear something like this. I am not taking a technical point, Mr Speaker – I would just stress that – but I am just making these observations in the context of this motion, that we had two motions. Was the first one withdrawn? As Mr Speaker knows, once a motion has been issued, it can only be withdrawn by the leave of Parliament. Was it withdrawn? Was it amended? And on what basis could this motion even have fallen under the umbrella of the motion for abridgment of time, given that the motion on abridgment of time talks about suspending a particular Standing Order for the hearing of Government motions – but this motion did not exist at the time, so clearly could not have meant this motion? Mr Speaker, I am not taking any of those technical points, even though they are not arid technical points, because there are reasons for these rules, and the reason for these rules is to give people adequate notice.

I then ask myself what is the urgency in this case, because the Chief Minister has read into *Hansard* the correspondence. I am not sure, by the way, on an aside, that the letter of 1st July from the group to the Governor was made public, so this may be the first time, and, if it is the first time, it is not particularly helpful that it has been. So, I ask myself what is the urgency. In the letter that the Chief Minister wrote to the group on 23rd July he says that he was provided the letter by the Governor immediately. He used the word 'immediately' – on the first, the second or the third, whenever, immediately. So, if he was provided that letter immediately, on 1st, 2nd or 3rd July, why is it so urgent to do something on the 29th without notice to Members on this side of the House, so that we can consider it on the very last day before the sitting of Parliament? If it was so urgent, do something about it in early July. Or is it that this is just a contrived motion that has nothing to do with Community Care and more to do with the way and the style of government action?

The Chief Minister has read into *Hansard* his letter of 23rd July. His letter of 23rd July invites the group ... 23rd July was last Friday. We are in the middle of summer. He invites the group to consider their position and to withdraw the letter. It has been a week. It was six days yesterday. As I understand it, the information reaching me is that the group are considering their position and they are going to have a meeting next week. What is the urgency about dealing with this today? The Chief Minister has already invited them to consider their position, so why is it that he has to go the extra mile and not wait? He has already said in his letter, by the way – which has been read into *Hansard* – if you do not withdraw the letter, I am not going to meet you anymore. I am sure that may lead some people to think, 'Well, maybe we should consider the proposal seriously,' if they want to make progress, but surely it makes sense, when you write to someone as the Chief Minister of Gibraltar, the highest elected office in the land, to give people a bit of time

to consider your request. But what is this? This is a ratcheting up of the pressure on the group and it has democratic consequences.

Mr Speaker, as a matter of principle, I entirely agree, and I have said so often, that the Governor has a limited constitutional role in Gibraltar and it should not be extended. When the present Governor arrived in Gibraltar, in my speech welcoming him to Gibraltar I made exactly the same point – and I have made it to him privately because that has always been my view. I am a cheerleader to ensure that the constitutional competences of the Gibraltar Government, of whatever political complexion, are protected, and I will be the first one to voice my view that if anyone tries to encroach on the Chief Minister's competences, they should be washed away.

But it is not about this. He has asked for a letter to be withdrawn on the basis that it is inaccurate. It is self-evident that it does not make the letter accurate if it is not withdrawn, it is not there. If a letter is ostensibly inaccurate, it is inaccurate whether it is withdrawn or not withdrawn. And may I say that I may even share the view that it should be withdrawn and should be withdrawn at different levels? It might be withdrawn because it is inaccurate, but it should also be withdrawn because this is nothing to do with the Governor. I recognise that there are people who send letters to the Governor. They may not share my constitutional, purist view of life, but there are people who seem to involve the Governor in things. Only yesterday, I saw a tweet from an association who had delivered a letter to the Governor – some other association, I am not going to name them – so there are people who do that. *(Interjection by Hon. Chief Minister)* No, Mr Speaker. *(Interjection by Hon. Chief Minister)* No, Mr Speaker. From a sedentary position ... I am not going to be drawn into that, but I am just saying that that is the case. *(Interjection by Hon. Chief Minister)* Mr Speaker, from a sedentary position the Chief Minister can again seek to make whatever jibes he wants, but actually it has nothing to do with the subject I am talking about.

If I were to be asked, I would express the view that the group, yes, could withdraw the letter on different levels, and indeed I have privately expressed that view to someone who asked me, but it is very different to what we are proposing in the motion to be done today, which has other, completely different repercussions and consequences.

If we wanted to do a motion on Community Care, we could draft a motion on Community Care and repeat the longstanding position of politicians in this House as to what Community Care is and is not, but that is not what this motion is about. We could even, if the Chief Minister wants to communicate to the Governor ... Let me say it would be the first time, or at least in my recollection, that the Chief Minister feels he needs my support to write a letter to the Governor. I am sure he communicates with the Governor whenever he wants. I am sure he does not need me to tell the Governor this letter was inaccurate. If he wanted even to say let all the political leaders in this House sign a joint letter to the Governor to say this is what Community Care is, this is what it is not, and this letter is inaccurate, of course I would consider it, but this is not what we are doing today. This is not what we are trying to do, what the Government wants to try to do.

Mr Speaker, yes, this letter was delivered, and the group then met the Chief Minister whenever it was – 16th July, I believe it was. So, a fortnight after the delivery of the letter they met the Chief Minister, and since then very little has been said publicly by the group. At least, I have not seen much. In fact, the entity that has talked most about Community Care is the Government, so when the Government talks about the dangers of this letter and the dangers of making all these connections and so on, with all due respect, however interesting it was ... and it was interesting to hear the Father of the House give the history of it, but isn't that magnifying the issue with the long concentration on it? Isn't it?

I have to say, while it was interesting – and I did not get the chance to say during the Budget, obviously, because the Father of the House spoke after me – I did not agree with him when he went from history lesson to then jibe at the Opposition on the basis of some degree of irresponsibility for having supported a call by the group, because we have always tried to be very careful with our position. In expressing support for what was the apparent arbitrary and unfair decision taken on 17th February 2020, we have always been careful with our language and we have expressed support for that and our view that the payments should be restored by

Community Care, and transitional arrangements if there are going to be changes. None of that affects the separateness of Community Care. None of that affects the traditional pillars on which our unison has been built on the principle that Community Care has nothing to do with the Government. Our position continues to be to consider that this decision was arbitrary and, indeed, unfair, and that there should be a transition, a freeze and a restoration of payments – and that has nothing to do with what are the fundamentals on Community Care, because we are entitled to express that view publicly and to the trustees.

But, in fact, this motion is not about any of that. We are witnessing an amazing assault on democracy. (**Hon. Member:** Hear, hear.) And why is this important, Mr Speaker? Why is all of this that I am talking about important? It is important to remember what Parliament is and is not about and how power should be exercised by those who have power and to remember what democracy is about. So, let's remind ourselves of some key facts in relation to this issue. It is much wider than this issue, but let's first start with this issue.

This is a group that came together because there had been, in their view and in the view of many people, an arbitrary change. What is an arbitrary change? A change that is unannounced. That is exactly what happened. This was an unannounced change that affected them on 17th February 2020. They were entitled to express their view. They waited patiently throughout COVID, for more than a year, had meetings, as I understand it, but got nowhere. Some of them were affected financially because they had planned for retirement with this money in mind. So, on this side of the House I can certainly understand the strength of feeling. The hon. Members opposite can belittle it as much as they want, talking about the culture of entitlement or the demo, but I can understand the strength of feeling after so many years. This is a group of retired people or people who are about to retire, who have worked all their lives and deserve respect, and they have grown to be frustrated. Is that a surprise? It is not a surprise, because they were, in their view – and understandably, given the history of the matter – led to believe over the course of financial practice, over decades, that this would happen. So, after a while, what has happened? They have become more active in their campaign. They did what other people have done – they have tried to lobby for change. Again, it is their right, but, instead, they were pounced on by the wolves that were let loose. They were pounced on by the GSLP party newspaper in a merciless, vindictive campaign that personalised the matter, the campaign of those people. They let the dogs loose on the pensioners, in our view, in a disgusting use of party machinery, and what is happening now is they are trying to put the focus, the weight of Parliament, the resources of the Government and the power of the Government and the Parliament on the same group. They made an issue of it during the Budget when ... Was Community Care even a Budget issue at that stage? But look, everyone can talk about what they want.

What happens next is they issue this motion, waiting scarcely six days and thinking that that is a reasonable period of time when they have asked a group of pensioners to consider their position. The decision took place on 17th February 2020 by the trustees. They have been lobbying for change for a year and a half, but they are supposed to withdraw the letter after six days.

That is the context, Mr Speaker. I looked at this motion carefully and asked myself what is the Parliament for. One of the first things you are told when you go to the constitutional lecture at university is that there are three constitutional branches and they exist to keep each other in check: the executive, the Parliament and the judiciary. I ask myself how is this Parliament keeping check on the executive when the executive is railroading measures like this and the executive has an in-built majority – the Minister's do – which is almost unique. In any other Parliament in the world ... it does not happen anywhere. How is it that we are really being the check and balance on the power of Government if we allow the state and the Chief Minister – and the Parliament adds its voice – to, in effect, bully citizens into whether or not they should write a letter and in what terms, even though I may agree that the letter should not have been written with those paragraphs and it was inaccurate?

My view is that if the Parliament issues this motion in these terms ... It is difficult to conceive, when you go backwards, of any similar motion. There are motions on particular issues of policy,

there are motions that call on the Government to do certain things; sometimes they call on Her Majesty's Government of the United Kingdom to take a particular position –

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Hon. Member: Members of the House.

Hon. K Azopardi: – and on Members of the House, but are we really going to call on ordinary citizens to do something else? Isn't this largely unprecedented? And even if it is not
490 unprecedented, is it the role of this Parliament to, in effect, overreach into the community and say, 'You will do this and you will do that'? How is it right for the Chief Minister to dictate to people what they should write? I get that he should invite them to withdraw; I have no problem with that. Nor do I have a problem in him saying let's have a motion on Community Care or saying to the party leaders let's jointly tell the Governor that this letter is wrong – not that he needs me; I am
495 sure he can do it himself. He says it is because the parliamentarians and the Government have the right to, and freedom of expression is not a one-way street; there is freedom of expression for the Government as well as ordinary citizens. Absolutely, but he has already exercised his freedom of expression. He has expressed the view that it is wrong. He did so at length during his Budget reply. He could not have been clearer, using his right of freedom of expression, what he thought of the
500 letter. I am sure he has exercised his freedom of expression to tell the Governor what he thinks. But why do we then get to the level ...? I think that is the conflation where the Chief Minister gets it wrong. Freedom of expression does not require that this Parliament should, in effect, corral ordinary citizens to write letters, express views or lobby for campaigns in a particular way.

It is absolutely right that if you get a letter and you think it is wrong, you should say so. It is
505 absolutely right, if you disagree, that you should say so; you are the elected leader of this community, and you should say so. But that does not mean that we go this far, to, in effect, tell people what to say and to use the power of Parliament, because the letter cannot endanger the historical reality of what Community Care is, if it is clear – and I agree it is clear and there has always been unity on the separateness of Community Care, and that is unchanged, as far as we
510 are concerned. But this motion is not about describing Community Care, it is about embarrassing citizens with the power of the Parliament and the Government.

Mr Speaker, are we going to see citizens censured? Is this going to create the precedent that, having now called on a group to write a letter in a particular way, the next time he or the Governor gets another letter, there is going to be another motion, or a motion telling people that they
515 should campaign in this way and not another? That is an inappropriate use of parliamentary time and power. The Parliament is powerful because it speaks, as is the Government, and the Government has more power, obviously, than the Opposition, and more resources.

It is the Chief Minister who – in his Budget speech reply, I think it was – spoke intensely, and I say intensely because there was a moment of intensity in his speech, about diversity and
520 democracy and how Gibraltar has changed and how he will be the protector of freedoms. Well, Mr Speaker, now is the time to protect freedoms of individuals too, because where is our democracy if we allow this motion to pass? What democracy have we become if individuals feel that they are going to be breathed on by the Government and the Parliament because they wrongly express themselves or express themselves in a particular way? They are lobbying for
525 whatever they want, for their changes. If they are wrong, just tell them. If you do not want to give in to a claim – I am not talking about this one – you just say, 'I cannot give it,' but there is no reason to engage in a debate on whether or not you should write or say things in a particular way, in my view, certainly not to the level that it is the Parliament that does it.

Mr Speaker, this is about democracy, but it is also about the exercise of power, knowing that
530 in any community, large or small, elected politicians have power, and knowing and being careful about the exercise of power because the Chief Minister and Ministers are not equals to citizens in this raw sense: they have much more power and influence than citizens, and they have to understand the effect it has on people. So, because of that, whenever they engage with the public,

cognisant of the fact that they are not in a position of equality because they have much more power and influence, the power and influence needs to be exercised in a reasonable, careful way.

You have written to the group six days ago, seven days ago, asking them to withdraw. Let them make a decision. To ratchet it up and ask the Parliament to intervene is simply the wrong exercise of power. Power has to be used not just responsibly but with restraint, because where do we end if we start here? This is not a contest between the state and the ordinary citizen, because the ordinary citizen will always lose. This is not even about this group. This is the issue of principle, because it could apply to any group, any society, any individual that expresses a view.

We are not willing to legitimise this abuse of power and democracy. I stress this is the view of the people I speak for, the GSD Members on this side of the House and, indeed, Daniel Feetham, who could not be here today. I do not speak for the hon. Lady.

Hon. Ms M D Hassan Nahon: Mr Speaker, would the hon. Gentleman give way?

Hon. K Azopardi: Yes, Mr Speaker.

Hon. Ms M D Hassan Nahon: Mr Speaker, my gripe is similar to the Leader of the Opposition's. It is not about the merits or the drawbacks or the status of Community Care. The question is why does Government have the right to silence and bully pressure groups by bringing a motion to the House urgently?

Mr Speaker: I must ask you to resume your seat. You will have an opportunity to speak.

Hon. Ms M D Hassan Nahon: Mr Speaker, the hon. Gentleman has given way.

Mr Speaker: I know, but then you will have two opportunities to speak.

Hon. Ms M D Hassan Nahon: Isn't this the parliamentary process, if the hon. Gentleman has given way?

Hon. Chief Minister: To ask a question, to clarify.

Hon. Ms M D Hassan Nahon: Mr Speaker, the question that –

Hon. Chief Minister: He just gave a speech so that he can walk out by the time he finished it. It is perfectly coordinated, it is obvious.

Hon. Ms M D Hassan Nahon: Actually, it is not a bad idea, Mr Speaker, considering the motion that has been brought to this House and the madness that it is to bring an ordinary citizen, to humiliate him and act as if this is all perfectly democratic. It is more than grounds to walk out, and I thank the Chief Minister for giving us that idea because what it looks like here is that we are moving into a totalitarian state, where only one voice goes, and if the other voice shouts, we bring them here, we hang and quarter them and we humiliate them.

Is this what we are going to be expecting in the future? Is every citizen who speaks out going to be subjected to a motion in this House, where they silence them? The inaccuracies in the letter are a matter for them and it will affect their own campaign, but it is not a matter for this House to put them on the spot, bring a motion and make it urgent, when there are other motions that have been waiting for so long, in order to finish the parliamentary season with a bang for Government.

People have rights to make demands, accurate or otherwise, and it will be the duty of the institutions to respond to those demands. That is exactly how it works. What we cannot do is have parliamentary motions to steamroll the voices of our people and vilify them, and single out ordinary citizens who are trying to do what they want to do, what they are entitled to do. It is just

not right. Is this what democratic leadership has become in Gibraltar, that if you make inaccurate statements, you get judged in this House? It is shameful, Mr Speaker. *(Banging on desks)*

Hon. D J Bossino: Well said. Shame! Shame!

Hon. K Azopardi: Mr Speaker, I am grateful for the hon. Lady's intervention and making clear what her position is.

Mr Speaker, I have addressed you at length on why we believe, on this side of the House, that this motion is illegitimate, because it is an inappropriate and improper use of parliamentary power in that way. We cannot legitimise this action, which, in our view, is anti-democratic and not what this Parliament should do in this case, even though I accept ... and I repeat, I am willing to write a joint letter, if he wants. We are unwilling to legitimise this, and, in that, we make a stand for democracy, for what this Parliament should be about, for a different way and style of doing things, more accepting of opinions and less about the state or the Parliament using muscle against ordinary citizens.

Those are important and fundamental issues and principles of our democracy. As such, we will absent ourselves from this Chamber in a sign of protest at what is happening on this motion at this moment and we invite the hon. Lady to join us, if she agrees.

[The Members of the Official Opposition and the Hon. Ms M D Hassan Nahon left the Chamber]

Mr Speaker: If no other Member wishes to speak, I will call on the mover to reply.

Hon. Chief Minister: Mr Speaker, thank you very much indeed.

This is the second time, in the time that I have been the Leader of this House, that the hon. Members representing the GSD have walked out. It is not the first time. I experienced exactly the same when there were similar allegations made by hon. Members against the Government, I think in 2013, when the party, then led by Mr Feetham, had taken the view that they wanted to absent themselves, largely on the same basis – accusations of abuse etc. What I have found in the context of the successive walkouts led by successive leaders of the GSD in opposition is that they are always on the same basis and they are always when they have no arguments left. Indeed, the very nature of democracy is that when we have disagreements, we bring them to this House, we test each other's arguments and then we signify our views to the public in the way that we vote in the process, and that is what hon. Members had the opportunity to do this afternoon.

I must say I think the debate we were having was a good one, which was setting out the differences of opinion we have in respect of the charity Community Care, the things that have been said about it and the areas of agreement between us in the context of the independent charity Community Care. It is unfortunate that successive Leaders of the Opposition, faced with not the likelihood that they would lose a vote but the clear failure of the logic they present, have repeatedly wanted not to face the argument and understand, in the way that they try to defend the position they want to take, that they are going to get it wrong, and they simply walk out.

What we have seen also here today is a very clear attempt, I think, by the Leader of the Opposition to get the bandwagon rolling. What he is trying to do is get all those who might be supporters of the Community Care Action Group to support him in some way. And what he is doing, in particular, is not just trying to dupe the House by failing to take a position on the subject by voting, as is his parliamentary responsibility and the parliamentary responsibility of all of them – hon. Members cost the Gibraltarian public £¼ million, to put arguments and vote in debates in this House – but what he is also trying to do is dupe the members of the Community Care Action Group by pretending by walking out, and pretending by defending their rights to express themselves, which I also defend, that he is somehow on their side whilst at the same time not being on their side.

The reason I suggested that he and the hon. Lady might walk out was because we had heard very clearly that they were going to walk out. There are no secrets in Gibraltar, Mr Speaker. It was clear from about 7 p.m. yesterday evening that they had agreed they were going to walk out in respect of this motion. What we have seen is a complete failure of democracy – I agree with them – because democracy works on the basis of government and opposition and the Opposition has failed Gibraltar today. They have failed to put their arguments and then seek to persuade the Government to change its motion, seek to, in some way, persuade us to act in a different way and then vote in the way that would make that demonstration clear in the expression of their nays to the call for support for this motion. But, of course, in the context of Community Care, the number of inconsistencies that are now apparent in respect of the position of hon. Members – all of them, the hon. Lady and the Hon. Leader of the Opposition – are legion, and I think, even in their absence, I have an obligation to put those contradictions on the record.

Mr Speaker, on 7th May, the GSD, which is the party that the Hon. Mr Azopardi currently leads, said this, ‘The GSD reiterates that retirees had a legitimate expectation and calls for an immediate moratorium on the changes in Community Care,’ and on 22nd June 2021, the GSD again said that the Community Care Action Group had an expectation to rely on the scheme, meaning the charity. I said a little about this during the course of my contribution on the Appropriate debate. A legitimate expectation is a term of art in the law – and Members opposite include up to four lawyers – and the reference to a legitimate expectation can only be one properly made in the context of the English language if it is an expectation which must be upheld. That is the legitimacy of it. A charity cannot create a legitimate expectation in anyone, and therefore, simply by using the expression ‘legitimate expectation’, hon. Members are leading in the characterisation of Community Care as something which is not a charity.

Of course, the other great incongruity is that the Hon. the Leader of the Opposition, seeking to run with the hare and hunt with the hounds, seeking to be all things to all people and seeking to dupe the Community Care Action Group, did not sign the petition that he marched behind. He told us in this House and Mr Feetham in particular told us in this House that they had not signed the petition but they marched in the demonstration. That is fundamentally important, because the stunt that we have seen pulled today, for a second time by a GSD Opposition, is designed to try and dupe, in this context, not just the members of the Community Care Action Group but the general public in Gibraltar – dupe the general public into thinking that all the things they have said are wrong with our democracy are wrong with our democracy – whereas, what is very clear is that I think it is time for change in Gibraltar. It is time to change the Opposition. Frankly, if this is what Gibraltar is getting for £¼ million, I do not think Gibraltar is going to be very happy, because they are not engaging with the Government. None of the arguments that you have heard put by the Leader of the Opposition have been put to me privately. In other words, he complains that I did not contact him, but he did not contact me to say, ‘Do you really want to take this motion now, or do you want to do it in the way that I am going to propose?’ All of those arguments are designed to get him out of the pickle in which he finds himself because he marched behind the petition that he did not sign, because he did not want to be associated with it, whilst he wanted to be associated with the electoral advantage of being with those men there, although he did not share their views. There are so many contradictions in play that it is impossible to believe otherwise.

I am going to give him the respect of answering all his arguments, because I assume that he will be able to either catch up or read the *Hansard*, and I want to demonstrate that the Government will do nothing other than answer all the arguments that are put, which might, if the hon. Gentleman had stayed and listened, have persuaded him that he was wrong – he might have wanted to walk out when I finished in reply – so that at least he had the benefit of understanding the Government’s logic against the things he has said. So, I am going to do him the respect of responding to him, although he is not doing me the respect of being here to listen to me.

The hon. Gentleman said there is no urgency and that we could have taken this motion in September, which would have meant that our letter would have lain on the record and could be replied to at any time, by His Excellency the Governor, between now and then, and the

Government would, in the defence of the people who make up the Community Care Action Group ... This is very important. What the Government is seeking we are seeking in defence of the men and maybe women who make up the Community Care Action Group, because we are trying to defend the interests of that demographic in ways beyond what we can express in this House.

690 That is why, in defence of the demographic, we believe it is urgent and the letter should be withdrawn as quickly as possible. The letter is not of 23rd July, that is my letter; the letter is of 1st July. It has already lain on the record for a whole month, and the speech from the Hon. the Father of the House to which the Leader of the Opposition was referring was already a week and a half ago, or longer.

695 **Minister for Social Security, Economic Development, Enterprise, Telecommunications and the GSB (Hon. Sir J J Bossano):** And I asked for –

Hon. Chief Minister: And the Hon. the Father of the House already asked for the withdrawal of the letter in his initial contribution on the Second Reading of the Appropriation Bill.

700 Mr Speaker, I am, frankly, taken aback by the allegation by the Hon. Leader of the Opposition that this is somehow an abuse of this Parliament. We have brought to this Parliament an issue that we had already shared with the Parliament in a way that enables them to have and make a contribution. In my response to the Appropriation debate they have no right to reply, and the

705 Hon. the Leader of the Opposition did not even ask me to give way when I made these arguments on the Second Reading. So, by coming here – this is not an abuse, Mr Speaker – the Government has exposed itself to any potential argument that the Leader of the Opposition could put which might persuade us to change our motion. They cannot have assumed that that would not be the case, because in the past we have changed versions as a result of debating across the floor of the

710 House. That is what Parliament is about.

The question of the five-day rule the hon. Gentleman says he was hanging on to does not really make much sense, because the hon. Gentleman knows that I had a motion to abridge time in respect of various motions – plural – so he cannot have been surprised that the Government wanted to take this motion. The next meeting reference is about the oft-made misnomer that a

715 meeting the next day is not the next meeting, it is part of the same meeting – it is just the next session of the House. A very common mistake.

And what research is it that the Hon. the Leader of the Opposition needs to do, in order to respond to this motion on behalf of the Government, a motion which he has both said he agrees with and disagrees with? There is great incongruity in a man who is one of Her Majesty's Counsel

720 for Gibraltar telling us, in the same breath, both that he may very likely agree with the Government, and then telling us, 'By the way, that is the view I have expressed privately to somebody who asked me, that I agree with the Government that the letter should be withdrawn,' and at the same time telling us that when we bring to this place that issue, to give him and his colleagues on the opposite benches the opportunity to share their views with the general public,

725 they somehow consider it something which is an abuse. He has already told us that he did not need to do any research because he knew what his position was going to be, because he has already told someone privately that he would consider the withdrawal of the motion.

The hon. Gentleman then says the letter to the Governor had not been made public until I had read it now. Well, the Hon. the Father of the House had read a considerable part of its content in

730 his contribution, and I had read all the parts that I felt had to be addressed in my contribution, too, so it appears to me that he must have got so flustered when I was making arguments against him in the context of the Second Reading that he did not realise what it was I was saying, because I actually was quoting the letter and saying I was doing so. If I had not made the letter public, as I have done today, the only thing that would happen is that the Hon. the Leader of the Opposition would be making the opposite argument and telling me that I was not being transparent enough

735 because I had not shared the letter with the general public. So, the Hon. the Leader of the Opposition is wrong to say that this is the first time the letter has been aired. For the purposes of

this debate I wanted to ensure that all arguments were on the record in this debate, so when he raised the question of what was urgent about dealing with this matter today, the hon. Gentleman had obviously forgotten that we have the issue that this letter has been festering since 1st of July in the Governor's in-box.

'Give people time to consider your request,' he said. 'Why bring this now and elevate the whole thing to the House?' Well, Mr Speaker, I shall have more to say about that later on, but I did not imagine that I would ever face an argument from a Leader of the Opposition that something should not come to this House. In most democracies, leaders of the opposition call for things to be done in the House, rather than by the executive, that something should be debated, the full argument should be heard from both sides of the House and then a decision should be made collectively by the House, which almost inevitably, in every Parliament, is usually – except for the rigmarole we saw in the Westminster Parliament during the Withdrawal Agreement debate – by the government with its executive and backbenchers in different parliamentary systems around the world making that decision which they have been elected to be able to take, which is to exercise the government majority, which is not just the front-bench majority but the majority of all Members.

So, it is very surprising that the Hon. the Leader of the Opposition thinks it is undemocratic to bring things to Parliament. It is usually the argument – indeed, it is usually the Leader of the Opposition's argument – that we are undemocratic when we do things not with the Parliament. I am very surprised and very disappointed by the attitude the hon. Gentleman has taken today, because I believe that he is downplaying the importance of this Parliament in this community and the importance of the role that he and other Members are elected to take, to contribute to debates such as this, not just in the context of what is democracy, which is the easy way out. Having an argument now about what is democracy is the coward's way out. It is the failure to want to take on the subject and the substance of this issue. It is very disappointing indeed, and, of course, something that the Government will have to consider.

As to the role of the Governor and the protection of the constitutional competences of the Government of Gibraltar, again, I do think that the Hon. the Leader of the Opposition has failed to understand what the consequences of the issues raised in the letter that is in question raise. What that is doing is inviting that all of those parts of the international obligations of the United Kingdom which relate to the Constitution and the European Convention on Human Rights should be airbrushed aside in understanding why this letter has gone to the Governor and what the competence of the United Kingdom is under our Constitution – not what we would wish the competences of the United Kingdom to be under our Constitution, but what the competences of the United Kingdom under our Constitution actually are. Of course, we have to be very clear, in that context, that what we want to see in our Constitution is not, perhaps, necessarily what our Constitution is today, and there is a very easy reference point to that, which is the report of the Select Committee that the Deputy Chief Minister and the Father of the House were involved in, with other Members opposite, and the Constitution, and there are differences between the two.

Mr Speaker, how can the hon. Gentleman say that this has nothing to do with the Governor? I believe that there are no issues relating to social security in Gibraltar which are the competence of any entity other than Gibraltar Ministers, but of course there is a constitutional aspect which relates to one of the equalities set out in the fundamental chapter, which is also the European Convention on Human Rights, and it is obvious that the United Kingdom is involved there. So, I think, frankly, that is not fair, like so much else.

In the context of what the letter to the Governor is, the hon. Member has forgotten to remind the House that the letter is accompanied by 4,000 signatures. As the hon. Gentleman will know, 4,000 signatures is less than 25%, a quarter of the population. He will know that, because that is about the number of votes he got when he lost the last General Election. It is a quarter of the population making a representation to His Excellency the Governor. So, frankly, I think he is wrong to equate this to the delivery, yesterday, of a letter to His Excellency the Governor, which he thought was equally wrong in some respects, and he did not want to deal with the point I was

790 making to him across the Floor of the House, from a sedentary position, that that included a delegation with a member of his executive in it to hand over that letter, because that seemed to be also contrary to his view of what his party and his executive should stand for.

He is right, Mr Speaker, that I will not need his support to write a letter to the Governor or to express to His Excellency the Governor, or to others, what my views are, but it is, therefore, in that context that I came to this place, as he says, not needing his support to pass a motion but to hear his views on this issue, because he had not expressed views at all, once I had spoken in Second Reading, and he had not sought that I should give way in that context – in other words, to give more democracy, not less democracy.

Mr Speaker, the Government does not think that people should only be able to say the things the Government approves of, but the Government does believe that as the guardian of the interests of the people of Gibraltar, because we have been elected to that role, we have an obligation to communicate our views and, when things get very difficult, in the most trenchant of ways. And we have done that, privately in meetings and in writing. Coming to Parliament in a respectful debate under the Rules and Standing Orders of this place is not to, in any way, seek to counter someone's freedom of expression, because what we are doing is sharing with the community the views that we have expressed privately and giving the Leader of the Opposition the opportunity to give his views in that way. Has the Hon. the Leader of the Opposition forgotten that the things he says, not just in the press releases I have read but even in this House today – that the charity acted arbitrarily, that there was no consultation, that the fray should be undone – is the way to continue to demonstrate that what they say about the entity being an independent charity is correct when they are purporting to force upon their charity actions reminiscent of a statutory authority? That is the reality.

There is no assault on democracy here. What there is is the full expression of democracy by bringing to this Parliament, in a respectful motion making a call on parties, the opportunity to have a debate on these issues. It appears that there is only democracy in Gibraltar when the GSD is in power, or indeed there will only ever be democracy in Gibraltar if Mr Azopardi becomes Chief Minister, because, although I am unable to produce it to the House today, in the analysis that I did on Monday I showed that many of the things we were now hearing from Mr Azopardi were the self-same things he used to say to the Gibraltar Social Democrats when they were in government and he was not leading the Gibraltar Social Democrats, he was leading the PDP. He was saying that the former Chief Minister was assaulting democracy, acting improperly and acting anti-democratically. So, this is just out of the Azopardi playbook. The Leader of the Opposition has a list of things that he says against Government and he is saying those things.

He says that the Community Care Action Group are lobbying for change and that is their right – a right which I recognised in my initial statement in support of the motion. I expressly said that I hoped to be able to engage with them because I thought that there were areas on which we might agree and build on, even though there were areas that we would continue to disagree on. What is wrong with that, Mr Speaker? I really do not understand why the hon. Gentleman might think there is anything inappropriate with that.

And then the hon. Gentleman said that we allowed the wolves and the dogs loose on the pensioners. I do think that we have to take a step back from this sort of sterile and infantile rhetoric, Mr Speaker. Hon. Members opposite, both the hon. Lady and the Leader of the Opposition, appear to be copying Partido Popular and Vox. They appear to think that by hyperbolising everything into an end of days argument, they will somehow carry favour with the general public. It is just absolutely unbelievable that somebody might think that the political party that was in power at the time and, as the Father of the House indicated, was supportive of the actions taken by a group of private individuals to protect Gibraltar pensioners, that in Government made donations to that charity, that in Government again made donations to that charity, that faced the fact that when they were in government the charity had been run down to zero because it had received top-ups but no reserves, should somehow be the party that can be believed to be letting loose dogs on pensioners. Is it that everyone has forgotten that some people, for

shorthand, no doubt also inaccurately, refer to the cheque given to pensioners on our National Day as *el cheque de Bossano*? Is that somehow people will forget the incredible work that was done by the Father of the House to protect Gibraltar pensioners, as he explained during the course of his contribution?

We have absolutely no difficulty with the Community Care Action Group continuing its campaign, agreeing with the Government when it can and disagreeing with the Government when they want. That is not something that we are in any way trying to affect. But how can the Leader of the Opposition say that Community Care was not even a Budget issue? Mr Speaker, he mentioned it in his intervention. I will remind him that he came straight after me, and the Hon. the Father of the House came straight after the Deputy Chief Minister. So, it was me, the Leader of the Opposition, the Deputy Chief Minister and then the Father of the House. Mr Azopardi said, himself, in the Budget debate:

To those who were promised Community Care by the architects of the scheme only to have it arbitrarily removed on 17th February 2020, it is a false dawn.

And the Father of the House responded to that, so how can he say that the Father of the House was the first person to raise Community Care when he had mentioned it himself? I have to say, with the greatest of respect to the Hon. the Leader of the Opposition, it seems to me that he has taken leave of his senses because he says things, he mentions them first, and then he says he does not understand why things are replied to. It makes no sense. Mr Clinton then went on to address the issue of Community Care in his speech, and therefore, of course, I had to deal with it.

So, the fact that it has only been six days since my letter of 23rd July makes very little sense as a reference point, because the letter is from 1st July and the speeches had not been made yet. This is not railroading anyone, Mr Speaker. This is the Government acting in keeping with what we consider to be our responsibility to act to protect citizens in Gibraltar. The way we are acting is simply not to call out a group of citizens that has not engaged with us. We are not calling out anyone. We are being called upon to act in a particular way by this petition and by the letters etc., and we are responding in a way that we consider makes sense, to deal with this in a way that delivers the safety and security of the group of people we are trying to defend, which includes the people who are claiming.

Mr Speaker, the hon. Gentleman has decided – *he* has decided – that the Government is only able to exercise its freedom of expression in response on an Appropriation Bill to deal with these issues. *He* has decided that it is undemocratic to bring a motion – in keeping with the Rules of this House and which you have not ruled to be out of order – and that it is enough of my freedom of expression for me to have, if he had the ability, to say what I said in the Second Reading. The hon. Gentleman obviously thinks that it is perfectly appropriate for him to be the arbiter of what is free speech and dispense that to everyone, and for us not to be able to use the mechanisms that the people of Gibraltar have entrusted to us in order to defend the people of Gibraltar aka even the claimants in the Community Care Action Group.

This is not, as the hon. Gentleman says, corralling ordinary people. Mr Capurro, who has now walked out of the House with the hon. Members also, did not seem very corralled, to me. He seemed somebody who was enjoying the debate and understanding what was being said. There is no attempt to corral anyone, or, indeed, to use something called the power of Parliament in any way which is contrary to the Rules or contrary to democracy. Far from it. What we are trying to do is give Parliament an opportunity to consider how best to deal with this issue and to hear the expression of views. Neither is there any attempt to embarrass any citizen by the use of the power of the Parliament. What there is, of course, is everyone having to be accountable for their actions *inter se*, to each other, transparently in this community, which often is the mantra that we hear from hon. Members opposite, although in this instance they do not believe that people should be accountable for something that could create great danger to the future protection of Gibraltarian pensions.

890 'Where is our democracy, if we allow this motion to pass?' the hon. Gentleman says. Well, it is
in very safe hands and in a very good place, because we will have had a debate on an issue which
the Government judges is fundamental and which is necessary to protect the interests even of the
people who are the claimants, whose letter we believe is inappropriate and not helpful, and we
will demonstrate, Mr Speaker, as I hope I am doing now – although I will have to adjourn at some
895 stage soon, because I need to take an important communication with the Deputy Chief Minister,
but we will be back to continue the rest of the business ... Despite the fact that the Opposition half
of Parliament has walked out, we are respectfully replying to every one of the arguments put by
the Hon. the Leader of the Opposition, so that either through *Hansard* or telematically he can hear
the response of the Government. That demonstrates the commitment to democracy of the
900 Government that I lead, because we could very easily have said, 'They have gone – we will vote
with our majority to pass this motion,' and instead of doing so, I am respectfully and carefully
going through every single one of the arguments, both so that the Leader of the Opposition and
his Members on that side of the House understand the Government's rationale and so that the
Community Care Action Group can also understand the Government's rationale. There is no desire
905 whatsoever to corral, to embarrass, to in any way curtail their rights or views. There is a desire to
continue to engage with them in order to try to build on the things that we agree on and to ensure
things on which we disagree do not derail us.

What sort of negligence or recklessness with the exercise of power are we demonstrating
here? Mr Speaker, for all those reasons, none whatsoever. We are showing a deep respect to the
910 ordinary citizen because, let us be clear – this is the thing that the hon. Gentleman does not appear
to understand – we want the Community Care Action Group to succeed. That is important. The
hon. Gentleman does not seem to have discerned that from what I am saying. We want them to
succeed. We want an equal age for pensions, for men and women. That is our manifesto
obligation. We want the Gibraltar Constitution not to be breached by the way we continue paying
915 pensions in Gibraltar. We want to achieve that in the way that we can achieve it together. We
think the letter to His Excellency the Governor, for all the reasons I have already expressed, is a
hostage to fortune that can damage the interests of the Community Care Action Group every
minute it remains on the record. That is what we are saying. That is the respect that we have for
the citizens we represent, even those who disagree with us. That is hugely important, and the
920 Community Care Action Group, or at least the Chairman, does not seem to be quaking in his boots.
I had an opportunity to exchange pleasantries with him when we arrived, we had a very convivial
meeting when we met, and I hope that we will be able to meet in the future, once this issue has
been dealt with, and that we will continue to be able to build on things.

The mischaracterisation that the Hon. the Leader of the Opposition has made of the debate in
925 this Parliament today is, frankly, shocking and a demonstration that the Leader of the Opposition
has decided that he is the totalitarian in this equation; he is the only one who will determine what
is democratic behaviour and what is not democratic behaviour; he will decide when the Chief
Minister of Gibraltar has had enough freedom of speech and when I have not had enough freedom
of speech. That, Mr Speaker, indicates a very dangerous trait in the Hon. Leader of the Opposition
930 because, today, all he can do is march out. He can vote with his feet if he has decided not to vote
with his vote as a parliamentarian. If he were to become the Chief Minister of Gibraltar and he
were still to think himself the arbiter of what is democratic, the arbiter of what is freedom of
speech and the arbiter of what is totalitarian, that would be extraordinarily dangerous for our
community; a trait that we have seen before, when the GSD was previously in Government, and
935 a trait that he then identified, as the leader of the Progressive Democratic Party, in the then leader
of the GSD. I think those are important things to bear in mind.

The hon. Lady has left – in what was obviously a co-ordinated and choreographed ruse
between the Leader of the Opposition and the hon. Lady – I imagine because she knew that she
had no arguments left. The hon. Lady was saying that it was totalitarian for us to act in this way,
940 that we were seeking to humiliate people here. As I think I demonstrated during my reply on the
Second Reading, the only humiliation that I hold up for hon. Members is their own words and the

truth. I do not seek to humiliate anyone in any other way, with name-calling or anything like that, although I very often face it from hon. Members opposite, that we were acting in madness and that this is not a matter for this House – when she constantly chastises us for not doing things in this House. The other day, she chastised us for issuing a statement in respect of a matter which had become urgent. She said we should not have done it outside this House, we should have done it here. And yet, when we bring an important matter here and we give her the opportunity to speak, she does not even take up the opportunity to speak. She seeks to intervene in somebody else's speech, in order not to even exercise her own right to speak as a Member. Of course not, Mr Speaker, because on 24th February last year the hon. Lady, when talking about Community Care, said it was 'a private entity whose decisions are tantamount to changes to pensions policy'. She said:

If these changes are indeed changes in pension policy, why did the Government not seek a mandate for those significant changes at the last election? Why is it sprung on the community four months after being re-elected?

– as if those were Government decisions, Mr Speaker – therefore indicating that she did not see Community Care as independent.

When she says, on 26th February, two days later, responding to the directors of Community Care, that Together Gibraltar is outraged by the exercise of cynicism and avoidance of responsibility of Community Care Ltd directors and, by extension, by Government, she is demonstrating that she does not understand the independence of Community Care and the importance of it. She then says, in the same statement, that Government should have sought a mandate for what is tantamount to a substantial change in pensions policy.

I am not surprised that the hon. Lady has wanted to leave this House, because the things that I say are wrong in the Community Care Action Group's letter to the Governor are the things that she was saying herself. Indeed, on 1st July this year, the hon. Lady's statement, or her party's statement, said that Gibraltar Community Care introduced the payment of the community officer to provide some income until such time as the community officers became eligible for the old age pension at the age of 65. Yes, that might be a characterisation which is reasonable, but then, in the same statement, analysing that, she says:

... Community Care, which is, in theory, a private entity that makes decisions unilaterally and has no political accountability.

Of course, the hon. Lady has wanted to leave this House, not because there is anything anti-democratic going on, but because democracy in this place involves seeking to set out an argument and defending one's arguments here and outside of here, and she did not want to defend this argument because she knows it is wrong and she knows it is as wrong as the things that have been said in the letter to the Governor and as dangerous as some of the things that have been said in the letter to the Governor. **(Hon. Sir J J Bossano: More so.)**

Mr Speaker, in her Budget address late last week, at about this time last Friday, the hon. Lady, attacking me, talking about Community Care, said that this was the use of ridiculous double-speak when scrutinising what is undeniably a pension policy issue and not a charity issue. The hon. Lady has not walked out because there is any attack on democracy. The hon. Lady has walked out because she has probably realised that her statements are indefensible, apart from being totally contradictory. On Community Care, as on so much else, it is clear that not even the hon. Lady can rely on the hon. Lady and she thought that the best thing to do was turn tail and scarper from this place and not face the arguments. This is not denial of democracy. This is running away from the argument because they have nothing left to say.

The hon. Lady has associated herself with everything the Hon. the Leader of the Opposition has said, but the Hon. the Leader of the Opposition has said that they would continue to fund Community Care, that they support Community Care and that they privately have already agreed

with us that the letter should be withdrawn. How can you do that? How can the hon. Lady associate herself with that fulsome defence of Community Care that the Leader of the Opposition says he has done, and at the same time have said, this time last week, almost exactly seven days ago, Community Care has served its purpose but it is no longer fit for purpose? By the way, Mr Speaker, a week ago, she said, 'It is completely unfair to land us in the same place as our Opposition colleagues – we have not been populist on this issue.' Today, they have all been populist on this issue.

Mr Speaker, frankly, it is clear to me, and I think it is going to eventually, if not yet, be clear even to all members of the Community Care Action Group, that some of the statements that have been made – I am always prepared to accept in good faith – by successive groups of leadership of the Community Care Action Group are wrong. But the Father of the House's statement last week has now provided all the history to demonstrate that, and, to boot, that there are politicians in Gibraltar who are honest and act in the interest of people in Gibraltar even when that might be unpopular and that those politicians are represented by the Members sitting on this side of the House, and that there are politicians in Gibraltar who pretend to be with you and are not really with you, politicians in Gibraltar who will be pretending to defend you today by pretending to walk out in indignation at alleged abuses of democracy, when in fact they will not be with you when it matters, and that there are politicians in Gibraltar who will march with you whilst at the same time denying you and saying that they have not signed your petition and that they do not know what is in your letters. That is to say there are people who will deny you, not even like Peter is alleged to have denied Christ on the third occasion; they will deny you at the first time of asking, and that is what the Hon. the Leader of the Opposition has shown that he and the people he sits with represent today, and that is what the hon. Lady has associated herself with today, despite having disassociated herself from it last week.

In that context and having done hon. Members opposite the respect of answering every single one of the arguments that they put as best as I am able, and assuring you, Mr Speaker, assuring this House and assuring the wider community that the Government will continue to engage with the Community Care Action Group, that we have no desire to see them silenced, that we simply want to ensure that we protect them and their claims and that we help them to succeed in their claims insofar as the three points I set out in my letter between us are agreeable, that what we are trying to do is not deny democracy and in this place what we have is the full expression of the Gibraltarian people through their elected representatives and in the way that we speak and vote ...

And so, Mr Speaker, on that basis and in the absence of Opposition colleagues, which I am saddened to see is the way they have wanted to demonstrate their failure to be able to engage with argument which they are not able to dictate, I commend the motion in its original terms to the House. (*Banging on desks*)

Mr Speaker: I now put the question in the terms of the motion proposed by the Hon. the Chief Minister. Those in favour? (**Members:** Aye.) Those against? Carried.

The Opposition were not in the Chamber to exercise their right to vote.

**Gibraltar Medallion of Honour –
Dr Sohail Bhatti –
Motion carried**

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

This House bestows the Gibraltar Medallion of Honour on Sohail Bhatti for his extraordinary contribution to the health and well being of the People of Gibraltar in his role as Director of Public Health during the Covid Pandemic.

Mr Speaker, the Director of ... Ah, Mr Speaker, hon. Members have returned just in time to be able to deal with this alternative motion. *(Laughter)* So they had not really walked out, they had just gone for a coffee in the anteroom, Mr Speaker, which is quite remarkable.

Mr Speaker, the hon. Members will know that the Director of Public Health, Sohail Bhatti, is the person who in that capacity has been working closely with all hon. Members on this side who shared responsibility at different times for matters relating to health and public health and during the period of the COVID pandemic, which is unfortunately not yet over for those of us who had responsibility for civil contingencies, and that included those of us sitting in the Civil Contingencies Committee, and he has worked closely with a number of Members on this side of the House as a result and he has worked very closely with me. Directors of Public Health do not often have cause to work closely with the Chief Minister of Gibraltar, but in this instance, of course because of the pandemic, our relationship became actually quite a strong one.

Sohail and I, Mr Speaker, if I may call him that, had some very hairy moments together, if I may say so. And again, if I may say so, with respect to all Members, we had some very emotional moments as well, Mr Speaker. Some very difficult moments where we looked each other in the eye and saw just how difficult the moments that were coming were going to be. The things that I have discussed with Sohail Bhatti I hope no Chief Minister of Gibraltar ever has to discuss with any Director of Public Health again.

He was, Mr Speaker, at different times to different Ministers an absolute rock in the advice that he has given, in the understanding of our community that he showed, and we worked very well together. We challenged each other in order to ensure that we were each making the right decisions and we worked across the political divide with the Members opposite on some occasions, but not always, in a way that I think history will show was the right way in our time and generation to work.

I must confess, Mr Speaker, that in January 2020, when there were reports on the 24-hour rolling news channels of something happening in China, the Hon. Minister for Health told me that he was chairing a meeting in the bunker in No. 6 Convent Place with the Director of Public Health. He may not recall, but I asked, 'Ah, how's Vijay?', thinking it was Vijay Kumar who I knew from the time that we had been in Government. I was not aware that Vijay Kumar had retired and Mr Cortes said to me, 'It's not Vijay Kumar anymore, it's Sohail Bhatti', and I had never heard of Sohail Bhatti. When I first met him and had the opportunity to speak to him, much later, I mispronounced his name and he had to tell me how to pronounce it. So it was a real from nothing to really working together almost on a 24-hour basis with a man who has been, I think unfairly, vilified on social media by those who did not understand what it was that he was trying to communicate to this community at different times and then hailed for having been so clear in his communications when he had to be and for also being able to demonstrate the clarity of thought that we needed at that time.

Mr Speaker, I am very proud of the work that my friend Sohail and I have done together. I know that he is going to be doing his next job partly from Gibraltar, which I am very pleased about because he and I will now hopefully, unless his successor advises otherwise, be able to sit down and have a meal and relax as we have agreed to do, and see each other's faces and be able to enjoy the friendship that we have built in the time that we have been working together.

Why, Mr Speaker, the Medallion of Honour? When the former Chief Minister explained the former Government's view as to what the Medallion of Distinction should provide for, he broadly said that the Medallion of Distinction should be for those that this House believes have done a thing that is important to the people of Gibraltar and that the Medallion of Honour should be for those who have given the equivalent of a lifetime of service but just shy of the Freedom of the City. But of course, if you take the Freedom of the City, you also take the Medallion of Honour.

Mr Speaker, the period that we are talking about in the case of Sohail Bhatti is not a lifetime. It is in effect a year and a half of work. But, Mr Speaker, that year and a half has been like a lifetime. Pandemics of this sort come, we hope, no more than once a lifetime or once every hundred years, and the contribution that Sohail Bhatti has made to life in Gibraltar and the continuation and preservation of life in Gibraltar is, in the view of the Government, so considerable that it would be inappropriate to identify it only as one thing which is rewarded with the Medallion of Distinction. It must be seen as something wider, which is the sort of recognition that the Gibraltar Medallion of Honour is designed to provide for. So Mr Speaker, for those reasons the view that the Government took was that it should be the Medallion of Honour that we propose that Sohail Bhatti should take from this House and I think there will be no doubt in the community that this award is richly deserved.

Mr Speaker, Sohail of course also needs certainty in his life and had opportunities to take employment, and we are very clear that we want to localise the post, as I have already indicated, and for that reason we will not be able to continue working together as closely as we were as a Government and our Director of Public Health. Just today I see that he has issued the latest survey reminding me of how I have to deal with my own obesity and reminding all of us of the importance of issues beyond the pandemic which he was so active in before and throughout the period that he was advising us in relation to COVID-19.

But this man, Mr Speaker, when history is written, will be seen to be someone who worked hard for the people of Gibraltar, who took the people of Gibraltar to heart and whose work was designed to preserve life in Gibraltar when we might have had even greater difficulties than we had and where we might have lost many more lives if we had not followed his advice as we did.

So, Mr Speaker, I do hope this will be a motion that will enjoy the support of the whole House because, frankly, the last 18 months of work that Sohail Bhatti has done is deserving of nothing less.

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

Mr Speaker: I now propose the question in the terms of the motion moved by the Hon. the Chief Minister.

The Hon. Elliot Phillips.

Hon. E J Phillips: Mr Speaker, we on this side of the House will support the bestowing of the Gibraltar Medallion of Honour on Dr Bhatti for his contribution to the health and well-being of the people of our community, and therefore we would warmly associate ourselves with the comments made by the Leader of the House, the Chief Minister.

Mr Speaker, Dr Bhatti has served our community well in one of the darkest times in our recent history. Dr Bhatti he has been there for the Government and Gibraltar in its hour of need to provide his advice and guidance to the Government on all the measures that have been taken to mitigate against the worst ravages of the COVID-19 pandemic.

Dr Bhatti has been, Mr Speaker, and I think as alluded to by the Chief Minister in previous comments in this House, a controversial figure, but he has been there from the outset. He has been there frontline and has been a constant feature of our response to the COVID-19 pandemic, including weekly press conferences and interviews to the press.

Sohail, again if I can call him that, has been a tough talker, Mr Speaker, in sending out messages which some in our community did not want to hear, but I genuinely believe he has done so with the best interests of this community at heart.

It takes a strong individual, Mr Speaker, to be the one who has to deliver the guidance and advice to Government, who has to weigh that advice against a multitude of considerations. Likewise and completely, Mr Speaker, without prejudice to areas where we have differing views with the Government on the measures that they have deployed, it could not have been easy either for the Government when conducting that careful balance that they had to achieve in promoting those measures and deploying them within the law.

Mr Speaker, the role of Director of Public Health has never been a role which has been front and centre, but it is a role which provides an important function to the Government, our Health Authority and our community. Public health issues such as alcoholism, smoking, children's health, exercise, sexual health and mental health, Mr Speaker, are just a few components of this key role that the Director of Public Health offers our community.

Whilst this role has been predominantly focused on the response to COVID-19, the role moving forward, Mr Speaker, and as we emerge from this crisis, we will need to focus on improving the health of our community beyond COVID-19. It is all well and good in making sure that Gibraltar PLC is out of the ICU, as the learned and hon. Leader of the Opposition talked about, but we need to make sure few of our people end up in the wards of our Hospital, Mr Speaker. I think that is the role that Director of Public Health will hold in the future, Mr Speaker, improving the health of every single one of our community and focusing on the key areas beyond COVID.

I genuinely believe that Dr Bhatti takes that part of his role to heart and is very enthusiastic about promoting health and well-being amongst our community. I genuinely believe he is very sad to be leaving that role. Thankfully, as the Chief Minister has said, he will be involved in some aspect in Gibraltar and therefore we do, if he does end up leaving our shores, wish him and his family all the very best and thank him for his contribution during a very difficult time for our community, Mr Speaker.

Mr Speaker: Does any other hon. Member wish to speak on the motion?
The hon. Lady.

Hon. Ms M D Hassan Nahon: Mr Speaker, I would like to start by giving a warm thank you to Dr Bhatti for his service to the people of Gibraltar throughout this agonising year and a half. I am well aware of the difficulty of his task and I can only imagine the pressure and stress that he must have experienced. Mr Speaker, we owe a lot to brave resident men and women like Dr Bhatti who were ready and able to take on responsibilities that would have crushed even the strongest of characters.

However, Mr Speaker, I am not going to deny that we have had our issues with Dr Bhatti's style of communication. We understand that many of his contradictory statements and kneejerk comments on social media were not ill-intentioned and mostly caused by the uncertainties of a rapidly developing field of knowledge. However, Mr Speaker, we do believe that Mr Bhatti did not fully understand and did not properly execute his role as lead Public Health communicator throughout the pandemic. Even though he was not the only person in a position of responsibility who put out counterproductive statements, he was perhaps the most crucial, together with our Chief Minister.

So it makes sense, Mr Speaker, to think that the non-renewal of his contract would have something to do with the aforementioned issues and how the credibility and standing of our Public Health Director might have deteriorated over the last few months. Therefore, Mr Speaker, in this context I find this award quite disconcerting and even cynical. I am not going to get in the way of it, but I wonder how people are supposed to reconcile a gesture that shows a lack of confidence in one hand with one that shows the opposite on the other.

I recognise Dr Bhatti's hard work and courage, so I will not be voting against the motion. However, I fail to understand the need for this symbolic act. Mr Speaker, it feels too much like a cynical marketing move or some sort of clandestine damage-limitation exercise. So I will be abstaining from voting on this.

Mr Speaker: Does any other ... Yes, the Hon. Prof. John Cortes.

Deputy Chief Minister (Dr J E Cortes): Thank you, Mr Speaker.

I am not going to answer the points of the hon. Lady, although they are disappointing, particularly in the context in which both the Chief Minister and the Hon. Mr Phillips have praised

and recognised the work of Dr Bhatti. I am sure the Chief Minister will have something to say in his final words. But I will say that I do not recognise the person that the hon. Lady has described, and I certainly see no contradictions, nor the kneejerk in his character, having worked very closely with him. Indeed, Mr Speaker, Dr Bhatti had a hard act to follow. He was following Dr Vijay Kumar, who had not been in the limelight nearly as much as Dr Bhatti has over a much shorter period, but was well known in the community because he had been here for well over a decade and was well known for his solid advice to successive Governments. But I think we can all see, after the year and a half that we have had, that he really followed that act very well indeed.

I remember meeting with him, as I normally have done with the Director of Public Health, about once every two or three weeks for a relatively brief meeting to look at initiatives such as smoking initiatives and campaigns and so on, but it was not until we started seeing on the news, in December 2019, about this virus that had appeared in Wuhan, that I started to have the more close relationship that clearly followed.

It was indeed, as the Chief Minister has recalled, early in January 2020 when I advised him that because of my concerns at a public health level of what was happening in China, I had called a multidisciplinary meeting to discuss what might then be the development of what became a pandemic. Clearly this then developed and developed into civil contingency, at which point my hon. Friend and colleague the Minister for Civil Contingencies took the Chair, and we have been meeting every two or three weeks virtually since then.

Dr Bhatti and I developed a close relationship, I think a friendship we would describe it as. Lots of discussions, lots of conversations, not always in agreement – I would regularly challenge his interpretation of statistics and for a bit of time I could recall my time when I was actually working as a scientist. It was quite an interesting period of exchanges, looking at the statistics and trying to interpret them in a way that would be useful and helpful to the community. I recall those days when the streets were silent and we would go into No. 6 and have these press conferences, the tension there, the concern, and the fact that so many things had to be said that we did not want to say. We lived it together and that kind of intense period really does a lot to foment relationships.

So, Mr Speaker, I can clearly support the motion. I met with Dr Sohail just this afternoon, his last afternoon before going into pre-retirement leave, to thank him and wish him well. We recalled some of the times that we had had and he did confirm that he will be in Gibraltar for a while longer and I think, most clearly, Gibraltar has gained a great friend and supporter. So I have no hesitation at all in supporting this motion. *(Banging on desks)*

Mr Speaker: Yes, Hon. Edwin Reyes.

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

I just want to make a small personal contribution. I want to thank Dr Bhatti for always being consistent in what he has said. He may not always have been popular. It is very difficult to be a Director of Public Health in Gibraltar, because we have the highest number of self-appointed Directors of Public Health per capita than anywhere else in the world! But that is Gibraltar and long may it be so.

But Dr Bhatti actually helped me in a family situation. There was a few months ago this particular football game that the Gibraltar Football Association was playing at home, and I am very proud that for years I have not missed a single GFA match, be it played at Victoria Stadium, or be it even all the way in Faroe, I have always made it a point to go to these games. *(Banging on desk)* Thank you! **(A Member:** Hear, hear.) And the GFA were, I suppose, telling me, ‘Look, we’re waiting for a final clearance from Dr Bhatti’, he said, ‘but it seems we are going to be a very reduced number of spectators’. As it ended up, I think we got the notice on the day. The hon. Minister may well recall, I think we got the notice on the day, ‘Yes, if you’ve had your two vaccinations and you bring your mask you’ll be allowed to come.’ I do not think there were more than 10 of us there. That included the GFA President and Secretary and so on, and the Minister and I, we sat at the

back row, keeping that two-metre distance between us. But when I texted ... my wife was checking up on me, 'Are there many people there?', and I said, 'No, there's less than 10 – don't worry, Dr Bhatti's here', and she said, 'Oh, thank God for that, then go and enjoy your game.' So, Dr Bhatti, thank you for putting my family at rest. Your mere presence at a football game, whether you are a sports lover or not, certainly helped the Minister and I have an enjoyable 90 minutes. I cannot remember the exact result, but I think we actually got the good, desired result on that day. So we are glad that we both supported our red and white team whom we wish all the best for the next season, and Dr Bhatti all the best for the future. *(Banging on desk)*

Mr Speaker: The Hon. Samantha Sacramento.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, like most people, I first met Dr Bhatti in January. In fact, it was at our first Civil Contingency meeting on 27th January where I recall the strategic command centre at No. 6 being full of people. We were told this story about the virus in Wuhan and I think every single person in the room was quite sceptical. We were being given this advice, and I think at that point all of us thought that it was a meeting with a lot of people and that nothing would come of it.

Mr Speaker, I had to attend a CPA meeting and when I walked back from that CPA meeting and landed in Gibraltar, things had dramatically changed in a matter of two weeks.

From then, Mr Speaker, it became the most intense working period that we have ever experienced in Government, as my hon. Friend, Minister Cortes, has explained. During that period working in that office, solidly at No. 6, the office that we all affectionately refer to as the bunker, we have had many intense discussions on the whole situation, Mr Speaker. We have to put it in context and bear in mind that it was evolving and that the advice was changing at breakneck speed, and we were all relying on Dr Bhatti to guide us.

Mr Speaker, in that context, because it was all, quite frankly, so strange at the beginning, because I do not think I can put it any plainer than that, there was a lot of testing of the advice that we were receiving, because it all just sounded so bizarre. Even when things were happening all over the world, at the beginning we never thought that we would end up wearing face masks in Gibraltar. And then when we were wearing face masks, Mr Speaker, everything developed from that because then people did not want to wear facemasks and everybody wanted to ask for exemptions.

So we had to be guided by Dr Bhatti at every single step of the way and, on that basis, we have had many arguments, Mr Speaker, during that period because, as the Government and as the policymakers, we needed to be absolutely sure that we were making the right decisions on the basis of the advice that we were given. So our conversations, and certainly, Mr Speaker, as Chair of the Strategic Co-ordinating Group, our discussions have been intense at times, colourful at others, and extremely enjoyable in the majority of them.

But, Mr Speaker, I think that when we find ourselves in testing and challenging times, that is when we also find the best of ourselves, and certainly there were very key people who rose to the challenge.

The only regret I have, Mr Speaker, is that before the pandemic reached the level that it did, Dr Bhatti and I were discussing other projects that we wanted to do. Public Health projects which had an overlap with my equality portfolio. So it is a shame that those had to be put on the backburner because the pandemic obviously took precedence.

On that basis, Mr Speaker, I would like to thank Dr Bhatti for an extremely intense year-18 months that we have had. I would like to thank him for the advice, I would like to thank him for his patience when we were testing him to the extent that we were, because we had to, Mr Speaker, that was our job, and I thank him for that and I wish him well. On that basis, of course I support this motion. *(Banging on desks)*

1285 **Mr Speaker:** The Hon. Paul Balban.

Minister for Transport (Hon. P J Balban): Thank you, Mr Speaker.

I first met Dr Sohail Bhatti following the election as Minister for Health before anyone knew about the impending pandemic. Little did he know that he would be advising and leading Gibraltar through a pandemic in his role as the Director of Public Health. This is the scenario that every consultant in Public Health would be trained in, but one of those scenarios one would never expect to ever encounter. Well, that was exactly what happened: the one in 100 years pandemic.

Sohail Bhatti was one of the first health professionals I chose to meet when I became Minister for Health, not because of the COVID pandemic itself, but because, as I have said already, it did not exist then, but because health promotion was one field of medicine I was most interested in, because it is through health promotion that one can not only make the population fitter and healthier, which I am passionate about, having been qualified as a dietician and having run an obesity and weight loss clinic for many years. The effect of healthy lifestyles has a profound effect on the health of people and can be very quickly seen in things like blood markers. It also allows us to truly find savings over time because through health promotion we can improve health, reduce the need for expensive medication, surgery and other treatments.

Sohail Bhatti was smiling throughout our first meeting because he said that governments generally commonly cannot see the value of things that take more than four or five years to see results for and we, our Government, had included a portfolio of healthy living within the Health remit, and he was extremely happy about that.

Alas, COVID overtook us all. I had the pleasure to work with Sohail and understood completely how difficult it was to take important decisions to protect the community, decisions that whilst popular when things were not going well and when we were at the acute phase, were not easy to maintain as the rates of infection dropped and it continued to take a toll on the freedoms of the community. Some would accept these losses of freedom, but many would simply not. It was a very difficult time, Mr Speaker, for us all and for Sohail it must have been incredibly difficult for him and his family too.

Mr Speaker, I am happy today to be able to support this motion and I wish him the very best in the future. *(Banging on desks)*

1315 **Mr Speaker:** If no other hon. Member wishes to speak, I will call on the mover to reply.

Hon. Chief Minister: Mr Speaker, the statements from hon. Members on this side of the House I think further reflect the feelings I have expressed in the presentation of this motion, in the voice of those who perhaps worked even more closely with Sohail in the time in question.

Mr Speaker, I was delighted to hear that we would have support of the official Opposition. I realised how quickly they came in when this motion was called, so I am pleased that they wanted to be here. I am pleased for Sohail Bhatti that they wanted to be here to lend their support. As a result, Mr Speaker, I am convinced that they did not really walk out. They have just been having a go at the cakes that were left over from yesterday, and I do hope that when we do break there is something left over for the rest of us, and they have not abused democracy by having the last *bizcotela*, Mr Speaker, I sincerely hope that at least that they have respected!

Mr Speaker, the hon. Lady does not fail to surprise me these days, because I do not know whether she believes that she would have made a better Director of Public Health even than Sohail Bhatti, because she told me during the course of the Second Reading of the Appropriation debate that we had not handled the pandemic properly and said some fairly outrageous things then, and has now, I do not know, indicated both that she thinks that he did a good job, but that she is not going to support this motion because she thinks that we are being cynical by bringing it. So I really do not know, Mr Speaker. Perhaps the hon. Lady and I should take to heart Sohail Bhatti's most striking contribution in the four o'clock press conferences that so vexed us all on this side of the House and make our peace, as she said that we should with all of our family

members, because frankly, Mr Speaker, to say that bringing a motion to bestow the highest civic honour that this House can bestow short of the Freedom of the City on somebody who has served Gibraltar as well as Sohail Bhatti we all agree has is somehow cynical simply because we have not renewed the contract, which came to an end because we want to localise the post, seems to me to be really extraordinary. Extraordinary, unfair on Sohail Bhatti and, Mr Speaker, frankly to fail to understand that this is not symbolic, this is actually genuinely heartfelt, Mr Speaker.

And hon. Members might just wish to reflect that with this Director of Public Health, he and I have sat alone and together with other Ministers and other officials, and we have looked at not having enough capacity to bury people. Not having enough capacity to store dead bodies in Gibraltar, Mr Speaker, and we have had to import additional capability to refrigerate corpses. When you are finding yourself in a trench like that, Mr Speaker, and you are thinking of adding niches to the availability that you have to bury people, you end up, I would say, more than friends. You certainly end up as more than worker colleagues: you end up as more than friends, Mr Speaker.

I consider that I have worked with Sohail Bhatti like a brother, Mr Speaker, and so have hon. Members here, and a brother and a sister, and so have many other colleagues, even though we do not always agree, even though we test each other's theories. That is what makes for good Government, Mr Speaker.

But the fact that the contract has not been renewed because there is a Gibraltarian who has been trained and who may be able to take it in the medium term has absolutely no consequence on that, and it should not for one moment be a reflection ... which it now unfortunately will in the *Hansard* of this debate, but given, Mr Speaker, that this is a parliament, that we come here parley, that we all put our opinions and we then vote, except when it is too difficult and hon. Members decide that they want to *bottle it* and walk out. Well, Mr Speaker, she has put that opinion on the *Hansard*. Of course, she is fully entitled to it, and she is fully entitled to hear my response. But, Mr Speaker, at least the hon. Lady is going to be consistent and she is going to abstain, as she has abstained on a number of Bills in this Session.

I was just taken by one final point that the hon. Members on this side made, the Hon. Mr Cortes, who talked about Vijay Kumar not having seen so much of the limelight, as unfortunately Sohail Bhatti has seen, and I really think that Sohail Bhatti would have wished to have had no more of the limelight than Vijay Kumar had had. I think most Directors of Public Health just want to be able to send their messages about how we stay healthier, and not have to be doing four o'clock press conferences as we were all having to do with him.

Finally, Mr Speaker, I was very taken by the example given by the Hon. Mr Reyes, because I think at that time probably those 10 fans that the Hon. Mr Reyes was referring to in the Victoria Stadium, were probably the only 10 fans in *Europe* attending a football match, thanks to the work that we had done in Gibraltar, with the assistance of Her Majesty's Government of the United Kingdom, that provide us with the vaccines and thanks to the work that we were doing with Sohail to ensure that we were providing for events to start up, which led us first to that and then to a heavyweight boxing match shortly thereafter. Therein, Mr Speaker, lay the success of what we have been able to do together, and I therefore very much commend the motion to the House, not just in the terms of it and in the support I have given it, but in the wholesome support that we have heard from all Members who have spoken, except for the hon. Lady. (*Banging on desks*)

Mr Speaker: I now put the question in the terms of the motion –

Hon. Chief Minister: Mr Speaker, I call that the House should divide.

Mr Speaker: A division is required, Mr Clerk.

A division was called for and voting resulted as follows:

FOR	AGAINST	ABSENT	ABSTAIN
Hon. K Azopardi	None	Hon. V Daryanani	Hon. M D Hassan
Hon. P J Balban		Hon. D A Feetham	Nahon
Hon. Sir J J Bossano		Hon. G H Licudi	
Hon. D J Bossino			
Hon. R M Clinton			
Hon. Dr J E Cortes			
Hon. Dr J J Garcia			
Hon. A J Isola			
Hon. S E Linares			
Hon. E J Phillips			
Hon. F R Picardo			
Hon. E J Reyes			
Hon. Miss S J Sacramento			

Mr Speaker: The results of the division are as follows: for the ayes 13, there is 1 abstention and 3 absent. So the motion is carried.

Clerk: The Hon. the Chief Minister.

Procedural

1390 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I move that the House should now recess for a 15 ... Sorry, the Hon. the Mr Speaker, you want to say something?

Mr Speaker: Yes, I would like to say something.

1395 I am disappointed with the events leading up to the walk-out by Opposition Members. With hindsight, it is clear that when the hon. Lady asked the Leader of the Opposition to give way, this was a pre-planned exercise. Therefore, in my view, this went against the spirit of Standing Order 45.(10)(ii), which talks about giving way.

Thank you.

1400 **Hon. Chief Minister:** Thank you, Mr Speaker.

So I move that the House should now recess until five past seven – sorry, five past six. I did not see the hour hand.

Mr Speaker: The House will now recess until five past six.

The House recessed at 5.46 p.m. and resumed its sitting at 6.08 p.m.

Freedom of the City of Gibraltar – Gibraltar Health Authority – Amended motion carried

1405 **Clerk:** The Hon. the Chief Minister.

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

This House:

NOTES the key role played by the staff of the Gibraltar Health Authority (GHA) during the continuing global COVID-19 pandemic;

REGRETS that the pandemic has sadly taken over four million lives, including ninety-four much-loved citizens of Gibraltar;

FURTHER NOTES that both the action taken by the GHA and the advice given to the general public has saved lives;

WELCOMES the fact that the GHA rose to the challenge at many levels and across a number of different departments during these difficult times;

RECORDS with gratitude that many individuals in the GHA went above and beyond the call of duty in the face of the public health emergency;

RECALLS the decision of Her Majesty the Queen to bestow the George Cross on the UK National Health Service (NHS);

AND THEREFORE HEREBY RESOLVES that the Freedom of the City of Gibraltar, the highest honour that this Parliament can award, be bestowed upon the Gibraltar Health Authority.

1410 Mr Speaker, this motion is not a motion to recognise everyone that has worked so extraordinarily well and so extraordinarily hard in the context of the COVID pandemic. This motion is to recognise one part of the public service of Gibraltar that is one of the entities that we had already identified, pre-pandemic, should receive the Freedom of the City, as we said in the context of the movement of the Freedom for the Royal Gibraltar Police, because our emergency services certainly deserve it. And in the context of this pandemic, as we were to move another of those
1415 Freedoms, it was appropriate that this year it should be the Gibraltar Health Authority that should be the recipient of the Freedom of the City.

I will be moving an amendment, Mr Speaker, later to say that not just to the Gibraltar Health Authority, but the Gibraltar Health Authority and ERS, which is the Elderly Residential Services, which the hon. Member, Miss Sacramento, is also Minister for, because we see the Gibraltar
1420 Health Authority and the ERS in the context of the work done in this pandemic as one.

Mr Speaker, the men and women who make up the Gibraltar Health Authority are always there for us. They were there of course before the pandemic and they are there, Mr Speaker, to deal with a minor ailment from a toothache and a common cold, to a pandemic, as we now know. The GHA is really the cradle to the grave service of Gibraltar. It is inspired, Mr Speaker, by the UK's
1425 National Health Service and it provides a service akin to the National Health Service in the United Kingdom. It is medical care free at the point of delivery to every entitled person in Gibraltar.

Sixty per cent of the Social Insurance that we contribute goes to the Gibraltar Health Authority, Mr Speaker, but that is not enough to fund the cost of the Gibraltar Health Authority and the work and the services that are provided by the Gibraltar Health Authority to Gibraltarians. Additionally,
1430 Mr Speaker, the Elderly Residential Services that we provide, in what in the past might have been referred to as the geriatric wards of the Health Authority, which are now provided in a freestanding way through a separate agency that does work for those who are simply elderly and frail in some instances.

Mr Speaker, the men and women who make up the Gibraltar Health Authority did not blink
1435 when the time came to start to deal with this pandemic. Of course it has been hard for them but, Mr Speaker, when they interacted with us as Ministers, they took things in their stride and explained to us what had to be done, and they really have been remarkable in the way that they have addressed this pandemic. Now we will have to deal with the consequences of that, Mr Speaker, because in addressing the pandemic they could not deal with many of the minor
1440 ailments that they would want to be dealing with. They could not deal with the early interventions to ensure that disease is stopped at an earlier stage etc. and the service that they provide is now subject to the additional pressures of having been dealing with the pandemic during the period of the pandemic. The Government is very understanding of that and will be working with them to ensure that the resources are available for them to be able to get the national health service, the

1445 Gibraltar Health Authority, back on its feet and delivering the service it was providing before the pandemic was struck.

Mr Speaker, there are so many cases of heroism in the GHA, not just during the period of the pandemic, but in particular during the period of the pandemic, that it would be too difficult to extract any particular instance and hold it up for distinction because it would be unfair to the many day-to-day instances of remarkable work beyond the call of duty that is done in the GHA by the remarkable men and women who make it up.

That is not to say that the Health Authority in Gibraltar is perfect. I do not think you would find any member of the Gibraltar Health Authority who would tell you that the service that we provide through the GHA is perfect, but we constantly seek to strive to improve that service and to work together to make the service better. But there is no doubt, Mr Speaker, that the nurses, the doctors, the consultants, the clerical staff, the cleaning staff, the people who manage the stores of the Gibraltar Health Authority, those who in ERS are managing the environment in which we keep our elderly residents, those who are caring for our elderly residents, those who manage ERS, all of them bring their hearts to work every day and they deliver in a way that is designed to ensure that we get the best out of each of them and the recognition that we will give them in this House today is the highest civic honour that we can bestow in this House.

It is a recognition of what an integral part of our lives the Gibraltar Health Authority is, literally now from the cradle to the grave. Our children are no longer born at home in specific addresses, Mr Speaker, unless there is a particular choice to do so with the support of a midwife. Principally, we are all born in St Bernard's Hospital in the hands of the Gibraltar Health Authority. And, Mr Speaker, when we leave this life, we leave it no doubt with the Gibraltar Health Authority having done its best to ensure that we have enjoyed as long a life as possible and as comfortable a life as possible. In particular at that stage in life, also with the benefit of the support of Elderly Residential Services, or ERS, Mr Speaker.

So it is difficult, Mr Speaker, to say more without highlighting particular services and highlighting particular individuals. But what I want to do, Mr Speaker, is to take an overview, a helicopter view over the Gibraltar Health Authority and recognise everyone in it. The same is true of Elderly Residential Services: to mention one is to fail to mention all the others who need to be mentioned. So I want to take a helicopter view of ERS and what it does and how it does it, and see those both together and understand how worthy of recognition they are by the presentation of this highest civic honour on behalf of, I hope, every Member of this House who will want to support this motion and ensure that the men and women of the GHA and ERS know that they are valued by every Member of this House as one of the key emergency services in our community.

Mr Speaker, I have had successive Ministers for Health in the time that I have been in Government and one of them is not here, Neil Costa, because he is no longer a Member of the Government team, but John Cortes, who was Minister for the Health Authority for many years, then Neil, then Paul and then Samantha Sacramento. I know, Mr Speaker, that the value that we put on the Health Authority and the men and women who are in it is a value that is expressed through the Ministers of this Governments successively who have been in office in the Hospital itself, which is currently the home of the Minister for Health, and the understanding of the issues that afflict the Authority is something that we are also very clear about.

Again, it would be wrong to suggest that when Her Majesty the Queen rightly bestowed the George Cross on the UK National Health Service it was being suggested that the National Health Service does everything right and that there is no room for improvement and that the waiting lists are appropriate as they are in the United Kingdom. Of course that is not the case and we must always strive to do better.

But let us remember what a mark of civilisation a health service like the GHA and like the NHS are: that every person is afforded healthcare free at the point of delivery when they need it and in emergency care, Mr Speaker, even if they are not entitled persons. That in my view, Mr Speaker, is one of the great marks of distinction of the United Kingdom and of Gibraltar, and we sometimes, I think, forget that because we take it for granted.

Paying your Social Insurance, Mr Speaker, is the best medical insurance that anybody can pay and it is cheaper than any private medical insurance that one can buy, but it gives you *more* than any private medical insurance one can buy, and that is what the Gibraltar Health Authority is about.

In respect of ERS, Mr Speaker, in many other countries, and I recall the analysis that I did in respect of the minimum wage, to have elderly residential care, one pays a separate fee – I think did the exercise during the course of the Second Reading of the Appropriation debate when I showed in Germany that an amount is paid for long-term residential care when one is older. Here, this is all included, Mr Speaker, in the Social Insurance contributions that we make, again a mark of how we are different, because we will always strive to provide either in the home, through the provision of domiciliary care, or in the Elderly Residential Services' facilities that care that we need in our most difficult times in our dotage, in particular for those who have Alzheimer's or dementia.

So, Mr Speaker, in the round, I think that the fulsome support that the Gibraltar Health Authority and Elderly Residential Services deserve in our community is best marked by the bestowing by this House of the Freedom of the City on the men and women who make up those organisations.

For that reason, Mr Speaker, if you will forgive me not to do so in writing so that other Members can carry on and I will pass a note to you, I will simply end by moving the amendment, which I have no intention to speak separately on, which would simply be to after GHA where it appears in the first paragraph in brackets, add: 'and elderly residential services (ERS)', and then leave the rest of the motion untouched, other than to add '/ERS' after GHA where it appears on the three other occasions and 'and ERS' at the end of the motion where Gibraltar Health Authority also appears. I will write that out, Mr Speaker, whilst other Members make their contribution so that the Clerk can have the benefit of the proposed amendments in writing.

Mr Speaker, for all of those reasons and in honour of the men and women of the Gibraltar Health Authority and of ERS, who always serve this community so well, and in particular did in this pandemic, I commend the motion in its terms as amended to the House. *(Banging on desks)*

Mr Speaker: I now propose the question in the terms of the motion moved by the Hon. the Chief Minister.

The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, on this side of the House we will be delighted to support the motion.

When the pandemic occurred all eyes were on the GHA, inevitably. The focus was on that service first because that is where we thought the tension of the pandemic would come, and indeed it has been well documented in all the information that has been provided and in speeches in this House, the efforts that were made by the GHA to accommodate for the expected pressure of the pandemic. And who can forget the massive efforts that were done, not just by the GHA but essential services, to roll out the possible Nightingale facility that in a worst-case scenario was feared would need to be relied on.

So Mr Speaker, in those crucial moments at the beginning of the pandemic and then thereafter GHA did respond and, certainly on this side of the House, we acknowledge the efforts of everyone in GHA and ERS, to speak to the amendment of the Chief Minister.

Of course, the Government has announced that there will be, in due course, a public inquiry which will revisit and investigate and consider step by step and blow by blow decisions that may or may not have been taken during the pandemic, and that is the time to investigate whether single issue decisions were taken that were correct or not correct. But in the round, certainly we are entirely supportive of a motion that recognises the role of the GHA, the GHA staff and the staff of ERS in dealing with the pandemic. And who can also forget the staff at ERS bore the brunt of a very difficult period, at the beginning of this year, especially during the second lockdown, or the beginning of the second lockdown.

Mr Speaker, I also associate myself with the remarks of the Chief Minister in observing that, of course, the GHA, as an essential service of Gibraltar and as a public service of Gibraltar, is an integral part of our lives that goes well beyond the pandemic. We are taking the opportunity of its role in the pandemic to mark it with the highest civil honour we can bestow in this House, the Freedom of the City, *but* it is certainly true that GHA's role, value and contribution goes well beyond the period of the pandemic, and it plays a part in the lives of every single member of this community and in the lives of all our families, and it is important to acknowledge that.

I am certainly delighted to support it as the Leader of the Opposition on this side, but also reflecting in my previous role as Minister for Health, I have a special attachment, I feel, to the health service, and friendships that were born then you live with. And certainly the value and recognition of the health services is well deserved and probably even, if I may say so, long overdue because of the role it has always played over so many decades. A service that is now much bigger than it was – the many people in Gibraltar that work in the health service, work in ERS, given the numbers of staff that we are talking about.

But I speak not just in those official roles, I speak also, I suppose, as a citizen that has observed the last 18 months and value the contribution of the GHA as a citizen that observes the role that GHA has had over many years, and indeed as a user of the service. Because, Mr Speaker, the GHA, yes, went into lockdown, constrained its services, and I know that there has been some public criticism of what has been perceived in some quarters as the slow rollout of some services as the service emerged, but it was still able to deal with urgent cases, and I say so myself having experienced it, because it is a year ago today that I had to call on the services of the GHA. I know that they responded very quickly and that the pandemic did not stop the delivery of services which were done always efficiently, and always with great humour and effectively.

So, Mr Speaker, for those reasons we are certainly endorsing and supporting the comments made by the Leader of the House. We will, on this side of the House, support this motion. (*Banging on desks*)

Mr Speaker: The Hon. Samantha Sacramento.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, let me start by saying in support of this motion that it has taken a pandemic for people to realise and recognise the hard work of the people at the GHA and, of course, including ERS.

Mr Speaker, it has been a tremendous year to 18 months for all of us, but particularly so for those who have been on the frontline. If we look back at the beginning of the pandemic when this all started, Mr Speaker, people at the GHA were on alert waiting for the worst to happen. People at the GHA very quickly mobilised, we started and we opened a second hospital with the field hospital at the Nightingale facility at the Europa sports centre.

Mr Speaker, there were during that time a core number of people leading the strategic and operational side of the GHA and there were the other people on the frontline who were on guard waiting for the pandemic to hit and ensuring that they were available, should the worst happen. And in this time, Mr Speaker, there was still the day-to-day operational running of the GHA also going on in parallel.

At the same time, Mr Speaker, we need to look at what was happening at ERS. ERS was responsible for the most precious people in our community and the management and the teams at ERS had one goal, Mr Speaker, and that was to safeguard the lives of their residents.

So during this time, in the different facilities of the GHA, at St Bernard's Hospital, at PCC, at Ocean Views, at the community mental health services, at Mount Alvernia and the other ERS, everyone had a different role to play, but everyone had the same priority, and that was to save lives.

Mr Speaker, at the beginning, when we were still not sure what the extent of the pandemic and indeed what the extent of the infection would be, there were people who made tremendous

sacrifices, tremendous personal sacrifices. I know of members of staff who did not go home and who did not see their families, so as to avoid cross-infection, because for them, Mr Speaker, their patients, or if they worked at ERS, the ERS residents, they came first. So for a period, Mr Speaker, last year and in the last 18 months there have been people whose lives have been put on hold because their professional duties came before everything else and they put that first and foremost.

Then, Mr Speaker, as the pandemic progressed, towards the end of last year, when we found ourselves in the darkest time, there were *huge* sacrifices made. Not only did people who had an extremely tough year before have annual leave cancelled, we are talking about a special period when you spend time with your families because we are talking about Christmas. So that was put to one side, Mr Speaker, to make sure that the community came first. And all during this time, Mr Speaker, the staff have done everything, not only with the standard due diligence and care and attention that they always offer, but always with a smile.

Mr Speaker, at this point, I particularly highlight the members of staff at CCU and the members of staff who were working in the Victoria COVID ward, because they were the people who were working with the most infectious cases, and they were the people who, not only were caring for people who were very ill, but they were the people who were witnessing those who, unfortunately, were passing away.

So Mr Speaker, after a year that has been exhausting, a year full of personal sacrifices, for many, and all for the benefit of the patients or the residents who they so clearly loved, we came onto the beginning of this year, where we started seeing the light at the end of the tunnel. Mr Speaker, that is when we started our 'Operation Freedom', which was again delivered exclusively by the GHA and so successfully. So successfully indeed, Mr Speaker, that we were the first nation to achieve vaccinating such a high percentage of our population, before anybody else did.

What this has proved is that the professionals in the GHA, and when I say professionals I mean people who have been there in the frontline in the pandemic and also achieving during times that the Hospital went and carried on as business as usual because, Mr Speaker, as we escalated the alert levels in the Hospital it was inevitable that some services had to be slowed down, curtailed or stopped completely. When the alert levels in the Hospital are changed and escalated, Mr Speaker, these are not matters that are taken lightly. The more that we escalate the greater the impact on the public, obviously, but also the greater the impact on the members of staff, because it means that there will be more restrictions placed on them as well. And for that reason, Mr Speaker, that is why it is so important and why I ask members of the public to continue to follow the rules and public health advice because not only do we need to keep ourselves safe, but we also need to keep our medical services safe because our members of staff at the GHA need to be able to continue the services that they deliver for patients as well as for everything else.

Mr Speaker, I need to announce that, given the increase in positive cases in the last 48-72 hours, the alert status in the GHA will have to increase to amber. Now, that means, Mr Speaker, we are hoping at this stage very limited adverse impact on the services that we provide, but it is an indication that things are changing and the GHA needs to start getting ready in case things change further, quickly.

For this reason, Mr Speaker, I think it is so important that people do not forget the hard work and the personal sacrifices that the people at the GHA have always made, which has been highlighted and brought into such sharper focus during the pandemic.

But it is not over yet, Mr Speaker. And this hard work and these personal sacrifices are likely to continue for a time yet. On that basis, Mr Speaker, for the great respect that I have for my colleagues in the GHA and ERS, I have been working with them for a very long time now. I was not the Minister for Health when we started the pandemic, but I became Minister for Health in August of last year, and I have worked very closely with all these professionals, and out of the deep respect I have for the work that they all do on a regular basis, Mr Speaker, from the person at the top to every single person in the GHA, and the most crucial group of people during the pandemic:

our domestic staff. We cannot forget those very essential members of the GHA staff, so for everyone in the GHA and everyone in ERS, Mr Speaker, I support this motion. (*Banging on desks*)

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Mr Speaker: The hon. Lady.

Hon. Ms M D Hassan Nahon: Mr Speaker, I believe that few times in the history of this Parliament will there be a more unanimous and rotund approval of a Government motion. I still recall the terrifying days of the start of the pandemic when little was known about the virus, the threat that it represented and how we should respond to it.

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In those days, Mr Speaker, millions of people around the world, including myself, were doing everything in their power to isolate and hide their loved ones from this invisible threat. Streets were empty and people looked at each other with fear and suspicion.

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Our healthcare workers and all other healthcare workers around the world, though, did not do that. They jumped into the trenches and stood behind their oaths to cure and protect sick people in need. Let's not forget that these are human beings, Mr Speaker, like the rest of us. That they were scared, that they feared for their families, that they and other essential services were asked to step into the frontline while the rest of us waited safely in our homes. It is for this reason, Mr Speaker, that they spurred spontaneous shows of thanks and appreciation around the world, in the form of daily ovations that we too took part in enthusiastically.

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Mr Speaker, the burden they have carried, and continue to carry, throughout the pandemic is incalculable. It has taken its toll on them mentally and physically. We were lucky not to lose any of ours, but many healthcare workers around the world lost their lives fighting against the virus.

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I note the Minister's recent declaration of the new status to amber and further take this opportunity to thank the GHA, in advance, for this new stage in their challenge to keep us all safe once again.

So I completely support bestowing this honour on our healthcare workers, but I also believe it is only a small token of appreciation. I believe we should all work together to continue to improve their working conditions and, as I suggested in my Budget address, perhaps it would be good to see a day allocated to remember their sacrifice and honour their service, so it may be understood by generations to come.

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Thank you, Mr Speaker.

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Mr Speaker: The Hon. Prof. John Cortes.

Deputy Chief Minister (Dr J E Cortes): Thank you, Mr Speaker.

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We have all made use of the services of the GHA. As the Hon. Chief Minister has said in proposing the motion, most of us will have been born there, and we have all had cause to use their services for both mild things and severe. We have to be grateful, and I am sure we can all remember particular times when perhaps our health or that of a relative has been in a critical condition, and we can remember the way that doctors, nurses and support staff have helped us and assisted us.

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But I particularly wanted to contribute to this motion because of my long personal association with the Gibraltar Health Authority, which in fact goes back to before the Gibraltar Health Authority existed! Yourself, Mr Speaker, was a civil servant at the time, and I remember well as a graduate-entry executive officer in the Establishment Division, now better known as Human Resources, I was called in by the then establishment officer, the late Mario Hernandez and tasked with being secretary to a review panel which was going to review medical and health services in Gibraltar.

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Mr Speaker, that actually changed my life because working in healthcare changes people. It is an experience and it has an effect on you that is very difficult to describe. I am sure that the Hon. Minister for Health, the Hon. Paul Balban, and indeed the Leader of the Opposition, who was Minister for Health at a time, know exactly what I mean.

1705 Having been tasked with that I was secretary to the panel, which included some eminent gentlemen, including Prof. Brian Jarman, who was the Chairman of the Royal College of General Practitioners, and I had cause to meet with members of staff from all the different disciplines, members of the public, pressure groups and so on and I got to know the health service very well.

1710 Shortly after that, the Gibraltar Health Authority was created from the Department of Medical and Health Services. This was around 1987, 1988, and I applied because I was so keen on the health service and became the hospitals manager and subsequently, when the Chief Executive, who was a contract officer left, I became the general manager. So I worked as a manager in the GHA from the very beginning. After that, in fact I recall very well, with the Hon. Sir Joe Bossano as Chief Minister and the Hon. Mari Montegriffo as Minister for Health, how we gave the Old St Bernard's Hospital a new lease of life and how hard the staff were working there, even in that Old St Bernard's Hospital.

1720 After, Mr Speaker, my association continued because when I left the management of the health service to take over the Botanic Gardens project, I was appointed as a non-executive member of the Health Authority board, on which I served until 2007; indeed when the Hon. the Leader of the Opposition was Chairman and Minister I served on that board. So I worked through, in fact, from the time when Sir Joshua Hassan was Chief Minister right through to 2007, and then once again when the Chief Minister gave me the honour of appointing me as Chairman of the Health Authority and Minister for Health, I went back. So all and all I have been working closely with the Health Authority for about a quarter of a century.

1725 Now, this is not about me at all, but I say this because I have worked with so many professionals, with so many people in so many disciplines: domestics, consultants, general practitioners, nurses, labourers, administrative staff, allied health professionals. And all of them are so committed, not just to their jobs, but to the betterment of our community and our society.

1730 So Mr Speaker, I feel very much associated with the GHA. I know so many people who have worked there in the past quarter of a century to the present time so well. I love them and respect them so much that I really do want to support this motion, and clearly I absolutely do so. (*Banging on desks*)

Mr Speaker: The Hon. Elliott Phillips.

Hon. E J Phillips: Mr Speaker, I am grateful.

1740 I associate myself, of course, with all the comments that have been made by all hon. Members, Mr Speaker, and one cannot forget the clear human element that has been alluded to by the Minister for Health. The GHA and staff of the ERS have all been there for the 94 souls that Gibraltar has lost, and not only been there to treat them at the worst moment, but also held their hands when no other family member could do. So for that, Mr Speaker, there is obviously great thanks, but also none of us can possibly, I suspect, understand what they must have gone through when holding the hands of those that we have lost in our community.

1745 It is also true, Mr Speaker, that, as alluded to by the hon. Lady, many in our community went out to their balconies and onto the streets and clapped the GHA and ERS staff, not because they were just doing their job, but in fact, because they were effectively putting themselves and their families at risk insofar as dealing with the virus at the frontline. So again, this represents the human element and not only doing one's job but also risking their lives for others, Mr Speaker, and that should be commended in the form of the motion. And also not to forget the huge effort of the vaccination programme, Mr Speaker, that has seen us top the tables for good reason, that we have managed to vaccinate large swathes of our population.

1755 One point for clarification, if I may, to the Chief Minister, because I know the Minister for Health is unable to speak on this point, but it would be helpful if the Chief Minister could amplify in his response, the increase in the level to amber and what potential impact that might have in relation to GHA's services moving forward, and that might help give that reassurance to Members on this side of the House and, of course, members of the public more generally.

Mr Speaker: The Hon. Paul Balban.

Minister for Transport (Hon. P J Balban): Mr Speaker, I too would like to associate myself with comments made this afternoon.

It was an honour to have led the GHA following the last election. The GHA is an amazing organisation, with its own life. It was just weeks following my appointment as Minister for Health that we heard rumblings of that virus that was affecting Wuhan, too far away from us at the time, but nevertheless, we were made aware of its existence. Time seemed to rush by, and in no time we were already working hard in preparation. News of the outbreak in northern Italy brought home the realisation that this was going to affect us all.

The GHA metamorphosed into something that took me, and all of us, by surprise. Perhaps we somehow fail to give credit to our own home-grown talent because, as they say, *nadie es profeta en su tierra*, but wow, did they step up to the mark! There was no messing about with these people.

I became involved in all the meetings, joining the medical and nursing staff at the early morning planning meetings each day, seven days a week. When I walked into that room for the first time, I will never forget what I saw. The main wall had become a huge whiteboard of sorts, covered in paper, policies, pieces of coloured string, linking bits of coloured paper to other larger sheets. It seemed like something out of a Hollywood crisis movie. At that point, I knew that this was no ordinary team but a killer team.

Mr Speaker, I have not seen so much passion, selflessness and skill from those directly involved in the pandemic planning across so many medical and nursing fields. Neither have I seen so much dedication from all of the staff, from every part of the GHA and ERS, and every other associated medical and ancillary facility. Mr Speaker, from the domestic staff, to the porters, to the caterers, to the technical team, to those working in supplies, to those responsible for surgical sterilisation, to the admin team, to the call centres, to the primary care teams, to everyone at Ocean Views, to Mount Alvernia, to those working in the mortuary, to the vaccination team. Mr Speaker, that is team GHA. Too many to mention, and I risk having left many out, so I will apologise to those that I have left out.

Mr Speaker, it is not possible to set out exactly everything that was achieved by the preparation of the field hospital, something that impacted everyone that saw it. Gratefully, we did not need to use it.

Whilst I was Minister for Health, we successfully saw the end of the first wave of the virus without suffering any losses. I have huge admiration for the GHA team and I was very proud to have led this team during a challenge that no one could have dreamed of back in the autumn of 2019. I think that the bestowing of the Freedom of the City to the GHA is right and what is deserved. Arguably, no organisation merits this more than the GHA, who we can all be so very proud of.

Mr Speaker, there are always ways of improving the service being provided and, unfortunately, when we feel ill it is perhaps human nature that we complain and criticise an organisation that has to deal with so much, but they are incredible professionals and I know that their service to the community will continue growing from strength to strength.

Congratulations, team GHA, on having been bestowed the Freedom of the City of Gibraltar. I am so proud of you, always. *(Banging on desks)*

Mr Speaker: I call on the mover to respond.

Hon. Chief Minister: Mr Speaker, I am grateful to all hon. Members for having indicated their support to this motion.

Mr Speaker, I am saddened, of course, by the fact that the hon. Lady has announced that the COVID operational level status of the GHA is once again moving to amber, and it is doing so as a precautionary measure. But to answer the point that the hon. Gentleman, Mr Phillips, raised, this

is a precautionary measure, it is a preparatory measure. All efforts will be made to ensure that there is no impact on services.

The only elective surgery that will not be proceeded with as a result of moving to amber will be elective surgery that is likely to result in the patient requiring CCU admission. All priority and time-sensitive surgeries and interventions, screenings and investigations will continue under the amber status and outpatient activity will remain as normal. So I hope that gives members of the public the reassurance that they need.

But these are still difficult times, Mr Speaker, and how apposite that together we will at least be sending a signal to the Gibraltar Health Authority and to Elderly Residential Services of the support that they enjoy in this House, and that all of us together will want to ensure that they have the Freedom of the City of Gibraltar.

Of course, Mr Speaker, we could have passed this by Government majority, like we passed the Appropriation Bill. But it is different and it means something different if we pass it together. And I can think of few individuals or organisations more deserving of the unanimous support of all Members of this House.

I am delighted, Mr Speaker, that this motion will enjoy the unanimous support of this House and that the men and women of the Gibraltar Health Authority and of the Elderly Residential Services know that they will enjoy the highest civic honour that we can bestow, because all of us here present today will bestow it on them together.

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

Mr Speaker: I now put the question in the terms of the original motion, together with the amendments proposed by the Hon. the Chief Minister. Those in favour? **(Members: Aye.)** Those against? Carried.

**Social Security (Open Long-Term Benefits Scheme) (Amendment of Benefits) Order 2021 –
To approve by Resolution –
Motion carried**

Clerk: The Minister for Social Security, Economic Development, Enterprise, Telecommunications and the GSB.

Minister for Social Security, Economic Development, Enterprise, Telecommunications and the GSB (Hon. Sir J J Bossano): Mr Speaker, I have the honour to move the motion standing in my name, which is as follows:

That this House approve by Resolution, pursuant to section 46 of the Social Security (Open Long-Term Benefits Scheme) (Amendment of Benefits) Order 2021.

This is in fact a requirement in the legislation that the increase in the benefits, which are principally the widow's benefit and the old-age pension should be approved by the House before the actual publication in the Gazette, which will trigger the payment from August.

The benefits are going up by 2.1% and really this is something that is important in the context of a year where we have, in effect, agreed as a Government to raise the minimum wage as intended and to raise the old-age pension where other areas are not receiving any increases because we are in a position of having a deficit of £1 million a week. Of course the Social Security scheme, as I indicated in the answer to the question to the hon. Member, actually had at the end of March a £6.9 million surplus. But the way the system works, as I explained to him in the supplementaries, is that it is at the end of the year that we actually move the money into the fund that we have voted in the Budget. So although we voted money now, that money will not actually

1850 be transferred until the end of the year, of the financial year. So at this end of the financial year we transferred £40 million and out of that £40 million there was nearly £7 million unspent. The increases we have provided will not be sufficient to put the fund in surplus, but it will guarantee that without having to increase the level of subvention we will be able to meet the new increase, and I commend the Resolution to the House, Mr Speaker. *(Banging on desks)*

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Mr Speaker: I now propose the question in the terms of the motion moved by the Hon. Minister for Social Security, Economic Development, Enterprise, Telecommunications and the GSB.

The Hon. Roy Clinton.

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Hon. R M Clinton: Thank you, Mr Speaker, and I am grateful to the Minister for his explanation as to the rationale for the motion and in fact, as we have seen, we have now the draft legal notice that he refers to in respect of the increases.

1865 Mr Speaker, I have done the maths, as it were, comparing it to the previous schedule, and as he has said it has gone up by 2.1% – or 2.11%, but 2.1% for sure – and I would just ask the Minister to confirm, because I had a quick check on the inflation calculator online, and if I am correct, and of course the Minister can correct me if I am wrong, that would seem to imply that we are taking inflation on a period from April 2019 to April 2021. So it effectively covers a two-year period rather than just the one year, because as we know inflation over the one year has been a lot less. So this is a catch up, as it were, over the two-year period, if the Minister will just confirm that.

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Then finally, Mr Speaker, I would just remind the Minister that in respect of the Social Security increases, under section 52(3), he should have so tabled them in Parliament, if he gets the opportunity to do so at the next Session. But other than that point of clarification, Mr Speaker, I think we are happy, this side of the House, to support the motion as it stands.

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Mr Speaker: Does any other hon. Member wish to contribute to the motion?
I would then ask the mover of the motion to respond.

1880 **Hon. Sir J J Bossano:** Mr Speaker, this is something that would have happened in two occasions. That is to say had we had a budget in 2020 we would have had a smaller increase in 2020 and a smaller increase now. What we are doing is we are making sure we are where we would have been if we had not had the interruption of a 24-month period.

1885 **Mr Speaker:** I now put the question in the terms of the motion proposed by the Hon. Minister for Social Security, Economic Development, Enterprise, Telecommunications and the GSB. Those in favour? **(Members: Aye.)** Those against? Carried.

PRIVATE MEMBERS' MOTIONS

Witnessing of wills during the pandemic– Amending Wills Act to permit alternative visual transmission – Motion carried

Clerk: Private Members' Motions.
The Hon. E J Phillips.

1890 **Hon. E J Phillips:** Mr Speaker, I have the honour to move the motion standing in my name, which reads as follows:

THIS HOUSE:

NOTES that the statutory requirements for the making of and witnessing of a valid will under Section 9 of the Wills Act 2009 provides inter alia that:

(i) a will must be signed by the person making it in the presence of two or more witnesses present at the same time; and

(ii) each witness must sign the will in the presence of the testator.

NOTES that the statutory requirement of presence provides that the witness must have a 'clear line of sight' of the will maker signing and therefore the current law does not provide for the will to be witnessed via video conference or other remote means.

NOTES that in the context of the current Covid 19 pandemic that people desirous of making wills and putting their affairs in order, may not be able to comply with the statutory provisions because they maybe shielding, self-isolating or otherwise exercising a degree of social distancing.

NOTES the United Kingdom Parliament and the legislatures of other British Overseas Territories have amended their statutory requirements in a temporary and limited way in order to provide for the witnesses of wills via video-conference or other visual transmission given the Covid 19 pandemic to allow for those who may be shielding, self-isolating or otherwise exercising a degree of social distancing.

AND CALLS on the Government to either: (1) introduce legislation in the form of a Bill to amend the Section 9 of the Wills Act 2009 in a temporary and limited way, namely to provide the following new sub-section 2:

"For the purposes of paragraphs (c) and (d) of subsection (1), in relation to wills made on or after 4 March 2020 and on or before 4 March 2022, "presence" includes presence by means of videoconference or other visual transmission"

Or alternatively (2) introduce provision via civil contingency legislation or other available statutory mechanism.

Mr Speaker, as can be seen from the motion, in order for a will to be validly executed under Gibraltar law it must be signed by a person making the will in the presence of two or more witnesses, and each one of those witnesses must sign the will in the presence of the testator.

The often cited 18th century of Casson and Dade established that principle. Common law courts around the world have attempted to clarify whether or not the scope of the principle could extend to remotely executed wills, but to date the standard practice has been to assume that the physical presence is still required.

COVID, Mr Speaker, has presented many challenges to those who wish to execute wills during the COVID pandemic, given social distancing, shielding and lockdown measures imposed on recommendation by governments. Our law in this area was until 28th September 2020 identical to that of England and Wales and other British Overseas Territories who enjoy the use of the common law. The response by the UK government and the other British Overseas Territories was to amend the law in a limited and temporary way in order to capture those wills that may have been executed remotely during the critical period of lockdown and beyond. In other words, Mr Speaker, the UK Parliament has approved retrospectively temporary legislation providing for flexibility in respect of the witnessing of wills via video conferencing from the first confirmed case of COVID-19 in the UK, namely 30th January 2020, to the 30th January 2022.

The purpose, Mr Speaker, of the Private Member's Motion and after a helpful, and I must say constructive engagement with the Chief Minister back in September 2020, is to call on the Government to publish a Bill to amend section 9 of the Wills Act 2009 to provide for limited and temporary changes to our legislation which makes provision for the execution of wills by video conferencing or other visual transmission, the period of which is 4th March – which I believe, Mr Speaker, was the first case of COVID on our shores – 2020 to 4th March 2022.

Reflecting, Mr Speaker, on that point, I had originally thought to introduce a Private Member's Bill in order to expedite the amendment, but I was persuaded by the Chief Minister in our

exchanges that the resources and the experience of Government would ensure that what we would be seeking to be achieved is done in a much more efficient way. So I am grateful for the Chief Minister for the indication and I do have an indication from the Chief Minister that the Government would broadly support this; but we have not obviously spoken about it in some time, given that this was issued some time ago.

Mr Speaker, my view is that the Wills Act 2009 as a piece of primary legislation does not provide the statutory power for the Minister to make these changes via any regulatory or subsidiary legislation, therefore a Bill to amend section 9 of the Wills Act will need to be brought. If I am wrong of course, Mr Speaker, for this motion to prosper without technical difficulty, I have in the context of the motion sought to call on the Government to make changes via other statutory routes or alternatively under civil contingency legislation.

Mr Speaker, finally I should say, given more recent representations that have been made to me, that I have stopped very, very short, of course, of proposing more permanent and wider changes to our law in respect of electronic witnessing in the commercial context, but I think we should lay down a marker that it may well be the case after the Government's legal drafting team have got together and they may identify that further work might be needed in order to ensure Gibraltar's prominence in the digital space, that we should constructively consider any other consequential amendments to other laws to make the digital execution a permanent and enduring feature of doing business in Gibraltar.

But for now, Mr Speaker, the amendment is focusing purely on the basis that this has been a COVID impact and I would commend the motion to the House. *(Banging on desks)*

Mr Speaker: I now propose the question in the terms of the motion moved by the Hon. E J Phillips.

Chief Minister (Hon. F R Picardo): Mr Speaker, simply to say that the Hon. Mr Phillips contacted me before moving this motion, I have often said to Opposition Members that if they want to do something which is going to count with the Government's support and therefore with the Government's majority in this House we can be in touch together and we can work together, and then when those things are done the Government will not seek to take the credit for them. The Government will ensure that the person who has had the idea and brings the idea is able to be the mover and in that way – look, at the end of the day this is politics – they can demonstrate that they were the ones who moved it. I was very happy to support the hon. Gentleman in respect of this particular motion, in respect of this particular matter.

The Hon. the Minister for Justice has expressed to me some concerns, which I am sure the hon. Gentleman is alive to, that some practitioners have about Gibraltar adopting exactly the same mechanism as was adopted in the United Kingdom and therefore the promulgation of the legislation will have to be subject to consultation, as he would expect in any event, with the Bar Council and the Chief Justice etc. in respect of this particular matter, which is in the purview of the administration of justice, because wills fall under the administration of justice.

But other than that, Mr Speaker, the thing I was very keen to ensure the hon. Gentleman understood was that as a result of an incident involving the then Minister for Justice, Mr Feetham, who when I was in opposition had promoted what we had been told was a Private Member's Bill. I made a little further investigation of what a Private Member's Bill entails and a Private Member's Bill entails, in order to bring a Private Member's Bill, that first permission be granted by the House for it to be published as a Bill and then the hon. Member who moves the Bill must demonstrate that he is funding the cost of the publication and printing of the Bill. I did not want him to be put to that cost unnecessarily for something that the Government was able to support.

So instead of putting the issue as a Private Member's Bill that would be attached to a motion that was a motion that would permit a Private Member's Bill to go, we agreed that there would be a motion that entreated the Government to bring as a Government Bill a Bill which does the thing that the motion provides for. That is why the hon. Gentleman was persuaded and that is

1970 why we have agreed to support the motion in these terms, subject to the terms of the Bill being those which the consultation produces, not just those which may be on the motion.

Mr Speaker, I have no doubt that he can be in touch with the hon. Lady in the context of how to bring that about in a way that is in keeping with the concerns that have been expressed to us and achieves the objective that his motion and his concerns are designed to achieve. So this side of the House will be supporting the motion in its terms.

Mr Speaker: I call on the mover of the motion to respond.

Hon. E J Phillips: Mr Speaker, that is of course welcome and understandable that the legal profession and those that practise in the private client sphere may wish to obviously have an involvement and feed in their thoughts as to what legislation to support this proposal and any other proposals in relation to the execution of documents. Of course I am alive to the Electronic Commerce Act and also the Electronic Communications Act, which may well be other parts of legislation that the Government may wish to amend to support also not only the private client industry and dealing with the estates of individuals, but also the wider business community, Mr Speaker. So I welcome the indication that this should go out to wider consultation of the Bar Council and indeed the Hon. the Chief Justice.

Insofar as the Private Member's point, insofar as the Bill is concerned, Mr Speaker, would the Chief Minister – I am not ... asking question, I should not ask the question, but I think it would be interesting to learn from the Chief Minister perhaps outside this place as to if there are opportunities for the Opposition to file, with permission, of course, Private Member's Bills that they should be encouraged to do so as parliamentarians and as parliamentarians across the world –

I will give way, Mr Speaker.

Hon. Chief Minister: Mr Speaker, there is specific provision under the Standing Orders, I think, and in *Erskine May* as to how a Private Member's Bill is brought and the mechanism is not complex. In order to be able to publish a Bill, the Government has, because it is the Government, one of the things which is in the nature of Government is the ability to originate legislation. That is one of the things that a Government can do. And in opposition you will have to originate legislation once the Parliament has given permission to originate the legislation.

In effect what happens is that you have the debate on the legislation when you bring the motion and if you enjoy the support of the Chamber, then you get the permission to publish as a Private Member's Bill, because the Chamber has agreed that a Bill like that should go, but it is under established principles in the United Kingdom and here that it is only a Private Member's Bill if it is genuinely funded by the individual and in some instances these things happen also on the Government side, where a Bill is a Government Bill but it is done for a private purpose.

So for example, we have had examples of banks that have sought that we should promote something which comes to the House as a Government Bill but is known as a Private Bill and that is to do a specific purpose which is not to affect the general public, but to give a benefit to one entity or individual as against the general public. For example, the migration of a portfolio of liabilities which in effect brings a novation by operation of law to a set of contracts without having to novate each contract.

So there are different ways to look at Private Members' Bills. In the context of what the hon. Gentleman is saying, I have seen two in this place. One was the Minister moving the Private Member's Bill for the equalisation of the age of consent, which was not really a Private Member's Bill of any description because it was in fact paid for by the Government, and I have sought to find, as Mr Feetham knows, from him and from others where were the pennies that moved in order for that to really be a Private Member's Bill. It was not. It was a GSD Government Bill which the GSD Government leader did not want to have his fingerprints all over and he spoke against, Mr Speaker. So that is I suppose what you might call a hybrid Private Member's Bill! And then

there was the dangerous dogs Bill that I was trying to move when Hon. Members were in Government and they would not move it. So I got to the stage of bringing the motion but of course I did not get the consent of the House to move the Bill and subsequently the Government then moved their Bill, which was the Private Member's Bill.

Subsequently there have been in their time and our time Private Member's Bills which are the other nature of Bills, which are the ones for A N Other bank, for example, or A N Other lending institution which has migrated its portfolios in that way, if that is helpful to the hon. Gentleman.

Hon. E J Phillips: Mr Speaker, I am grateful for the Chief Minister's intervention in order to clarify the point, but I would say in summary that I welcome the support from that side of the House and I look forward to engaging with the Hon. the Minister for Justice in respect of the proposed amendments.

What I would say insofar as the hybrid approach, of course, Mr Speaker, the Chief Minister is well aware that I was not part of the machinery at the time when the Hon. Mr Feetham was engaged in that, so I cannot comment, unfortunately. But what I would say is that the Hon. Mr Clinton, I believe, attempted an amendment to the Savings Bank legislation, Mr Speaker. So it has been more than a couple of occasions, Mr Speaker, but I think it is useful ... *(Interjections)* Saying that, Mr Speaker, I think it is important that all Members on this side of the House actively participate in the processes that are available to all of us in order to support this House and the workings of it and, indeed, Government business, Mr Speaker. I am grateful. *(Banging on desks)*

Mr Speaker: I now put the question in the terms of the motion proposed by the Hon. E J Phillips. Those in favour? **(Members: Aye.)** Those against? Carried.

**Amending Adoption Act –
Clarifying the age adoption is not possible –
Motion carried**

Clerk: The Hon. M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Mr Speaker, I have the honour to move the motion standing in my name, which reads as follows:

THIS HOUSE:

WILL promote legislation to amend the Adoption Act to clarify the ages beyond which adoption is not possible.

Mr Speaker, this motion addresses a problematic ambiguity regarding the age of a person to be adopted for the purposes of an adoption order under the Adoption Act 1951. Due to the way the legislation and subsequent adoption rules are in their current form, it is not clear when the relevant point of time for the age of a person to be adopted should be considered for the purposes of making an adoption order. The legislation in its present form poses the following question: should the relevant time to consider the age of a person can be adopted be (1) at the time an adoption application is filed or (2) should this be at the age the person is at the time the adoption order is to be determined or made? The proposed solution is a simple amendment to the existing Act which draws from UK legislation and references to other jurisdictions.

This proposal was drafted by lawyer Philip Vasquez in November 2017 for consideration by the Bar Council and the proposals received the full support of this body. I am assured that this proposal was also made available directly to Government before it reached me, Mr Speaker, but I am honoured to stand here today to present it myself in front of the House. This amendment seeks

to avoid future ambiguities and disadvantages to future applicants, as well as the costs that come with these unnecessary legal and bureaucratic hurdles. The process of adoption is one that is sensitive, involved and emotionally taxing, and it is our duty as legislators to remove all unnecessary burdens and make the process as smooth and uncomplicated as possible.

As per Mr Vasquez's submissions, this motion proposes that the following amendment be made to the Adoption Act to rectify any future misunderstanding concerning the relevant question. The proposition is as follows, Mr Speaker. Following section 5(6), insert: '(7) An application for an adoption order may only be made if the minor has not attained the age of 18 years on the date of the application. (8) References in this Act to a minor in connection with any proceedings, whether or not concluded for adoption, include a person who has attained the age of 18 years before the proceedings are concluded. (9) An adoption order shall not be made in respect of a person who has attained the age of 19 years.'

I would like to give Mr Philip Vasquez a special thanks for his work on behalf of the community and I would also like to thank Members across the House who have indicated, in principle, support for this motion. It is this spirit of self-collaboration that is the greatest success of our community. Thank you, Mr Speaker.

Mr Speaker: I now propose the question in the terms of the motion moved by the Hon. M D Hassan Nahon.
The Hon. Samantha Sacramento.

Minister for the Health Authority, Justice, Multiculturalism, Equality and Community Affairs (Hon. Miss S J Sacramento): Mr Speaker, we will support the motion, but that does not mean that we will support the proposed amendments to the legislation.

I am aware of the genesis of this motion, Mr Speaker, but I would not agree with the proposal made that the legislation is unclear. Nevertheless, Mr Speaker, having said that, the whole of the Adoption Act is being reviewed and I have a Bill for an Adoption Act which is at a very advanced stage and this is one of the issues that is dealt with in that Bill. So on that basis, Mr Speaker, I support this motion and then the detail of that will be contained in the context of the Bill when that is presented to this House. Of course it will be presented in a Command Paper first.

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

Hon. K Azopardi: Mr Speaker, I am grateful.

I am only rising to say that we support the motion and the comments made by the mover, and we note what the Minister has said and we will look closely at the proposed amendments that are advanced in due course, but certainly there will be consensus on this motion.

Mr Speaker: I will now ask the mover to respond to her motion.

Hon. Ms M D Hassan Nahon: Mr Speaker, I thank the comments made and I understand the Minister's comments on her own pathology with this issue. I would like to also thank again Mr Philip Vasquez for his hard work and his community spirit. Perhaps the Hon. Minister might want to engage Mr Vasquez in the process of the future Bill or the Command Paper that she is working on in order to continue this collaborative spirit. I hope that when the change does come, it will go some way towards simplifying adoption procedures and making life easier for adoptive parents at a time of great emotional stress, which is the main reason why I brought this motion to the House. This would be a great example of how we can create synergies between all sides of the House and civil society to solve issues and fix problems. May there be much more of this in the future.

Thank you, Mr Speaker.

Mr Speaker: I now put the question in the terms of the motion proposed by the Hon. M D Hassan Nahon. Those in favour? (**Members:** Aye.) Those against? Carried.

ADJOURNMENT

2115 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the session of the House that carries the Appropriation Bill is usually one of an element of intensity and it usually happens in the spring or early summer. This year, as the House knows, because the Deputy Chief Minister and I already indicated, we thought that given the timetable that had originally been indicated for negotiations of a treaty between the European Union and the United Kingdom, it might make sense to wait until after the end of June to come here and have the benefit of an Appropriation which was
2120 already one that could be done with a view to a completed treaty. So Mr Speaker, we ended up coming really to the last working day of July, which it is never the Government's intention to do in the context of an Appropriation debate. But, Mr Speaker, the debate is now over. We have also been able to hear the different arguments that hon. Members have had on that and other Bills we have had. I think more motions dealt with today than we have dealt with in some time, given the
2125 pandemic, and indeed I think probably more motions than we have dealt with since the Hon. the Leader of the Opposition came back to this House in October/November 2019.

So Mr Speaker, with the heat of the summer upon us already and more heat to come, it probably is an appropriate time to lower the political temperature and to call the House to an adjournment for what in the old days was known as the long vacation and is now just the long hot
2130 summer ahead of us.

So I move, Mr Speaker, therefore that the House should now adjourn *sine die*.

Mr Speaker: I now propose the question which is that this House do now adjourn *sine die*. I now put the question, which is that this House do now adjourn *sine die*. Those in favour?
2135 (**Members:** Aye.) Those against? Passed.

This House will now adjourn *sine die*

The House adjourned at 7.21 p.m.