



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.

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25 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.

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35 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.

90 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
95 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
100 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
105 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
110 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
115 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
120 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
125 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
130 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
135 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.

140 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
145 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
150 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,
155 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,
160 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
165 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
170 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,
175 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
180 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.
185 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.

190 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

245 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
250 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
255 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
260 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
265 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
270 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
275 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
280 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
285 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-
290 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
300 behaviours that are heavily frowned upon by international institutions? Is that what we should be
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
400 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
405 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
410 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
415 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,
420 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
425 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
430 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
435 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
440 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
445 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
450 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?

555 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
560 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
565 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
570 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
575 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
580 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
585 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.

590 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
595 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
600 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
605 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

660 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
665 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
670 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
675 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.

680 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
685 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.

690 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
695 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
700 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
6705 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

710 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
715 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
by 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
720 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
725 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
730 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
735 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
740 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.
745 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.

750 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
755 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
760 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)*

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(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!)

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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.

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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.

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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

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815 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
820 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
825 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
830 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
835 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
840 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.

845 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
850 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
855 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.

860 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.

865 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.

870 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.

880 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.

890 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.