



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.

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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.

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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.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer with Question 188.

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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?

55 **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.

60 Mr Speaker, the sick leave rate for the Civil Service over the last 12 months from July 2020 to June 2021 is 2.1%.

65 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%	1,389	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
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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?

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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.

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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?

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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.

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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*)

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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.

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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.

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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

295

Answer to Question 194

Property Sales crediting I&DF

Period	Sales
2018	£16.83m
2019	£59.67m
2020	£15.27m
30 th June 2021	£10.00m

300 **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.

310 **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.

315 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.

325 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.

330 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.

340 **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?

345 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?

355 **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.

365 **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)*

370 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.

380 **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?

385 **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 God speed on that.

410

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 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.

425

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.

440 **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.

445 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.

450 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.

455 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

465 **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.

470 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%.

475 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 –

480 **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 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 something that we clearly have to keep under review.

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

765

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 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.)

**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 Regulations 2017.

775

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 first time.

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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.

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
875 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.

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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.

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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 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 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.

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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

925 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
930 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
935 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
940 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.

945 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.

950 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
955 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
960 *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
965 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.

970 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,
980 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
985 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
990 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
1005 we certainly also support that aspect. It is something that my hon. colleague, Mr Clinton, has been
talking about for some time.

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
1010 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
1020 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.

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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.

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1105 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.

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1115 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.

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1125 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 Tax Act to be able to provide the amendments to *these* measures by way of regulation.
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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 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.
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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 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 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.
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He is shaking his head, Mr Speaker, which no doubt will make people wonder whether they 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*)
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No, Mr Speaker, this is the usual story from the hon. Gentleman of trying not to be accountable 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 cover, Mr Speaker.
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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 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!
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1235 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.

1240 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.

1250 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.

1255 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.

1260 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.

1265 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.

1270 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
1300 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.

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
1310 phases we are through already of the pandemic – people say that this is a height too far and huge.

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
1320 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.'

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
1325 businesses, by returning funds that they had in the pandemic.

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.

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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**

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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.

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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.)

**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

1375 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.

1380 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.

1385 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.

1390 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.

1395 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.

1400 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.

1405 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.

1415 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.

1420 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
1430 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.

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
1435 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.

Mr Speaker, the Bill therefore provides for an amendment to Schedule 14 of the Criminal
1440 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
1445 to require the production of evidence of any exemption or permission in relation to the
Regulations that apply to the particular flights.

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
1450 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.

Mr Speaker, this Bill addresses a vacuum in our legislation. The equipment that it seeks to
1455 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
1460 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.

1475 **Mr Speaker:** The Hon. Marlene Hassan Nahon.

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.

1480 Thank you.

Mr Speaker: The Hon. the Deputy Chief Minister.

Hon. Deputy Chief Minister: Mr Speaker, only to thank the Hon. Members for their support.

1485 **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
1510 **(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
1515 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
1520 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,
1525 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
1530 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
1535 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
1540 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
1545 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
1550 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
1555 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.

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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.

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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**

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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.

1595 **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.

1600 **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.

1605

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.

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1615 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.

1620 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.

1625 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.

1630 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

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result of the Act. Such costs are more appropriately funded by the private sector than the Government.

1640 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
1645 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
1650 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
1655 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?

1660 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
1665 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
1670 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
1675 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:
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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.

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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.

1795

Clerk: The long title.

Mr Chairman: The long title stands part of the Bill.

**Small Unmanned Aircraft (Offences) Bill 2020 –
Clauses considered and approved**

1800 **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.

1805 **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.

1810 **Mr Chairman:** Clauses 2 to 3 stand part of the Bill.

Clerk: Part 1, clauses 4 to 7.

1815 **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.

1820 **Clerk:** Part 3, clauses 12 and 13.

The Chairman: Part 3, clauses 12 and 13 stand part of the Bill.

1825 **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.

1830 **Mr Chairman:** Part 5, clauses 18 to 20 stand part of the Bill.

Clerk: The Schedule.

1835 **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*)

1880 **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.

1885 **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.

1890 **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.

1895 **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.

1900 **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.

1905 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.

1910 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.

1915 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.