



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.35 p.m. – 5.25 p.m.

Gibraltar, Wednesday, 22nd June 2022

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The Gibraltar Parliament

The Parliament met at 3.35 p.m.

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

[ACTING CLERK TO THE PARLIAMENT: S Galliano Esq *in attendance*]

PRAYER

Mr Speaker

CONFIRMATION OF MINUTES

Clerk: Meeting of Parliament, Wednesday, 22nd June 2022.

Order of Proceedings: (i) Oath of Allegiance; (ii) Confirmation of Minutes – the Minutes of the last meeting of the Parliament, which was held on 16th, 17th, 18th, 19th, 24th and 25th May 2022.

5

Mr Speaker: May I sign the Minutes as correct?

Members: Aye.

Mr Speaker signed the Minutes.

COMMUNICATIONS FROM THE CHAIR

Condolences to the Clerk

Clerk: (iii) Communications from the Chair.

10

Mr Speaker: The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I rise, today, with a heavy heart, to start the proceedings with various condolences, the first to the Clerk upon the death of his well-known and well-liked father, Charlie.

15

Tribute to Lady Marcelle Hassan

Chief Minister (Hon. F R Picardo): Mr Speaker, since the last session the community has learnt of the death of two of our most prominent and strongest women, Lady Marcelle Hassan and Claire Borrell. I know the whole House will wish to make tributes to both and will want to do so separately, to give each their due. I shall start with Lady Hassan.

20 Marcelle Bensimon was not a native Gibraltarian, but she became one. She arrived in Gibraltar from her native Morocco to work for a worthy and charitable purpose, which was to help Jewish immigrants using Gibraltar as a staging post in transit to the state of Israel.

25 Having been married to Sir Joshua in 1969, she experienced with him his only – short-lived – election loss and his subsequent four consecutive election wins. As the spouse of Chief Minister Hassan, Lady Hassan carried the burden of being in the public eye at an immensely difficult time. In fact, for the lion's share of that time, the Frontier was closed. Let us not forget how hard those times were. Every day would have been a struggle to maintain supplies and even a working economy. More than that, every day there would have been one mission: to maintain morale in this community. Lady Hassan was the non-political focal point for many in that respect. She was 30 also the ray of glamour in that period that so many looked at, as well as being a close political adviser to Sir Joshua and the AACR team.

35 Whilst he was Chief Minister, Lady Hassan bore Sir Joshua two daughters, both of them following him into public life. The youngest, Marlene, is well known in this place in her own right as an hon. Member. The eldest, Fleur, is Deputy Mayor of Jerusalem and does not fail to evangelise her Gibraltarian origins, whether in Israel or elsewhere. I know Lady Hassan was more than proud of her daughters and their own contributions to public life in different jurisdictions of such importance to her.

40 A personal reflection for a moment, Mr Speaker. I remember Lady Hassan telling me not to get into politics. She told me – for my good, she said – that no one would thank me for anything once I was in politics. When I did take the first steps into politics, she took me to one side in the lift at the law firm that bears her late husband's illustrious name and said, 'Now, don't cower when they criticise you, do what you think is right and do what you have to do. That is what my husband did.' Both pieces of advice she gave me were good pieces of advice. Having failed to follow the first, I was clear that I at least had to follow the second, because it was equally clear that it was advice 45 given from the heart to *el hijo de Magda*. My mother, in particular, was an admirer of Lady Hassan's style. In fact, she had been Sir Joshua Hassan's secretary when they married, and I recall the warmth between them.

50 Mr Speaker, the pressures on the spouses of those at the top of the political hierarchy are often overlooked. At least those of us who are in the public arena are here because we choose to be here. Those who accompany us – our children, our spouses, our partners – are, in effect, volunteered for the role by us. Theirs is the part that is often as hard as ours, however, and no doubt Lady Hassan carried that burden lightly.

55 In her time, Lady Hassan represented us on royal visits – including the visit of the next monarch, Prince Charles – innumerable ceremonial functions, innumerable local events, and for 16 years she was at the very top of the representation of our people, alongside Sir Joshua Hassan. I recall a photograph of Sir Joshua and Lady Hassan and Joe Garcia Snr and Mrs Garcia being feted together at the Marbella Club just after the Frontier opened. That photograph is an illustration, after the end of the last Siege of Gibraltar, of Gibraltar's success in surmounting that challenge under Sir Joshua's leadership, with Marcelle at his side.

60 Lady Hassan came from beyond our shores, but she became one of us. She is now buried amongst us and she will forever remain with us. May she rest in peace. I extend the condolences of the whole of Gibraltar and the whole House to her daughters and grandchildren.

65 Marlene Hassan, who is a Member of this House, has asked that, as Leader of the House, I should extend her apologies to the people of Gibraltar for her absence today and from this session. There is no need for her to apologise. I have no doubt that we all agree that she should absent herself from this session and we support that she tend to her family at his time and address, together with them, the pain of this sad bereavement.

Mr Speaker, after tributes from others, I will invite the House to observe a minute's silence in honour of Lady Hassan's memory.

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

Hon. K Azopardi: Mr Speaker, on behalf of the Members on this side of the House, of course I associate myself with the comments of the Chief Minister. He started by making the observation and also his condolences on the death of the father of the Clerk of the House, and I do so as well.

75 Lady Hassan, as the Chief Minister has said, was Sir Joshua's partner and confidante for so many years. She was part of the public life of Gibraltar. During that period when Sir Joshua was Chief Minister, between 1972 and 1988, she was by his side not only politically but also bringing up the family.

80 As the Chief Minister has said, the recognition of spouses, who are ... he used the more elegant term 'volunteered' for the role, but almost pressganged into public life. The role of the spouses is not perhaps recognised enough. The family comes under pressure when someone is in politics. I was a very small boy, but I am sure that during the Frontier years, in leading Gibraltar, Sir Joshua did ... In that very difficult time the political pressure must have been intense, and also the intensity of the proximity of voters to his own immediate family at the time of the closure of the
85 border and the pressures that Gibraltar was feeling, both in terms of social pressures and confinement, must have been intense, and Lady Hassan played an impressive role in assisting Sir Joshua during those years.

So, certainly on behalf of Members on this side of the House I associate with everything the Chief Minister has said in respect of Lady Hassan. She played a significant role, not least of course
90 in the community, in public affairs, but also as a mother, and you see that combination of efforts in the work that Sir Joshua and Lady Hassan's daughters do today. Both have gone into politics. Both, in their own right, have carved out their path in political roles in this community and in Israel, and it is clear when you look at that, both in the case of Fleur and Marlene, that you see that combination of the efforts and upbringing of Sir Joshua and Lady Hassan.

95 So, on behalf of the Members on this side, I certainly extend our condolences also to the family and our thanks as parliamentarians for the role she played during so many years in this community to assist one of our Chief Ministers, our longstanding Chief Minister, who had a very difficult role to play – and an excellent role he played – during so many years.

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

100 **Mr Speaker:** The Hon. the Deputy Chief Minister.

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, I would like to add a few words to what has already been said in expressing my own sincere condolences on the sad passing of Lady
105 Hassan.

I had the pleasure of meeting her on several occasions, obviously not recently but Sir Joshua and Lady Hassan and my parents were close friends for many years, so I was able to meet her and my impression was that she was a passionate, forceful and determined lady, particularly in relation to her husband, the AACR, the Government at the time and the political issues that were
110 current at that moment.

As has rightly been said, she fulfilled a personal role – obviously, as Sir Joshua's wife and as a mother – but also a political one in advising and in having very strong political views, which is what I remember. That is my own enduring memory.

115 I would like to express my deepest sympathy and condolences to Marlene, to Fleur and to the family. May she rest in peace.

Hon. Chief Minister: Mr Speaker, I now invite the House to hold a minute's silence in honour of Lady Hassan.

Members observed a minute's silence.

Hon. Chief Minister: Thank you, Mr Speaker.

Tribute to Mrs Claire Borrell

120 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the sad news has also reached us that women's champion Claire Borrell passed away this weekend also.

Mrs Borrell was the force behind the creation of the charity Women in Need and she was exactly that: she was a force. I remember working with Claire in the law, in Opposition and in Government, and I can tell the House that there was little chance of not agreeing to give Claire the support that she might be seeking from time to time, whichever role she might have found me in.

125 She was a person who, herself, had suffered marital abuse. She stood up to it in a society where those things were still taboo, and she took a stand for her children and for herself. In doing so, she was, in fact, taking a stand for other women. She really did trail-blaze in this area and her work helped hundreds to free themselves from similarly abusive relationships. Claire made us talk about these uncomfortable truths and realities that had lain hidden in our community for so many years. The fact is that those issues have not gone away, even if they are no longer hidden away. In the last years she was working in Women in Need she was also providing some services to men who were abused and found themselves downtrodden; such was the nature of her approach to helping everyone who found themselves in that sort of situation.

130 I enjoyed working with Claire immensely. She was not a do-gooder, she was a go-getter who wanted not to give people charity but help them to get back on their feet and move on to a better place. I confess that she also had a wicked sense of humour and there was not one time when we met when she did not tell me off for something and make me laugh over something else, most especially when she broke off into her heavily accented Spanish.

140 Mr Speaker, Claire Borrell House is a fitting tribute to the work of this magnificent pioneer, who was recognised by Her Majesty the Queen with an MBE for the work she did in Gibraltar. The condolences of all of Gibraltar, in particular on behalf of all those she helped, go to her children, Amanda, Jonathan and Theresa. None will have suffered this loss like they have, but we will all mourn the loss of Claire.

145 Again, Mr Speaker, after tributes from others, I will invite the House to observe a minute's silence in honour of her memory.

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

150 **Hon. K Azopardi:** Mr Speaker, I first met Claire ... I think it would have been in the mid-1990s. We were still in Opposition then, but she was already engaged quite heavily, and had already been for some time, with one of the leading voices on domestic issues, bringing those issues to the fore and lobbying hard on those matters.

155 Her career speaks for itself. She worked for decades tirelessly to bring these issues to the fore, to ensure that women got a home that they could go to as a shelter, so that they could be safeguarded and protected in a better way. She was one of the leading lights behind Women in Need and indeed the establishment of the refuge, and her work has served many families and put many families in a better place than they would have been had she not done that tireless work.

160 When you are involved in politics you meet a lot of people and a lot of people working for sectoral organisations and individual groups. They usually are unpaid servants who have a particular interest and are working tirelessly, and it is those people who actually are bettering the quality of life of many people in this community on the ground. Claire was one of those people who worked so hard, and even though, yes, she was recognised towards the end, sometimes it is difficult when you do that kind of balance sheet ... Was it enough recognition of all her work, because of the incredible efforts that she gave this community for so many years?

165 So, absolutely, on this side of the House we also associate ourselves with the comments of the Chief Minister and extend the condolences of Members of the Opposition to her family at this

time. She was, as I said the other day, a champion of women. She will be remembered as a champion of women and she will be fondly remembered.

Mr Speaker: The Hon. Samantha Sacramento.

Hon. Miss S J Sacramento: Mr Speaker, I first met Claire when I was in private practice and it was at that time that I was introduced to the problem of domestic abuse in Gibraltar. Subsequently, when I became Minister with this responsibility, in my capacity as Minister for Equality, I worked very closely with Claire and her team at Women in Need and I can truly say that, as we have already heard, Claire was very much a force to be reckoned with all the time and she was equally inspirational in reminding us all of our duty to help support and protect victims of domestic abuse. She has set a legacy, which we will, of course, continue.

I would also like to take this opportunity to express my condolences to her family.

Hon. Chief Minister: Mr Speaker, I ask that the whole House now join us in one minute's silence in memory of Claire Borrell.

Members observed a minute's silence.

Hon. Chief Minister: Thank you, Mr Speaker.

Armed Forces Week

Chief Minister (Hon. F R Picardo): Finally, Mr Speaker, this week is Armed Forces Week. The whole of Gibraltar will want to join me in wishing all members of the British Armed Forces all the very best for the week and for Saturday, which is Armed Forces Day.

The British Armed Forces are amongst the best in the world and the most professional. Our own Royal Gibraltar Regiment is a part of the British Armed Forces, and today the Speaker of the House of Commons wore the regimental tie of the Royal Gibraltar Regiment during Prime Minister's Questions there, as I do this afternoon in this House.

The British Armed Forces are the best of us and we thank them for what they do.

Hon. E J Reyes: Thank you, Mr Speaker. May I concur fully with the Chief Minister's comments?

This House, believe it or not, actually represents Members who have been in the reserve forces in all the three armed services. If we start by seniority with the prestigious Mr Speaker himself, who was a Royal Navy reserve officer and indeed the recipient of the reserve decoration for that ... I am one of those peculiar characters who has actually managed to wear both uniforms, both Army, as a reservist in the Royal Gibraltar Regiment, and then later, when I was commissioned in the RAF Volunteer Reserve Training section.

Certainly it should be recorded here, and I think it echoes the Chief Minister's words, that those Gibraltarians, men and women, who are very prominent in this day and age in the services ... we stand and admire their service to Queen and country and it is very fitting in this special anniversary year of Her Majesty the Queen.

PAPERS TO BE LAID

Clerk: (iv) Petitions; (v) Announcements; (vi) Papers to be laid – the Hon. the Chief Minister.

210 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to lay on the table the Annual Report of the Independent Monitoring Authority 2021 and the Gibraltar Annual Policing Plan for 2022-23.

Mr Speaker: Ordered to lie.

Questions for Oral Answer

INDUSTRIAL RELATIONS, EMPLOYMENT, HOUSING AND SPORT

Q207/2022

Youth clubs –

Opening times during school summer holidays

215 **Clerk:** (vii) Reports of Committees; (viii) Answers to Oral Questions.
Question 207/2022. The Hon. E J Reyes.

Hon. E J Reyes: Mr Speaker, further to the answer provided to Question 32/2022, can Government provide details of the opening times at the youth clubs for the forthcoming summer school holidays period?

220 **Clerk:** Answer, the Hon. the Minister for Industrial Relations, Employment, Housing and Sport.

225 **Minister for Industrial Relations, Employment, Housing and Sport (Hon. S E Linares):**
Mr Speaker, during the summer months, club users will be able to take part in the following activities: club outdoor patio games, collaboration Army sessions with the Royal Gibraltar Regiment, interclub sports events, movie nights at the clubs, community barbecues, paddle boarding activities at local beaches, arts and crafts projects, cooking projects, upcycling fashion project, karaoke sessions, leadership programme, pre-work campaigns and elections of youth club representatives, space to relax ‘chill-out’ sessions, rehearsals and practice for the end of summer show, ‘Time to Shine’ end of summer showcase, and barbecue for friends and family at the Youth Centre courtyard. Please note that some of these activities will also take place during the weekends.

230 I now hand over to the hon. Member a schedule with information on the youth clubs’ opening times.

Answer to Question 207/2022

During the summer months, club opening times will be as follow;

Youth Center

- Tuesdays 11:00am -2:00pm — Youth Committee / GYPT
- Wednesdays 7:00pm-9:45pm — Youth Café drop-in
- Thursdays 11:00am-2:00pm or 7:00-10:00pm — Joyful Riot
- Fridays 7:00pm-9:45pm — Youth Café drop-in

There will be a Rockthrifters (upcycling Fashion project) week for ages 11-15 from 18th — 22nd July.

Dolphins Youth Club

- Tuesdays 7:00pm — 10:00pm
- Wednesdays 10:00am — 1:00pm
- Thursdays 7:00pm — 10:00pm

Laguna Youth Club

- Tuesdays 10:00am-1:00pm
- Wednesdays 6:30am-9:30pm
- Thursdays 6:30am-9:30pm

Plater Youth Club

- Tuesdays 10:00am-1:00pm
- Wednesdays 7:00pm-9:30pm
- Thursdays 10:00am-1:00pm

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

I am grateful for the handout. Just one minor clarification: these times are irrespective of the activities that the Minister read out? So, whether a youngster is taking part in any of those activities or not, he can expect the Youth Centre to be open during the times as per the schedule?

240 **Hon. S E Linares:** Yes, Mr Speaker. As soon as a youth club is open, not only do these activities happen but the Youth Service will provide for anybody who wants to come in. The hon. Member should note the timings because it is during the morning time when the children, during the summer, are not in school, and that is why they are catering in the morning for the children who are not in school.

245 **Hon. E J Reyes:** Can I be pedantic and double-check that in respect of the Laguna Youth Club it is open, on Wednesday and Thursday, as early as 6.30 a.m. – or is that a typographical error?

250 **Hon. S E Linares:** No, Mr Speaker, I do not see it as a typographical error. I am sure that they start early in the morning, even at that time, at 6.30 in the morning. I will, nonetheless, check, but I am sure, because if the hon. Member looks at the Plater Youth Club, they start at seven on Wednesday, so they do start pretty early and I am sure it is to do with children whose parents go to work and they have nowhere to go, so they will probably pop into the Youth Service.

255 **Hon. E J Reyes:** As you know, we are both reading the same sheet, Mr Speaker. The Plater Youth Club on a Wednesday opens at 7 p.m. and closes at 9.30 p.m. I was referring to the Laguna Youth Club, where on Wednesday and Thursday it is open for something like 15 hours from 6.30 a.m., which is ... I have grandchildren who are very early risers, but to be at a youth club at 6.30 a.m. takes the biscuit.

260 **Hon. S E Linares:** Mr Speaker, I will check whether it is a.m. or p.m.

Hon. E J Reyes: And while that is common, from my general knowledge, the footnote at the end of the Youth Centre says 'There will be a Rockthrifters (upcycling Fashion project)'. I know the keenness of certain Ministers in getting us all to cycle to work and so on, but could we please have
265 a layman's explanation of what 'upcycling Fashion project' is?

Hon. S E Linares: Mr Speaker, in today's age, upcycling has nothing to do with actual cycling, it is to do with recycling. Nowadays, due to the young people looking after the environment, they will get all the things that are in fashion and which people with a lot of money use once, and they
270 upcycle – which means recycle – the clothes. There is a big market in that now. You can see in the clubhouse a shop where there are second-hand clothes – very good quality, may I add, and I would ask everybody to have a look and see if they can buy clothes from there. My passion is to go to vintage shops in London to buy many of my clothes, because I think we should be looking after the environment. 'Upcycling' means 'recycling'.

275 **Mr Speaker:** Next question.

Q208/2022
Sports facilities –
Update re expected completion dates

Clerk: Question 208/2022. The Hon. E J Reyes.

Hon. E J Reyes: Further to his answer to Question 35/2022, where he stated his hopes of
280 completion by the month of June, can the Minister for Sport update this House with details of which remedial works in respect of sporting facilities have now been fully completed, together with details of those still pending and their revised completion dates?

Clerk: Answer, the Hon. the Minister for Industrial Relations, Employment, Housing and Sport.
285

Minister for Industrial Relations, Employment, Housing and Sport (Hon. S E Linares):
Mr Speaker, I am glad to confirm that the subcontractor responsible for completing the track at the Lathbury Sports Complex has been on site for over two weeks. Works are progressing very well, with completion and subsequent line marking to be completed as expected.

290 The swimming pool testing and commissioning continues progressing. As explained in our last session, whilst a very slow process, this is a necessary step to ensure that any issues are dealt with immediately.

In terms of Europa, works on the wicket will commence on 4th July with the specialist contractor undertaking their portion of these on 18th July. This final phase should take two to
295 three days at most. Whilst on site, the contractor will review the pending fencing issues and address accordingly.

Q209/2022

**Customs Marine section dispute –
Actions to resolve**

Clerk: Question 209/2022. The Hon. D A Feetham.

Hon. D A Feetham: What is the Government doing to resolve the dispute that Unite the Union
300 has declared with Customs over the issues relating to the Marine section?

Clerk: Answer, the Hon. the Minister for Industrial Relations, Employment, Housing and Sport.

Minister for Industrial Relations, Employment, Housing and Sport (Hon. S E Linares):
305 Mr Speaker, I can confirm that the dispute is now on hold and that HM Government of Gibraltar
has entered into a consultation process with Unite the Union on the matters pertaining to the
Customs Marine section. This process is ongoing and both parties are working together on the
drafting of policies specific to the Marine section.

Hon. D A Feetham: Arising out of the answer the Minister has kindly provided, what are the
310 matters that are currently in discussion?

Hon. S E Linares: Mr Speaker, as I said in the answer to the question, this is pertaining to policy
specifics. It is to do with the policies of each section. They are undergoing reviews of policies. We
315 are working at them and, as the hon. Member knows, they have already lifted the industrial
dispute completely.

Hon. D A Feetham: Yes, but let's drill down in relation to that: what policies? Of course,
'policies' is generic, but it is policies on some aspect of the job they are doing. Can he give details
320 about the policies of what specifically, so that this House is informed about that?

Hon. S E Linares: On policies pertaining to the Marine section. Therefore, it is to do with having
policies on working practices, issues with shift work, issues which are completely and utterly
pertaining to them. That was the crux of the dispute, that the two unions would not agree to what
325 should be done. When we sat down together and said let's draft out what needs to be done ...
both unions are now satisfied that we are working at that and therefore have lifted the industrial
action.

Hon. D A Feetham: Mr Speaker, I am sorry to persist, but all he has really said in relation to the
330 matters ... This is the word that he used originally in his answer, the 'matters'; then he used the
words 'the policy'. The only specific he has provided is in relation to shift work, so is he saying that
this underlying dispute was about shift work and that is what the Government is now in
discussions about, or are there other matters, which the Government is also discussing with the
union, that provoked the industrial action in the first place?

Hon. D A Feetham: In order to assist the Minister, let me just read a report of the actual press release that Unite
335 issued when it declared a dispute with Customs. It says that it related to a question in relation to
'a rotation period of eight years' for the Marine section. I was not sure what that meant, whether
it related to simply shift or, for example, that somebody is allocated to the Marine section for a
period of eight years and then comes off it after a period of eight years. Those are the types of
340 issues that I am trying to elicit information on, so that we understand what this dispute was about.

Hon. S E Linares: Mr Speaker, he has answered his own question. He has said about the eight
years – that was another issue, and we have now cleared those issues. Therefore, there is not any

longer the issue of the eight years; we have cleared it. So, he has actually answered the question.
If he knows that it is to do with the eight-year period, then it is exactly what we have agreed to.

Hon. D A Feetham: Mr Speaker, I –

Mr Speaker: This will be the final one.

Hon. D A Feetham: Yes. I do not know whether the Chief Minister is in a position to assist the House in relation to this. We are, on this side, I have to say, quite confused about the answers that the Minister is providing about this.

Let's see whether we can at least distil what the Minister is saying, so we can get some clarity. The underlying dispute is about shift work and it is about this eight-year rotational period. Those are the only two issues – one I have proffered, and the other one he has proffered to me.

Given the eight-year rotation period has been solved, according to the Minister, can I ask him at least to inform the House as to how that eight-year rotation period reason for the dispute has been solved?

Chief Minister (Hon. F R Picardo): Mr Speaker, the Government conducts its industrial relations negotiations with the unions, not with hon. Members in this House.

The issue has been resolved in a manner which I commend the Hon. new Minister for Industrial Relations for. I was unable to deal with many of these issues because of the other pressures of work I had and therefore had to pass the industrial relations brief to a man who had previously been president of one of our national unions, and it has been resolved to the satisfaction of all involved.

Mr Speaker: Next question.

Q210/2022

Work permits –

Policy re non-EU and non-British residents

Clerk: Question 210/2022. The Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, can the Government explain the reasons behind the policy where a non-EU and non-British resident in Gibraltar with a residency card, married to a Gibraltar believer, is not provided by the ETB with a work permit where a recruitment agency wants to place him in firm employment, albeit under a zero-hours contract or a contract below a certain number of hours?

Clerk: Answer, the Hon. Minister for Industrial Relations, Employment, Housing and Sport.

Minister for Industrial Relations, Employment, Housing and Sport (Hon. S E Linares): Mr Speaker, I can assure this House that the Department of Employment reviews all applications received from employers who wish to engage non-entitled workers fully in accordance with the Employment Regulations 1994.

The hon. Member must know that whether or not a work permit is granted is not a matter of policy but a matter of law. In particular, whether or not to grant a work permit is a determination to be made by the Director of Employment under the Employment Regulations 1994 in her sole and absolute discretion.

Hon. D A Feetham: Mr Speaker, the Minister will forgive me, but I have been helping a particular constituent; it is a couple. She is British-Gibraltarian, has been in Gibraltar all her life and is married to somebody born in Africa. I just use the continent because I do not want her to be identified. I have looked at the law. The law does not prevent, as far as I can see, a work permit from being issued, but I am being told by the public servants I am dealing with at the ETB that if the contract that underpins that person's potential employment or potential placement by the recruitment agency is zero hours or below a certain number of hours, the policy is not to issue a work permit. Therefore, the problem is the chicken-and-egg situation that he cannot get the employment because he does not have ... The recruitment agency will not place him where the recruitment agency would want to place him, and he is very happy with that, because a work permit does not issue. Of course, simply because the contract is a zero-hours contract does not mean that he is not going to be working, because people on zero-hours contracts ... whatever the morality of that is, the reality is that they may work for many hours in a week, and he is quite happy to sign a zero-hours contract – at least he is working in the placement where it was proposed that he was going to work.

I have raised this matter with Debbie Garcia, whom I have to say I have no criticism of at all. I want to put that beyond doubt because she is probably, out of all the public servants I have dealt with, one of the most helpful. She is a person who always knows what she is doing and she is very helpful and keen to help. But of course we have this situation. Can, at least, the Minister undertake to me to try to look at this, liaise with Debbie Garcia at the ETB and see whether I am right that nothing in law prevents the issue of this permit? And if there is nothing in law that prevents it and it is just a policy, that perhaps that policy might be dealt with in more a malleable situation to prevent injustice? Certainly I think there has been an injustice in this situation. Will the Minister undertake to do that?

Hon. S E Linares: Mr Speaker, the hon. Member has brought up three issues: one pertaining to a personal problem that someone has, which obviously I am not in a position to discuss at all. There is a law that says data protection ... and therefore what pertains to the particular person he represents is not something I am going to answer at all.

The second thing is that I totally agree with him in the characterisation he has given to Debbie Garcia, because she is absolutely a person who does take her job very seriously and has been dealing with this case. That is as much as I am going to say about this case.

The third was the zero-hours contract issue and the policy. It is a matter of law, as I have just said in answer to the question. It is not a matter of whether we should or should not do it, it is a matter of law, so I stick to my previous answer, also adding about Debbie Garcia and adding that I will not comment on any personal issues pertaining to somebody specifically.

Hon. D A Feetham: I have not mentioned this person by name, but when they were in Opposition – I do not criticise him for it at all because it is completely proper – and when we are in Opposition it is completely proper for us to bring to this place the personal issues of constituents that may have some wider implications. It is also, with respect, not impermissible or inappropriate for me, across the floor of this House, to try to help a constituent – because, at the end of the day, here we are all servants of the people, servants of constituents – to try to see whether at least we can get some justice for an individual, even if we do not mention that individual's name.

With that in mind, can he at least ask one of his public servants to write to me referring to the provision in the piece of legislation that says it cannot be done because of x, y and z provision? It may well be that I can write back to them and say 'That cannot be right for these other reasons'. Perhaps we can, by working collaboratively with each other, at least do some justice in this individual case. Will the Minister at least undertake to do that?

Chief Minister (Hon. F R Picardo): Mr Speaker, the hon. Gentleman is absolutely right, there is absolutely nothing wrong with Members of the Opposition bringing to this House, by way of question, matters which relate to a problem that a constituency member has had – a member of our single constituency, because they are all constituents of ours. We used to do the same thing and we encourage them to do the same thing when they think it is appropriate. We also encourage them to get in touch with us if there are things which affect individuals, which hon. Members very often do and we try to assist when we can, without it having to become a ding-dong across the floor of this House.

On the subject matter in question, the hon. Member will know that the rules were much tighter when they were in government. One of the things we did when we were elected was loosen these rules. It was remarkable for me, when I was elected, to receive applications from people who were locally resident British Gibraltarians – that is to say a British Gibraltar who has not moved away, a locally resident British Gibraltar – who wished not to have their spouse start work but wished to marry someone who was from outside Gibraltar and, depending on what continent they might come from, permission would or would not be granted by the person sitting in No. 6 Convent Place. I found it, in my view, an intolerable interference with the personal liberty of the individual to fall in love and make the decision to marry that the permission should be granted for the marriage licence from No. 6 Convent Place, or permission for entry in order for people to marry, so we released that.

In these circumstances what we are dealing with is the right to work after a marriage, and in those instances the question is: is there a real state of work? This is what will be the subject of an issue: is there a real state of work, or is the zero-hours contract a pretence of work? There, we must be very careful not to become the jury of fact. The jury of fact is the official who is making the determination downstream of what is happening.

He is, these days – I cannot remember what his position was when he was in government; I think he was supportive of them, so I will say the usual caveat ‘these days’ – the staunchest enemy of zero-hours contracts. So, in the context of him saying that zero-hours contracts are a bad thing, I am surprised that he is taking the position he is taking at this time, but I encourage him, if he wishes, to write to me or the Hon. Minister with the details of the case in question, so that we can find out whether there is any circumstance in which we could assist in some way, or whether there is a very appropriate and right decision being taken by an official who has been mentioned across the floor of this House – and I think that was not necessary, but who enjoys the full confidence of us on this side of the House, who does a diligent and careful job on every application that is brought to her attention to ensure compliance with Government policy, Government’s compliance with the law and fairness to the individual who may be an applicant in any particular case.

Hon. D A Feetham: Mr Speaker, whilst I do not accept the comments the hon. Gentleman has made in relation to zero-hours contracts – I dislike them, I do not agree with the issue of zero-hours contracts – this is wider than that. This is about somebody who says, ‘I understand that I am being given a zero-hours contract but it is the only way I have to access this particular job, which is a job that I really want to do, and in all fairness I have been told that even though it is a zero-hours contract I am going to be doing x number of hours a week.’ In those circumstances is not for me to say do not take the job because it is a zero-hours contract. This is a decision that the constituent has taken.

Nonetheless, I will take up the offer that he Hon. the Chief Minister has made and I will write either to the Minister or to him about this particular case, to see whether we can unblock it.

Hon. Chief Minister: The hon. Gentleman may or may not accept what I have said about zero-hours contracts and he may characterise it as he wishes, but what is engaged in his question is none of that. What is engaged in his question is the discretion to grant the work permit, and in granting the work permit the nature of the work will be relevant where it is a discretionary permit.

That is the point, Mr Speaker, and that is what he is trying to avoid in trying to present his remarks – which are not a question – at the end of this exchange.

Mr Speaker: Next question.

Q211/2022
Mid Harbours estate –
Update re construction of new play park

495 **Clerk:** Question 211/2022. The Hon. D J Bossino.

Hon. D J Bossino: Please provide an update with regard to the construction of the new play park at Mid Harbours estate.

500 **Clerk:** Answer, the Hon. Minister for Industrial Relations, Employment, Housing and Sport.

Minister for Industrial Relations, Employment, Housing and Sport (Hon. S E Linares): Mr Speaker, the Gibraltar Sports and Leisure Authority and the Housing Works Agency are working closely together to deliver this project soonest. Quotes are currently being revisited with a decision to commence works to be taken shortly.

510 **Hon. D J Bossino:** May I raise this with him? I received a copy of an email which a member of the tenants' association there wrote to his Department. It may have been the Department of the Environment – I am not too sure about the accuracy of that – but it was a very similar response I then received in early June, which the hon. Member has just given us. The comment made by this gentleman is that the GSLA already sent a quote last year which was approved this year and the only issue was whether it was going to be done in the previous financial year, in this financial year or the one coming now. I just raise this by way of greater specificity, so that he can consider in his ... whether he can comment on that, basically.

515 **Hon. S E Linares:** Mr Speaker, it is obvious that we have gone beyond 31st March, we are now in a new financial year, and therefore it cannot be last year's, so it will be this year.

520 **Hon. D J Bossino:** But why the need for new quotes? I thought that issue was settled and he could go and basically build the thing.

525 **Hon. S E Linares:** No, Mr Speaker, because, as I have said in answer to my question, it is two entities. They are two different things. The GSLA are the ones who procure the equipment and the Housing Works Agency is the one that contracts whoever is going to do it, i.e. the plinth, prepare the place, and place the equipment. They have to get together. They have done that. They are now getting quotes. We can budget. We know, more or less, what it is going to cost. This is what you put in the budget, and then, if you get that budget, you spend it, and this is where we are now. We are getting the two entities to get this done. I cannot now say whether it is in the Book or not in the Book until next week, when we can see whether it is in the Book, or not.

530 **Hon. D J Bossino:** Mr Speaker, can I drill down on 'soonest'? Is he able to say with more particularity when he thinks this is going to be done?

535 **Hon. S E Linares:** I would not like to do that because when you procure things like equipment, which needs to be procured, we would also look at if we could make some savings by looking at

the old equipment and whether it can be fixed – that is another issue we were looking at – but I would not like to commit myself, like I have probably done too many times in this House, and then the next question is ‘Why didn’t you do it by this date?’ ‘Soonest’, for me, is a very, very short time.

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Mr Speaker: Next question.

Q212/2022
Housing Department –
Complaints re answering correspondence

Clerk: Question 212/2022. The Hon. D J Bossino.

545 **Hon. D J Bossino:** Thank you. Please state what efforts are being made to improve and resolve what the Public Services Ombudsman has described in his 2020 report as ‘an unacceptable level of complaints’ relating to non-reply and/or delay in replies to letters to the Housing Department/authority.

550 **Clerk:** Answer, the Hon. Minister for Industrial Relations, Employment, Housing and Sport.

Minister for Industrial Relations, Employment, Housing and Sport (Hon. S E Linares): Mr Speaker, the Ombudsman’s report only captures a number of complaints and not the full volume of correspondence received by the Department, which is answered in accordance with established protocols.

555 Nonetheless, since the report was made public the Housing Department has introduced an in-house complaints procedure, as recommended by the Office of the Ombudsman, to enhance the quality of the service provided by the Housing Department. Subsequently, the Department has also created specific emails for each section to further facilitate their dealings with the public.

560 **Hon. D J Bossino:** May I ask him when these measures were introduced?

Hon. S E Linares: Mr Speaker, without trying to give away what I probably will be mentioning in my Budget speech, it was a couple of months ago. I am going to give him the specific date.

565 **Hon. D J Bossino:** Is he able to say, from his point of view, whether there has been an improvement, as was being called for by the Public Services Ombudsman? And if I borrow from the Ombudsman’s report, where he suggests that senior management will have to nip this in the bud, would he say that this has been nipped in the bud?

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

Mr Speaker: Next question.

Q213/2022
Government rented accommodation –
Means testing

Clerk: Question 213/2022. The Hon. D J Bossino.

575 **Hon. D J Bossino:** Please state whether the Government is considering adopting a policy for means testing in connection with Government rented accommodation?

Clerk: Answer, the Hon. Minister for Industrial Relations, Employment, Housing and Sport.

580 **Minister for Industrial Relations, Employment, Housing and Sport (Hon. S E Linares):** Mr Speaker, no, sir.

585 **Hon. D J Bossino:** Mr Speaker, is the rationale behind that negative that this party does have a policy in relation to that? They put it in their manifesto in the 2019 election. Is the rationale behind that an ideological one, or is it more – as I heard, I think, other politicians in the past say – that introducing this measure would prove administratively burdensome?

590 **Hon. S E Linares:** Mr Speaker, this Government is not very keen on doing means testing in general since, in the past, where the GSD Government has done so, it has mainly affected those on PAYE as opposed to targeting those who can afford or not, as the case may be. It has become an unfair system.

Hon. D J Bossino: Can I glean, from that, that the Government is not keen because of those reasons, rather than from a firm ideological basis or premise for it?

595 **Hon. S E Linares:** Mr Speaker, I refer to the answer just given.

Mr Speaker: Next question.

Q214/2022
Housing Allocation Scheme –
Update re review

Clerk: Question 214/2022. The Hon. D J Bossino.

600 **Hon. D J Bossino:** Please provide an update with regard to the Government's review of the Housing Allocation Scheme.

Clerk: Answer, the Hon. Minister for Industrial Relations, Employment, Housing and Sport.

605 **Minister for Industrial Relations, Employment, Housing and Sport (Hon. S E Linares):** Mr Speaker, as the hon. Member is aware, the Housing Department is reviewing the Housing Allocation Scheme and this should be completed soon – and 'soon' means exactly the same as I said before.

610 **Hon. D J Bossino:** Can he provide information to this House as to ...? How far advanced is the Minister? I know it leads to the same answer, but how far advanced is he in producing the Housing Allocation Scheme? Quite apart from it being a pending matter, the reason it arises is because again it features in the context of a specific complaint which the Ombudsman reviewed, as set out in the 2020 report, which actually he is unable to reach a conclusion on until the scheme is
615 finalised.

Hon. S E Linares: Mr Speaker, I can assure the hon. Member that it is very, very advanced.

Q215/2022

**Information Technology and Logistics Department –
Update re resolution of dispute**

Clerk: Question 215/2022. The Hon. the Leader of the Opposition.

620 **Hon. K Azopardi:** Mr Speaker, can Government update the House on the discussions to resolve the dispute at the Information Technology and Logistics Department?

Clerk: Answer, the Hon. Minister for Industrial Relations, Employment, Housing and Sport.

625 **Minister for Industrial Relations, Employment, Housing and Sport (Hon. S E Linares):** Mr Speaker, I can confirm that the dispute is now on hold and that HM Government of Gibraltar has entered into a consultation process with the GGCA on the matters pertaining to ITLD. Our first meeting is scheduled for early July 2022.

630 **Hon. K Azopardi:** Mr Speaker, at the time there was public information about this dispute, the concerns that were expressed by the union were that there was a fear that the Government was under-resourcing ITLD and there was a fear that there was a dismantling of the Department and that the functions of the Department were being usurped and transferred to another area within the Government. Does the Minister recognise those complaints in the discussions he has had? And what is the Government's attitude towards that?

635 **Hon. S E Linares:** Mr Speaker, I have told the hon. Member that we are meeting in early July to discuss all the issues with them and I am not in a position today, in this House, to put forward all the issues that they might bring up with the Government. The hon. Member must understand that if you go into negotiations, discussions and consultation ... I am not now going to spell out all the issues that we have to discuss. After 22nd July when we meet, if it is not resolved it depends on how they want to take it, or, if it is resolved, all well and good, but I am not in a position now to say what the discussions are going to be.

645 **Hon. K Azopardi:** Can I just ask the hon. Member: when he says the dispute has been put on hold pending this meeting, was it put on hold pending the meeting on the basis of a promise for a meeting, just on that basis; or were there any discussions in relation to the issues of resources and the specific complaints that were had at that stage, which then led to a promise of a further meeting?

650 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I genuinely think that it is not conducive to the interest of the taxpayer for us to conduct the post-mortem of each phase of industrial relations in respect of a dispute that is open between the Government and a union in order to satisfy hon. Members' curiosity. Therefore, the Government position is that we have answered the question that hon. Members have put but this is an issue that we are negotiating with the GGCA and we do not want to say anything that exacerbates the position because it would not be in the interest of the taxpayer or the Civil Service. Putting our view as to what it is that is happening and has happened might exacerbate matters. Putting the union's view might require us to put our view. So, because this is a live process of negotiation, we do not think it is prudent for us to be saying anymore at this stage. By all means, when the issue is resolved we will have to explain to the public and to the taxpayer how it has been resolved and what compromises have been reached, but 'How are you compromising in order to go to the next stage of the negotiation and the meeting?' is a level of curiosity that the hon. Gentleman is evincing which does not go to the proper discharge of Government business or otherwise.

665 **Hon. K Azopardi:** Mr Speaker, a final question on this. Let me just say that it is not to satisfy our curiosity. We do not come to this House to satisfy our curiosity. We could stay at home and watch Netflix and watch more interesting programmes and documentaries. What we are trying to do is probe issues that are of public interest and are matters of concern which have reached the public domain. This concerns our constituents, members of the union and indeed lots of people
670 who work in the public service and we are trying to probe it. Nonetheless, I accept and understand what the Hon. Chief Minister is saying about not wishing to get into the detail of that.

Can I just ask is the Hon. Minister leading on the Government side in the forthcoming meeting in July?

675 **Hon. Chief Minister:** Mr Speaker, if the hon. Gentleman thinks it is more interesting to stay at home to watch Netflix than it is to come to this House to do the job which he has been elected to do, he should say that to the general public without shying away from the fact that he thinks it is boring to come here to do his job.

The fact is that we are in the process of negotiating something which is of interest to the
680 members of the union, which is of interest to the members of the political Government and which is of interest to members of all the public service and the public who receive that service. Of course we accept that. That is why we are negotiating to get the best deal for everyone in a way that works for everyone.

One thing is to probe, the other thing is to look at something which is as yet an open issue and
685 to try and pry it open, and that is what I am saying to the hon. Gentleman he is seeking to do.

Yes, Mr Speaker, the matters are going to be dealt with by the Minister for Industrial Relations, who will be leading that meeting with the support of all other Ministers. He will have my support, if he needs it, because I have had a background in this issue from when I was Minister for Industrial Relations; and the Minister for ITLD, the Hon. Albert Isola, has also been providing input and
690 feedback.

Mr Speaker: Next question.

Q216/2022
Knight's Court –
Contract re cleaning of communal areas

Clerk: Question 216/2022. The Hon. the Leader of the Opposition.

695 **Hon. K Azopardi:** Mr Speaker, are the communal areas in Knight's Court included in any cleaning contract with the Government, and if so, with whom; or are they the responsibility of the Housing Ministry or anyone else, and if so, who?

Clerk: Answer, the Hon. Minister for Industrial Relations, Employment, Housing and Sport.
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Minister for Industrial Relations, Employment, Housing and Sport (Hon. S E Linares): Mr Speaker, Knight's Court is included in a contract on the same basis as other estates, with arrangements for commencement being finalised. The contract is between the Ministry of the Environment and Britannia Ltd.
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Hon. K Azopardi: Mr Speaker, I am not sure I understand that. He said it is included but then he added the words 'with the arrangements to be finalised', so is the contract in place now or is he saying that it will be in place in the future? Is that what he is saying?

710 **Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes):** Mr Speaker, if I may assist, there is a contract in place. There had been a difference in interpretation between Britannia, the Department of Environment and the Ministry for Housing as to whether it was included or not. This is now resolved, and therefore, if it has not started already it will commence imminently.

Q217/2022
Government housing –
Number empty and available for allocation

715 **Clerk:** Question 217/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, how many dwelling houses has the Government identified as empty at 31st May 2022 and available for housing allocation?

720 **Clerk:** Answer, the Hon. Minister for Industrial Relations, Employment, Housing and Sport.

Minister for Industrial Relations, Employment, Housing and Sport (Hon. S E Linares): Mr Speaker, there are currently three flats available.

Q218-19/2022
Government housing –
Number allocated in 2021 and up to end of May 2022

725 **Clerk:** Question 218/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, how many dwelling houses have been allocated by the Housing Authority in the calendar year 2021, breaking these down by room composition?

730 **Clerk:** Answer, the Hon. Minister for Industrial Relations, Employment, Housing and Sport.

Minister for Industrial Relations, Employment, Housing and Sport (Hon. S E Linares): Mr Speaker, I will answer this question together with Question 219.

Clerk: Question 219/2022. The Hon. the Leader of the Opposition.

735 **Hon. K Azopardi:** Mr Speaker, how many dwelling houses have been allocated by the Housing Authority in the first five months of 2022 up to 31 May 2022 breaking these down by room composition?

740 **Clerk:** Answer, the Hon. Minister for Industrial Relations, Employment, Housing and Sport.

Hon. S E Linares: Mr Speaker, the breakdown of flats allocated in 2021 by room composition is as follows: 1RKB, 13; 2RKB, 55; 3RKB, 64; 4RKB, 18; 5RKB, three; and 6RKB, none.

The breakdown of flats allocated up to 31st May 2022 by room composition is as follows: 1RKB, five; 2RKB, nine; 3RKB, 12; 4RKB, 12; 5RKB, none; and 6RKB, none.

745 **Hon. K Azopardi:** Mr Speaker, I am grateful for those figures. Obviously, I need to add them up, but I can see from the numbers he has given in respect of 2021 and the first five months of 2022 that ... I suppose it averages out at around a few houses a month. In his experience as Housing Minister, is that the kind of pattern he sees?

750 Can I just ask him, given the answer he gave to the previous question, which is that there are three dwelling houses identified as empty, is that number the number of houses that are potentially now available for allocation, or is the allocation that has been done by the Department under these other questions coming from other sources?

755 **Hon. S E Linares:** Mr Speaker, the hon. Member poses a few issues which I have already explained to the Hon. Mr Bossino in the last Question Time and it was in relation to ... He said that it had been lower in 2021, and we went through all that about COVID and why COVID had then affected the allocation of houses – and I am not going to go into that again. That is why, probably, the numbers are slightly lower than usual. But I can also say to the hon. Member that it is not only because three houses are empty that allocations happen. One of the empty ones, for example, 760 might be allocated to someone who is already a Government tenant and moves on, and therefore the next house becomes empty. That is what we call a chain. I have already explained to this House exactly how these things work, where you might have five allocations with one empty flat because people move from A to B, from B to C, from C to A, and therefore these chains are the number that has been given to the hon. Member.

JUSTICE, EQUALITY AND PUBLIC STANDARDS AND REGULATIONS

Q256/2022

Ketamine – Reclassification

765 **Clerk:** Question 256/2022. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government state whether it is considering the reclassification of ketamine from a class C to a class B controlled substance?

770 **Clerk:** Answer, the Hon. the Minister for Justice, Equality and Standards.

Minister for Justice, Equality and Public Standards and Regulations (Hon. Miss S J Sacramento): Mr Speaker, following a recent arrest in relation to possession of, importation of and possession with intent to supply ketamine, the question of reclassification of ketamine from 775 class C to class B will be considered in consultation with the Drugs Advisory Council.

Hon. E J Phillips: Mr Speaker, does the Minister know when the Drugs Advisory Council will next meet to consider this very point?

780 **Hon. Miss S J Sacramento:** Mr Speaker, a meeting has been convened. However, because of the number of people who attend the Drugs Advisory Council, it may not be possible to have everyone in the room because of arrangements during the summer, so I would safely say within the next few months.

Q257/2022

**Nitrous oxide –
Provision of testing equipment to RGP**

Clerk: Question 257/2022. The Hon. E J Phillips.

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Hon. E J Phillips: Mr Speaker, can the Government state whether the RGP have been provided with equipment that allows them to test for nitrous oxide in advance of the legislation being brought before this House criminalising the misuse of this substance?

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Clerk: Answer, the Hon. the Minister for Justice, Equality and Standards.

Minister for Justice, Equality and Public Standards and Regulations (Hon. Miss S J Sacramento): Mr Speaker, the RGP is looking into the most appropriate way to test for nitrous oxide to the appropriate criminal evidential standard. Once proposals are put forward by the RGP the Government will consider them.

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Q258/2022

**Juvenile delinquency –
Plans to address**

Clerk: Question 258/2022. The Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, what plans does the Government have to address juvenile delinquency?

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Clerk: Answer, the Hon. the Minister for Justice, Equality and Standards.

Minister for Justice, Equality and Public Standards and Regulations (Hon. Miss S J Sacramento): Mr Speaker, as this Parliament is aware, I recently set up a Youth Justice Committee under the Ministry of Justice to look into this area of concern. I appointed the chief executive of the Care Agency to chair and the members include senior representatives from the Care Agency, the Ministry for Justice, the Royal Gibraltar Police, Probation Services, HMP Windmill Hill, the Gibraltar Health Authority and the Education Department.

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The Committee members have worked closely together, and minutes of the meeting held and information submitted by the individual services have been used to compose a report which includes analysis and conclusions of the main issues that have arisen. I am assured I will be receiving it very shortly.

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All the services are united to ensure that children are supported and empowered to make the most of their lives, enjoy and achieve and make a positive contribution to the community within Gibraltar, and agree that this requires all involved to tailor their services to the individual child's needs.

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The following goals have been identified by the Committee: a reduction in first-time offenders, a reduction in reoffending, a reduction in the use of custody, and a reduction in first-time offending, and preventative work.

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Hon. D A Feetham: Mr Speaker, can she inform the House when she expects to be able to make an announcement to the House as to the measures that she might bring to bear in order to deal with this issue?

Hon. Miss S J Sacramento: Mr Speaker, I am very grateful to the Committee because I set up this Committee and they have been working on this alongside initially their commitments in COVID – because unfortunately we are small and a lot of people overlap in their responsibilities. I know that there is a draft report which they are working on, to submit to me. I know that this report is at an advanced stage. I am in the hands of the Committee and its chair. I would like to be in a position to make announcements in this respect after the summer.

Hon. E J Phillips: Mr Speaker, just one question on a matter of interest to me, as well as my learned and hon. Friend. Insofar as the question has been addressed to the learned Minister in relation to juvenile delinquency, as the Minister will know from the last Police Report that was laid on the table of the House at the last session, there was a direct link between public disorder and drugs misuse and we saw significant increases over the last two years. Is this going to be central to this question about juvenile delinquency? We have seen, on the face of the paper that was laid before the House, serious increases in public disorder and drug misuse offences, and therefore those would appear, would they not, to be central to the strategy of the Government in tackling juvenile delinquency? Would she agree with that?

Hon. Miss S J Sacramento: Mr Speaker, it is for this very purpose that when I set up this Committee there was a multi-agency approach to it. The main players that deal with the issues the hon. Gentleman has mentioned, mainly drugs and the correlation between that and crime, are represented by those who sit on the Committee by way of the Gibraltar Health Authority – which will, of course, have input by its Director of Public Health – the Royal Gibraltar Police and by the Care Agency. Because there is an overlap and these things cannot be considered in a vacuum, all these professionals who are connected in the way that they work with young people have had an opportunity to express their voices, and this will all be contained in the report once I receive it.

Mr Speaker: Next question.

ENVIRONMENT, SUSTAINABILITY, CLIMATE CHANGE AND EDUCATION

Q242/2022

A-Level and equivalent examinations – Number of students by educational establishment

Clerk: Question 242/2022. The Hon. E J Reyes.

Hon. E J Reyes: Mr Speaker, can the Minister for Education provide details on the total number of students who sat A-Level or equivalent examinations during the summer 2022 examination sessions, broken down by educational establishment?

Clerk: Answer, the Hon. the Minister for Environment and Education.

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, the summer 2022 examination season is still ongoing. It is scheduled to be completed at the end of June – in fact, within the next few days – and we will be able to answer this question with total accuracy upon completion of the exam session. This said, we are able to project figures, subject to not knowing whether those listed actually turned up for the exam. There can be some variations as a result. We envisage that 128 students from Bayside, 174 students

from Westside and 32 students from the Gibraltar College will have sat A-Level or equivalent examinations once this session is over.

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

I apologise. Perhaps in my wording, instead of putting down the words 'who sat' – the Minister is correct that there are some exams pending this week – I could have put down 'who have been entered'. But yes, as and when information does vary in the future, I would be grateful, but I do not think it will vary by more than one or two at the most.

Thank you, Mr Speaker.

Q243/2022

**A-Level and equivalent courses –
Academic entry requirements by educational establishment**

Clerk: Question 243/2022. The Hon. E J Reyes.

Hon. E J Reyes: Can the Minister for Education provide details, broken down by educational establishment, in respect of the minimum academic entry requirements required in order for a pupil to enrol in A-Level or equivalent courses commencing in September 2022?

Clerk: Answer, the Hon. the Minister for Environment and Education.

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, the requirements to access A-Level or equivalent courses are the same across all three educational establishments. Students wishing to enrol in an A-Level or equivalent course will require a minimum of four GCSEs at grades 9 to 4. These students will be able to select two courses of study, as long as they meet the subject-specific requirements. Students who have achieved a minimum of five GCSEs at grades 9 to 4 would be able to select three courses of study, as long as they meet the subject-specific requirements.

Each course at this level of study has its own subject-specific entry requirements. I am handing over a schedule to the hon. Member which details the current subject-specific requirements for A-Level and equivalent courses for all our educational establishments.

Answer to Question 243/2022

SUBJECT	MINIMUM ENTRY REQUIREMENTS FOR A-Level SUBJECTS	RECOMMENDED ENTRY REQUIREMENTS FOR A-Level SUBJECTS
ACCOUNTING	GCSE Grade 4/C in both English Language and Mathematics	GCSE Grade 4/C in English Language; and Grade 5 in Mathematics
APPLIED BUSINESS	GCSE Grade 4 in Business Studies. <i>If you did not follow the Business Studies GCSE course you can access this A-Level course if you have both a Grade 4 in English Language and a Grade 4 in Mathematics.</i>	GCSE Grade 4 in Business Studies. <i>If you did not follow the Business Studies GCSE course you can access this A-Level course if you have both a Grade 4 in English Language and a Grade 4 in Mathematics.</i>
ART & DESIGN	GCSE Grade 4 in Art & Design.	GCSE Grade 4 in Art & Design.
BIOLOGY	Grade 44 in Combined Science; and Grade 4 in Mathematics.	Grades 55 in Combined Science and a Grade 5 in Mathematics.
BUSINESS STUDIES	GCSE Grade 4 in Business Studies.	GCSE Grade 4 in Business Studies.
CHEMISTRY	Grades 44 in Combined Science; and Grade 4 in Mathematics.	Grades 55 in Combined Science and Grade 5 in Mathematics.
DANCE	GCSE Grade 4 in Dance; or a recognised Level 2 external qualification in Dance.	GCSE Grade 4 in Dance or a recognised Level 2 external qualification in Dance.
DESIGN TECHNOLOGY	GCSE Grade C in Design Technology. <i>If you did not follow the DT GCSE course you can access this A-Level course if you have proven practical ability.</i>	GCSE Grade C in Design Technology. <i>If you did not follow the DT GCSE course you can access this A-Level course if you have proven practical ability.</i>
DRAMA AND THEATRE STUDIES	GCSE Grade 4 in Drama. <i>If you did not follow the Drama GCSE course you can access this A-Level course if you have a Grade 4/C in English Language.</i>	GCSE Grade 4 in Drama. <i>If you did not follow the Drama GCSE course you can access this A-Level course if you have a Grade 5/B in English Language.</i>
ECONOMICS	GCSE Grade C in Economics. <i>If you did not follow the Economics GCSE course you can access this A-Level course if you have a Grade 4 in English Language and a Grade 4 in Mathematics.</i>	GCSE Grade C in Economics. <i>If you did not follow the Economics GCSE course you can access this A-Level course if you have a Grade 5/B in English Language and a Grade 5 in Mathematics.</i>
ENGLISH LITERATURE	GCSE Grade 4 in English Language and Grade 4 in English Literature.	GCSE Grade 4 in English Language and Grade 4 in English Literature.
FRENCH	GCSE Grade 4 in French.	GCSE Grade 5 in French.
GEOGRAPHY	GCSE Grade 4 in Geography.	GCSE Grade 5 in Geography.
HEALTH & SOCIAL CARE	GCSE Grade 4 in Health and Social Care. <i>If you did not follow the Health and Social Care GCSE course you can access this A-Level course if you have a Grade 4/C in English Language and Grades 44 in Combined Science.</i>	GCSE Grade 4 in Health and Social Care. <i>If you did not follow the Health and Social Care GCSE course you can access this A-Level course if you have a Grade 5/B in English Language and Grades 55 in Combined Science.</i>

Answer to Question 243/2022 cont.

HISTORY	GCSE Grade 4 in History. <i>If you did not follow the History GCSE course you can access this A-Level course if you have a Grade 5/B in English Language.</i>	GCSE Grade 5 in History. <i>If you did not follow the History GCSE course you can access this A-Level course if you have a Grade 5/B in English Language.</i>
HISTORY OF ART	GCSE Grade 4/C in English Language.	GCSE Grade 5/B in English Language.
ICT	Cambridge Nationals Level 2 (GCSE equivalent).	Cambridge Nationals Level 2 (GCSE equivalent).
ITALIAN	GCSE Grade 4 in Italian.	GCSE Grade 5 in Italian.
MATHEMATICS	GCSE Grade 6 in Mathematics.	GCSE Grade 7 in Mathematics.
FURTHER MATHEMATICS	GCSE Grade 7 in Mathematics.	GCSE Grade 8 in Mathematics.
MUSIC	GCSE Grade 4 in Music. <i>If you did not follow the Music GCSE course you can access this A-Level course if you have a Grade 5 pass or above in Theory of Music and a Grade 5 pass or above in any instrument.</i>	GCSE Grade 5 in Music. <i>If you did not follow the Music GCSE course you can access this A-Level course if you have a Grade 5 pass or above in Theory of Music and a Grade 5 pass or above in any instrument.</i>
MUSIC PERFORMANCE	You can access this BTEC course if you have Grade 4 in a practical Music qualification. If you do not hold a Grade 4 qualification you may be able to access this BTEC course after a successful participation in an audition process.	You can access this BTEC course if you have Grade 4 in a practical Music qualification. If you do not hold a Grade 4 qualification you may be able to access this BTEC course after a successful participation in an audition process.
PHYSICAL EDUCATION	GCSE Grade 4 in PE and GCSE Grade 44 in Combined Science. <i>If you did not follow the GCSE PE course you can access this A-Level course if you have Grades 44 in Combined Science and are active participants in sport or dance.</i>	GCSE Grade 5 in PE and a GCSE Grade 55 in Combined Science. <i>If you did not follow the PE GCSE course you can access this A-Level course if you have Grades 55 Combined Science and are active participants in sport or dance.</i>
PHYSICS	GCSE Grade 44 in Combined Science and a Grade 4 in Mathematics.	GCSE Grade 55 in Combined Science and a Grade 5 in Mathematics.
PSYCHOLOGY	GCSE Grade 4 in English Language Grade 4 in Mathematics and Grades 44 in Combined Science.	GCSE Grade 5/B in English Language; Grade 4 in Mathematics and Grades 44 in Combined Science.
RELIGIOUS STUDIES	GCSE Grade 4 in RS. <i>If you did not follow the RS GCSE course you can access this A-Level course if you have a Grade 5/B in English Language.</i>	GCSE Grade 5 in RS. <i>If you did not follow the RS GCSE course you can access this A-Level course if you have a Grade 5/B in English Language.</i>
SOCIOLOGY	GCSE Grade 4 in Sociology. <i>If you did not follow the GCSE Sociology course you can access this A-Level course if you have a Grade 4/C in English Language.</i>	GCSE Grade 5 in Sociology. <i>If you did not follow the Sociology GCSE course you can access this A-Level course if you have a Grade 4/C in English Language.</i>
SPANISH	GCSE Grade 4 in Spanish.	GCSE Grade 4 in Spanish.
TRAVEL & TOURISM	GCSE Grade 4/C in English Language.	GCSE Grade 5/B in English Language.

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

In my personal reflection upon this, I am grateful that the Minister has provided two columns, one that says the minimum entry requirements, the benchmark, and then beside that he has the recommended, which would be the ideal situation. Is there a logic behind the thinking that although a student may have met the minimum, if there is a high number of applicants who have
900 the recommended ... because of class size or whatever, they would be unsuccessful despite having met the minimum? Does it follow that logic, or not?

Hon. Prof. J E Cortes: Mr Speaker, no young person who is able to undertake a course of study is going to be denied the possibility because of class sizes. If anything, it would be the other way
905 round. Somebody who perhaps has not quite met the recommended requirements but who has otherwise performed well or has done badly in an exam when normally they would have been expected to do better, would be allowed, provided they have the minimum requirement. Really, it works that way round rather than the other way round.

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

Another minor point for clarification. The Minister explained that those having a minimum of four GCSEs could then take on two A-Levels and those who have five or above could take on three A-Levels. Are there any criteria set if someone ... the high fliers? There are occasional cases where a student wishes to take on as many as four A-Levels. Is that judged on a case by case basis by the
915 teachers, or is there a set policy by the Department in that respect?

Hon. Prof. J E Cortes: Mr Speaker, the case can be made. There are exceptional students who would be able to cope with more, and obviously the case would be made. One has to be fair to the students and not expect too much of them and then they trip over themselves, but this is
920 something that would be discussed with the students and, as they are under 18, with their parents or carers.

Hon. E J Reyes: Thank you. I know in the past we have had situations where some students have returned to school in order to upgrade their GCSE results and so on, especially in respect of
925 the core subjects like English and mathematics, but to help complete a timetable they were

allowed to undertake one A-Level – before we had lots of AS-Levels, for example, in a particular subject. Is that something that perhaps the schools still consider, so that the student is able to at least attain one A-Level whilst they are still undergoing full-time education?

930 **Hon. Prof. J E Cortes:** Mr Speaker, the philosophy of the Department of Education, and indeed of these three educational establishments, is to allow every possible avenue to improve and to allow a young person to develop.

What is given here in respect of minimum requirements is minimum requirements set by examination boards. If the Department and the schools can in any way help to advance the development and the learning of a young person, then clearly that would be considered, but we cannot prescribe everything here. No two young people are the same, but we are trying to achieve what is actually best for them.

935

Mr Speaker: Next question.

Q244/2022
National Day –
Cultural events

940 **Clerk:** Question 244/2022. The Hon. E J Reyes.

Hon. E J Reyes: Can Government confirm if it intends to organise any cultural events this year in connection with our traditional National Day celebrations, as in the past before COVID-19 restrictions?

945

Clerk: Answer, the Hon. the Minister for Environment and Education.

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, yes, sir.

950

Hon. E J Reyes: I take it that the information will be made available to the public shortly?

Hon. Prof. J E Cortes: Mr Speaker, we are talking about the usual traditional fancy dress, the variety show, the rally, the fun day, the jazz concert, the rock concert and the youth ... I believe that there has been a statement by the SDDG – coincidentally, because it works independently of the Government – so I think there may already be some information out there.

955

Q245/2022
Cleaning and restoration of historic walls –
Update re progress

Clerk: Question 245/2022. The Hon. D J Bossino.

Hon. D J Bossino: Please state what progress is being made in respect of the promised ongoing programme of cleaning and restoration of historical walls aside from the Northern Defences.

960

Clerk: Answer, the Hon. the Minister for the Environment and Education.

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, the estimates for 2022-23 provide – or will provide, hopefully – for the restoration of sites such as Southport Gates and the Tower of Homage, as well as the façade of the future St Mary’s Lower Primary School. Works on these will commence shortly. Restoration of the Convent façade also continues. Other developments also include Orange Bastion, North Gorge, the ex-Casino development, which although being renovated privately has Government involvement throughout in providing advice and setting conditions. We continue refurbishing many of our city plaques as well as restoring and repainting our old street signs. As in previous years, the project is ongoing.

The Urban Renewal Committee and the Town Planning Department continue to work hard in ensuring the restoration and enhancement of buildings and walls throughout the Old Town.

Hon. D J Bossino: Mr Speaker, the hon. Member will no doubt immediately identify that many of these questions arise from the manifesto commitments on which they won the last General Election.

He mentions various things like city plaques and street signs. The question is more specifically in relation to historic walls. I think he has mentioned some of them, but as far as that category is concerned it is much more extensive than what he has mentioned. Is there any plan? He mentioned something at the very tail-end of his answer but it was pretty woolly in terms of time commitment. The manifesto suggests that it was going to be something more extensive, unless I am reading it wrongly.

Hon. Prof. J E Cortes: Mr Speaker, the manifesto does in fact suggest that. Clearly, we have had two years of COVID and we have had the financial constraints which we will be discussing next week during the Budget session, so we are not able to restore as many walls as I would very much like to restore. That is the reality. But I think some of the critical ones, which are two of those I have mentioned ... Southport Gates, which has had scaffolding up for some time, is going to be tackled, and the Tower of Homage, which is suffering from the growth of woody vegetation on it, is going to be tackled, providing, of course, as I expect, that we get the Estimates through during the course of next week, because it is an allocation from the next Budget. But we will do everything we can to at least tackle those most critical ones within the constraints.

Hon. D J Bossino: That is reasonable, but there is an admission that it would have been more ambitious had those factors not materialised.

Chief Minister (Hon. F R Picardo): Mr Speaker, I think it is important to remind the hon. Gentleman of the things that we have said in this House already. We have said that, unfortunately, as a result of the pandemic, it is not possible for us to perform our manifesto commitments entered into at the last General Election. We have said that we will try to do as much as we can of those areas of work where we can find alternative funding or where funding can be made available, but the restraints at the moment ... we have already announced during the course of the last Budget debate ... already provided for that. So, to an extent he is asking a question that the Government has already addressed.

I fully accept that the hon. Gentleman is looking at the manifesto and asking us questions, but he must do so with that dose of reality that we all had to accept at the last Budget session and which we will have an opportunity to debate again next week.

Q246/2022

**Gibraltar Museum of Naval and Military History –
State of play**

Clerk: Question 246/2022. The Hon. D J Bossino.

1010

Hon. D J Bossino: What is the state of play in connection with the promised Gibraltar Museum of Naval and Military History?

Clerk: Answer, the Hon. the Minister for the Environment and Education.

1015

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, before I answer the question, the comments of the Hon. the Chief Minister to the last question are relevant to this one too. The Government is looking at all options and discussing with relevant stakeholders, but clearly against that backdrop.

1020

Hon. D J Bossino: Yes, I understand.

Mr Speaker, can I just ask one question which I think immediately arises, perhaps not from the reply but certainly from the manifesto? Is it the intention that the site of this museum is going to be the same one as announced then, the old fortress headquarters, and is that site available to the Government?

1025

Hon. Prof. J E Cortes: Mr Speaker, as I said, we are looking at all options. I think it is too early to give anything further than that.

1030

Chief Minister (Hon. F R Picardo): If it is helpful, Mr Speaker, I can give the House a little bit more information, because that is something that is dealt with by me.

Alternative Forces Headquarters, as it is known, has not yet been handed back to the Government. It is still in the control of the MoD. We are still finalising some aspects of the works necessary for that to come back to us, I think in months.

1035

Hon. D J Bossino: I am very grateful to both Ministers for their replies. Whilst I understand that the negotiations, if I can put it in those terms, are still ... it is being negotiated and settled, it is a question of the mechanics of transfer, it is a question of when not how.

1040

Hon. Chief Minister: I think he is now asking a question ... did not need to give way. We negotiated the transfer of Alternative Forces Headquarters. That was an agreement that was conditional on the completion of certain works which related to the Lands Agreement that hon. Members had entered into when they were in government. That programme of works has substantially now ended. I understand that we are now literally at the end of that process. That was not just the very high-profile work that was being done down at Four Corners, which was the new residential accommodation which hon. Members, when they were in government, agreed they would build for the Ministry of Defence, it also involved band block and parking in other areas at Lathbury etc. All of that needs to be completed, snagged and finalised, and then AFHQ comes back. That, I think, is now done, or substantially done, subject to the final snagging and that the handover happens.

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1050

Hon. D J Bossino: Again, I am grateful for the very complete answer. Do I detect that once that happens, the site of this museum is not necessarily going to be there? Is that correct? I understand the original commitment and thinking was that that is where it was going to be placed.

1055 **Hon. Chief Minister:** That was an option and it remains an option. Truth be told, the Hon. Deputy Chief Minister, with his archaeological hat on, has discovered that AFHQ is built on an area which is a magnificent casement, which none of us are aware of, and there may be, therefore, other options for that area; or this may be the best option as a result of that, because a casement is also, in itself, a piece of our military heritage. So there are other factors to consider which have come to light after 2019 when we were permitted access to inspect the property, which we will need to consider with those who advise us on heritage matters.

Q247/2022

**List of statutory schedules –
Progress re adding buildings, monuments and artefacts**

Clerk: Question 247/2022. The Hon. D J Bossino.

1065 **Hon. D J Bossino:** Please state what progress has been made in connection with the Government's policy to add buildings, monuments and artefacts to the list of statutory schedules.

Clerk: Answer, the Hon. the Minister for the Environment and Education.

1070 **Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes):** Mr Speaker, the Heritage and Antiques Act 2018 already has, as we know, more than 200 listed sites located on land and sea that encompass many heritage-sensitive areas in Gibraltar. We will be embarking on the scheduling of private properties in the very near future as well, and discussions with landlords are commencing. In fact, they have already commenced.

1075 The Heritage and Antiquities Advisory Council keeps sites with potential for listing under regular review. Discussions with the MoD on the potential listing of MoD sites also continues.

Hon. D J Bossino: Is he able to identify which private buildings have been identified for addition?

1080 **Hon. Prof. J E Cortes:** I would rather not, Mr Speaker, because we are talking to the landlords at the moment, but they are private properties – some of them are in use as dwellings – which have recently been restored very sensitively to heritage, and therefore we feel that these are the ones that could start this process.

1085 There are some private properties already listed, being the places of worship, and obviously St Andrew's Church is one that was discussed here at the last meeting, and as I said, the MoD has a lot of heritage sites under its custody and there are discussions in connection with those.

1090 **Hon. D J Bossino:** Also, if I can refer to the last session, when I asked about the future of the Social Security Department, I wonder whether – it is not a private dwelling, it belongs to the Government – consideration could be given – the answer was provided by the Hon. Father of the House – to adding that particular building, to give it the adequate statutory protection, into the schedule.

1095 **Hon. Prof. J E Cortes:** Mr Speaker, there was a reply given that heritage sensitivities would be borne in mind, but I cannot recall the ones that are currently being discussed by the Council for recommendation, so I cannot answer that in detail.

Mr Speaker: The Hon. Edwin Reyes.

1100 **Hon. E J Reyes:** Mr Speaker, thank you.

If I recall correctly, when the Bill was presented to this House the Minister at the time explained that eventually, subsequently, because he wanted to make sure he got it right, there were some sites just off the coast, on the actual sea bed, that would be mentioned and included and so on. Does the Minister have information? Have we concluded that exercise yet, or is it something that is still ongoing?

1110 **Hon. Prof. J E Cortes:** Mr Speaker, some sites were already included at that time. As I said, the Council, which meets with me regularly, every couple of months, has a whole list that it constantly reviews, but I have not got that information off the top of my head to exactly say which are under consideration.

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

1115 Like many Members in this House, as a lover of history and monuments and so on, would the Minister make a note of that so that in one of his regular meetings he can double-check that these items have been already fully integrated? Otherwise – it happens by human error – you leave something in a pending tray and we can realise too late.

Q248/2022
Lord Airey's Battery –
Government assistance re restoration

Clerk: Question 248/2022. The Hon. D J Bossino.

1120 **Hon. D J Bossino:** Did the Government provide any financial or other assistance in connection with the recently completed restoration of Lord Airey's Battery?

Clerk: Answer, the Hon. the Minister for the Environment and Education.

1125 **Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes):** Mr Speaker, the Ministry for Heritage paid for the scaffolding and the temporary toilet facilities, organised the transportation, contributed towards other peripheral costs and also provided heritage advice whenever required.

Q249/2022
Britannia Ltd –
Cleaning contract

Clerk: Question 249/2022. The Hon. the Leader of the Opposition.

1130 **Hon. K Azopardi:** When is the cleaning contract with Britannia due to expire and have terms been negotiated for an extension of the contract; and, if so, has a new contract or an extension to the current contract been signed, and what are the main terms of the new arrangements?

Clerk: Answer, the Hon. the Minister for the Environment and Education.

1135 **Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes):** Mr Speaker, the Britannia contract is due to expire on 31st August 2023. The Department of the Environment is currently reviewing the contract and considering options in order to come to a decision, which is likely to include preparing a tender package to be released within the next six to nine months.

1140 **Hon. K Azopardi:** Mr Speaker, is the Minister in a position to say whether the future contract, or the reviewed arrangements, would be to cover the same areas, or are they going to cover different areas? Are they discussing that? I suppose the contract has been in place for some time, so in the context of that, things would have come up as to whether there are new things that
1145 should be done or old things that were being done that perhaps were not necessary or should be done in a different way. Can he give us a feel for the kind of discussions that have been ongoing?

Hon. Prof. J E Cortes: Yes, Mr Speaker. As one works with a contractor one looks at things that perhaps could be done differently, perhaps different areas, changes in frequency, and all that will be factored in so that the tender package provides something which is an improvement on what we have now. We always strive to do better and better.
1150

Hon. K Azopardi: And could I just ask are the discussions aimed at a negotiation of an extension to the current contract with Britannia, or is it that it is going to go out to tender and obviously Britannia can apply and the Government is open as to the options for the future?
1155

While I am on my feet, perhaps if I may just ask him as well, because it is all rolled up in that: because the arrangements expire at the end of summer next year, which is usually a complicated time to make handover arrangements, I assume the Government has in mind putting arrangements in place that will provide for a more seamless transition, if necessary.
1160

Hon. Prof. J E Cortes: Mr Speaker, it is early days to commit to any of those. We will ensure a seamless transition, but it is early days.

Hon. K Azopardi: I am not sure he answered the question as to whether there is going to be a tender to everyone or a negotiation with this entity.
1165

Hon. Prof. J E Cortes: I did, Mr Speaker. I said it is early days.

Mr Speaker: Next question.

Q250/2022
Music festival –
Details of any plans for 2022

1170 **Clerk:** Question 250/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, is Government planning to hold a music festival or musical event in 2022; if so, when, where, of what type and how much is it expected to cost?

1175 **Clerk:** Answer, the Hon. the Minister for the Environment and Education.

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): Mr Speaker, there will not be a so-called Mega Concert this year. There may be smaller

1180 events organised privately, as there has been some limited interest expressed by private entities.
It is not expected that the Government will contribute to these.

Adjournment

Chief Minister (Hon. F R Picardo): Mr Speaker, I move that the House should now adjourn to tomorrow at 3.30 in the afternoon.

1185 **Mr Speaker:** I now propose a question, which is that this House do now adjourn to Thursday, 23rd June at 3.30 p.m.

I now put the question, which is that this House do now adjourn to Thursday, 23rd June at 3.30 p.m. Those in favour? (**Members:** Aye.) Those against? Passed.

This House will now adjourn to Thursday, 23rd June at 3.30 p.m.

The House adjourned at 5.25 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.40 p.m. – 5.00 p.m.

Gibraltar, Thursday, 23rd June 2022

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The Gibraltar Parliament

The Parliament met at 3.40 p.m.

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

[ACTING CLERK TO THE PARLIAMENT: S Galliano Esq *in attendance*]

Questions for Oral Answer

CHIEF MINISTER

Q265/2022

**Tax amnesty –
2016 six-month extension**

Clerk: Meeting of Parliament, Thursday, 23rd June 2022. We continue with Answers to Questions.

Question 265/2022. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, can the Government advise how many individuals availed themselves of the six-month extension to the tax amnesty announced in the 2016 Budget and how much tax was collected?

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Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, a total of 13 individuals availed themselves of the six-month extension to the tax amnesty announced in the 2016 Budget and, as a result, a total of £516,843 was collected.

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Mr Speaker: Next question.

Q266/2022

**Chief Minister's visit to Rome –
Cost to taxpayer and details of flights**

Clerk: Question 266/2022. The Hon. R M Clinton.

20

Hon. R M Clinton: Mr Speaker, can the Government advise the total cost to the taxpayer of the Chief Minister's papal visit, including Government employees, split between travel and accommodation, and could the Government also advise with which commercial airlines the flights were booked and class of travel?

Clerk: Answer, the Hon. the Chief Minister.

25

Chief Minister (Hon. F R Picardo): Mr Speaker, as I have already made public, the invitation from His Holiness was extended to me, as Chief Minister of Gibraltar, my wife, my children and my private secretary. I bore the costs of the flights of all members of my family and of my and my family's accommodation in Rome.

30

The exact breakdown of costs of flights has not yet been finally invoiced. When the invoices are received, the information will be provided on the Government website in the usual way. I flew to Rome with Air Europa from Malaga via Madrid and returned with Iberia, also via Madrid and Malaga.

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My private secretary flew via London with British Airways and returned with me with Iberia, via Madrid and Malaga. The cost of my private secretary's accommodation in Rome, which has been fully invoiced, was €641.36.

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Hon. R M Clinton: Mr Speaker, I am grateful for the Chief Minister's answer. Obviously, we would be grateful if the information were individually itemised as and when it is available to be uploaded to the Government website.

I do not believe I heard from the Chief Minister what class of travel he travelled in.

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Chief Minister: Well, on Air Europa, which is a one-class airline, and on Iberia, where I travelled club class in return to Malaga because the time we had available made it impossible to obtain economy seats either for me, funded by the taxpayer, or for the rest of my family, funded by me.

Q267/2022

Ministers' and officials' club-class travel – Details re cost and destination

Clerk: Question 267/2022. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, can the Government provide a list of Government Ministers, including the Chief Minister, and officials who have flown club class in the period 1st October 2021 to 31st March 2022, giving details of cost and destination?

Clerk: Answer, the Hon. the Chief Minister.

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Chief Minister (Hon. F R Picardo): Mr Speaker, the Chief Minister, Ministers and officials travel with one-class airlines – from Gibraltar, this means travelling with easyJet, which the Chief Minister often takes – or economy in Europe, where possible.

60

Club-class travel is only taken when necessary – that is to say when economy flights are not available. These days, given the problems with airline frequency etc. and the late bookings which are often necessary in respect of ministerial travel, it is often inevitable that travel has to be club class if it is going to happen.

I now hand over a schedule with the information which is not publicly available on the Government website.

Answer to Question 267/2020

Chief Minister

DATE
04/11/2021
09/11/2021
17/11/2021
23/11/2021
16/12/2021

Deputy Chief Minister

DATE
06/11/2021
17/11/2021
23/11/2021
16/12/2021
19/03/2022

Minister Isola

DATE
12/01/2022

Minister Daryanani

DATE
08/10/2021
31/01/2022
23/02/2022
23/03/2022
13/03/2022
30/03/2022

Minister Bossano

DATE
25/03/2022

Minister Sacramento

DATE
13/11/2021
30/03/2022

Minister Cortes

DATE
04/11/2021

Minister Linares

DATE
30/03/2022

Government Officials

TITLE	DESTINATION	COST
Attorney General	London	£ 329.08
Attorney General	Brussels	£ 624.70
Attorney General	Brussels	£ 624.70
Attorney General	London	£ 911.00
Attorney General	Brussels	£ 553.40
Attorney General	Gibraltar to London	£ 1,487.70
Attorney General	London to Gibraltar	£ 885.70
Principle Private Secretary to the Chief Minister	London	£ 1,326.70
Principle Private Secretary to the Chief Minister	Gibraltar to London	£ 1,487.70
Principle Private Secretary to the Chief Minister	London to Gibraltar	£ 1,409.53
Principle Private Secretary to the Chief Minister	London to Gibraltar	£ 885.70
Principle Private Secretary to the Deputy Chief Minister	London	£ 1,304.00
Private Secretary to the Deputy Chief Minister	London	£ 388.07
Chief Executive	Milan	£ 624.70
Chief Executive	London	£ 550.10
Chief Executive	Helsinki	£ 1,693.62
Chief Executive	Edinburgh	£ 521.77
Press & Communications Officer	Edinburgh (Outbound Only)	£ 521.76

Hon. R M Clinton: Mr Speaker, with your indulgence, while we get the schedule, if I may ask a quick supplementary just to confirm that it is the Government's stated policy that travel within Europe should, in the first instance, always be economy.

Hon. Chief Minister: Mr Speaker, I think I am being asked to repeat the policy, because that is the policy. Unfortunately, as I have told the hon. Gentleman, very often it is not possible to get economy flights because all the flights are full these days, especially in Europe, and indeed we very often have to book at the last minute. We may be told on a Monday that we have to fly on a Tuesday – indeed, knowing the nature of the work that we do, hon. Members know that we might be told on a Tuesday that we have to fly on a Tuesday – and very often, these days, it is just impossible to obtain flights which are available in economy cabins at that time, whether it is travel from Gibraltar or travel from Malaga, which we also check in order to ensure that we get the best deal for the taxpayer, which is exactly what we want to ensure we achieve.

Hon. Members will know that you can be told that there are no seats on the plane and then you turn up and there are seats on the plane, so it is impossible to make a judgement about these things, sometimes, by looking at the panorama around you when you are flying. I have had to see colleagues fly on different aircraft to me because we have been told that there is no space on the aircraft, only to have a free seat next to me.

Mr Speaker, I hope that gives the hon. Gentleman the information he wanted.

Hon. R M Clinton: Mr Speaker, I have now had time to digest the schedule. There are two pages to the schedule – the first page is Ministers and the second page is Government officials – but I do not see any costs associated with the Ministers, and since my question was very specific in respect of club-class travel, unless he is telling me that everything on the Government website in relation to Government officials is club class and they all flew club class in the period ...

And secondly, in respect of the second schedule, Government officials, am I to assume that these are all –?

Hon. Chief Minister: Ask me one question at a time, and then I will ...

Mr Speaker: That is fine. Ask the question.

Hon. R M Clinton: Well, I will sit down and I would be –

Hon. Chief Minister: Mr Speaker, I just think it is more helpful for me to be able to answer one question at a time.

The reason he does not have any costs here is because that is already public information. I said at the end of my first answer, 'I now hand over a schedule with the information which is not publicly available on the Government website.' The cost of all of these flights is already available. It is, therefore, publicly available information. It is not susceptible to a question in this House.

The dates when we travelled club class for the period he asked are the dates which are set out here.

The Government website does not provide the information in respect of officials, so in respect of officials we have given him all the information he asked for which was not publicly available, and that is the information set out in the schedule.

Hon. R M Clinton: Very good. Mr Speaker, I guess all I need to do, then, is go to the Government website, look for dates of travel and it will tell me that those were club-class travel, by definition.

Going to my second question, Mr Speaker, which is everybody on the second schedule, which is Government officials – this represents club-class travel, yes?

115 **Hon. Chief Minister:** Mr Speaker, I do not understand why the hon. Gentleman is asking me this set of supplementaries, because his question is specific. His question is about club-class travel, so the only information he is being given, because it is the only information he has asked for, is about club-class travel. I have told him that there are other instances where we fly which are not club class and I have told him that we try not to travel club class if there is an alternative available, but the question is very clear, and for that reason the answer can only relate to the question.

120 **Mr Speaker:** Next question.

Q268-70/2022

**Office rent and service charge costs –
Breakdown re 2018-19; offices occupied by Ministers;
private sector offices rented by Government and GDC**

Clerk: Question 268/2022. The Hon. R M Clinton.

125 **Hon. R M Clinton:** Mr Speaker – Sorry, is something amusing?

Chief Minister (Hon. F R Picardo): Yes.

Hon. R M Clinton: What is it? Please share it with us.

130 **Hon. Chief Minister:** [*Inaudible*].

Hon. R M Clinton: Good for him.

Hon. Chief Minister: [*Inaudible*].

135 **Hon. R M Clinton:** Mr Speaker, can the Government provide a detailed breakdown of the office rent and service charge costs of £9,253,765 incurred in the 2018-19 Estimates Book by the Treasury Department?

140 **Clerk:** Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer this question together with Questions 269 and 270.

145 **Clerk:** Question 269/2022. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government provide a list of all private sector rented offices occupied by Ministers as at 31st March 2022, listing each Minister, date of first occupation and the associated annual cost of rental?

150 **Clerk:** Question 270/2022. The Hon. R M Clinton.

155 **Hon. R M Clinton:** Mr Speaker, can the Government provide a list of all private sector property rentals by it and the Gibraltar Development Corporation as at 31st March 2022, giving date and length of lease, annual rental with associated department or agency using the premises, and purpose?

Clerk: Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, the details of the charges allocated to the 'Government Offices, Office Rent and Service Charges' subhead are precisely that. The financial year 2018-19 relates to the lifetime of the last Parliament, not this one.

The annual Budget debate that deals with figures which are set out in the Estimates Book is when they get the opportunity to get breakdowns and to ask detailed questions on the subject. The question the hon. Gentleman is now posing was one for the Committee Stage of the Third Reading of the Appropriation Bill for 2018-19.

The details of all rents etc. for this financial year, which he seeks in Questions 269 and 270, will of course be provided.

I now hand over a schedule with the information requested.

Answer to Question 269/2022

Ministry	Address	Date of First Occupation	Associated Annual Cost of Rental
Ministry for Transport	Europort 735 & 834	01-Aug-22	£65,642.75
Ministry for Housing, Employment, Youth and Sport	Regal House, Suite GE Ground Floor	12-Aug-20	£94,714.00
Ministry for Business, Tourism and The Port	Suite 971 Europort	26-Oct-20	£120,088.36
Ministry for Digital, Financial Services, Health Authority and Public Utilities	Suite 771 Europort	05-Oct-98	£96,559.52

Answer to Question 270/2022

Department/Agency	Private Sector Property	Length of Lease	Annual Rental	Purpose of Property Rental
Ministry of Housing, Employment, Youth and Sport	Regal House, Suite GE, Ground Floor	6 Years	£ 94,714.00	Minister's Office and Supporting Staff
	Suite E Regal House	6 years	£ 84,216.00	Ministry for Housing, Employment, Youth & Sport
Human Resources Department	Unit 82 New Harbours	3 year review	£ 8,187.84	Human Resources Office
	Europort 735	1 year	£ 1,800.00	Human Resources Office
	Europort 7b/16	1 year	£ 5,400.00	Human Resources Office
	Europort 9b	1 year	£ 2,475.00	Human Resources Office
Housing Department	Suites 9.3A, 9.7, 9.8 & 9.9			
	9th Floor			
Office of Criminal Prosecutions and Litigation (OCPL)	ICC	12 years	£ 87,052.93	Housing Department's offices
	6TH FLOOR NATWEST HOUSE			
Technical Services Department	57/63 LINE WALL ROAD	12 Years	£ 123,858.00	OFFICE USE
	Suites 735 and 834 Buildings 7 & 8, Europort, Gibraltar	1 Year	£ 45,487.75	Offices of the Ministry of Transport
Gambling Division	Europort Suite 812 - 813	9 years 7 months	£ 41,620.00	Gambling Division Office Premises
Ministry of Justice	Suite 951 Europort	10 years	£ 91,477.00	Rented office space for Minister and Ministerial Staff
Ministry of Equality	Suite 955 Europort	10 years	£ 32,398.00	Rented office space for Minister and Ministerial Staff
Income Tax Office	Gibfirst Management Limited for offices situated at Suite 1a, Leane Place, 50 Town Range	4 years	£ 36,200.00	To house our Income Tax - Social Insurance Contributions Section
Housing Works Agency	Suite 9/6-7, 12-13			
	Suite 10/6-9, 12-13			
Finance Centre Department	I.C.C	12 Years	£ 236,894.11	Housing Works Agency Offices
	UNITS 761 AND 761A, SIXTH FLOOR, BLDG 7, EUROPORT, GIBRALTAR	21 Years	£ 131,498.92	OFFICE RENTAL
Ministry of Health Digital & Financial Services	Europort Suite 771a	21 years	£ 52,745.00	Office Work Space
	Europort Suite 751	21 years	£ 91,477.44	Office Work Space
Gambling Division	Europort Suites 812 - 813	21 Years	£ 43,832.25	Gambling Division Office Premises
Tourism	43 03 Europort Suites	6 years	£ 27,000.00	Offices of the Gibraltar Tourist Board
	The main guard			
	At 13 John Mackintosh Square	Indefinite	£ 5,556.00	Information office of the Gibraltar Tourist Board
	Unit 4.3.03, Eurotowers, Block 4, Europort Road	6 years	£ 27,000.00	Tourism
Department of Town Planning and Building Control	Suite 631, Europort	21 years	£ 166,755.75	Government offices for Town Planning and Civil Aviation
	6 Convent Place	Indefinite	£ 4,755.36	Storage

Answer to Question 270/2022 cont.

Department/Agency	Private Sector Property	Length of Lease	Annual Rental	Purpose of Property Rental
Audit Department	Unit 3.13 World Trade Centre	21 years	£ 9,125.00	Audit Department
	Unit 3.26 World Trade Centre	21 years	£ 23,360.00	Audit Department
	Unit 3.28 World Trade Centre	21 years	£ 21,170.00	Audit Department
	Unit 3.30 World Trade Centre	21 years	£ 74,095.00	Audit Department
Statistics Department	Unit 3.22 World Trade Centre	21 years	£ 34,675.00	Statistics Department
	Unit 3.24 World Trade Centre	21 years	£ 28,105.00	Statistics Department
Audit & Statistics Department	Parking Space N39 & N40 World Trade Centre	N/A	£ 3,148.00	Audit & Statistics Department
Digital Services	323a & 323 01 Main Street	12 years	£ 109,584.80	Digital Services
Income Tax Social Insurance Concs Section	Suite 1A 50 Town Range (Lease Place)	8 years	£ 33,600.00	Income Tax Social Insurance Concs Section
Income Tax Social Insurance Concs Section & Environment	Town Range CPS 58A & 62 - 67	8 years	£ 9,100.00	Income Tax Social Insurance Concs Section & Environment
	Suite 1B, 2A & 2B 50 Town Range (Lease Place)	8 years	£ 181,080.00	Environment
Government Law Offices	Suite 6, 6th Floor 57/63 One Wall Road	12 years	£ 123,858.00	Government Law Offices
Ministry of Education and Culture	John Mackintosh Hall	14 years	£ 125,000.00	Ministry of Education and Culture
Treasury Department - Central Arrears & Accounting Standards	19C 01 Town Range (Blake House)	N/A	£ 70,121.08	Treasury Department - Central Arrears & Accounting Standards
			Included in Annual Rental for Blake House	
	Parking Space 10 15/21 Town Range	N/A		Treasury Department - Central Arrears & Accounting Standards
Treasury - Payroll, Budget & Insurance	CPS 14B-153 New Harbours	N/A	£ 240.00	Treasury - Payroll, Budget & Insurance
	CPS 17 Harbours Deck, New Harbours	N/A	£ 1,440.00	Treasury - Payroll, Budget & Insurance
Ministry for Housing, Employment, Youth & Sport	Parking Bay 5 & 18 Ground Floor Suite E Reg	N/A	£ 3,720.00	Ministry for Housing, Employment, Youth & Sport

170 **Hon. R M Clinton:** Thank you for your patience, Mr Speaker, while I peruse the schedule.

If I may ask the Chief Minister, in relation to the answer to Question 269 ... I do not see the Minister for the Environment listed here. I believe – I may be wrong and I am happy to be corrected – that he has offices in Leanne's House. Is that correct?

175 **Hon. Chief Minister:** Mr Speaker, it is in the answer to Question 270. He will be able to see it there.

Hon. R M Clinton: I am grateful for that clarification. So, that, obviously, should be added to the answer to Question 269.

180 If I can turn, Mr Speaker, to his answer to Question 268, yes, I am asking for a historical breakdown, but I do not see why that should have been limited to questions at the Committee Stage. I am asking just for the factual breakdown of a number, which was published, in fact, as an actual number, for 2018-19. I do not see why that information cannot be made available by the Government.

185 **Hon. Chief Minister:** Mr Speaker, the question is are we going to have, in every Question Time, a debate about financial years gone past? The hon. Gentleman has asked, in effect, the same question about this year as he asked in respect of 2018-19 – a question about all our rents on 31st March 2022. The other thing he is asking us to do is go back, get out of storage all of the data in respect of 2018-19 and provide all of that breakdown – and check it, because when we bring something to this House it has to be absolutely correct.

I just think that it makes very little sense for us to be having that sort of debate at this time. If the hon. Gentleman wants it, with a bit more time I can assure him that he can have it in writing so that he can have it and I can make sure that it is correct, but otherwise, every Question Time runs the risk of becoming a Budget debate of any year gone past, because we are going to go back many financial years.

200 This is 2018-19, before the last election. It is not even an earlier Budget session of the lifetime of this Parliament. It is to go back to the previous Parliament. I really do not think that that is going to help elucidate matters any further; and we have to make sure that the information we give in this is correct, so we would have to go back and get that information and provide it. If the hon. Gentleman wants it, I will write to him and let him have it.

205 **Hon. R M Clinton:** Mr Speaker, as you keep on reminding us, this is Question Time. I have asked a question; I am not here to engage in a debate. He may not know why I am asking the question, but I have good reason to ask the question and I would appreciate the answer. If not, in written

form – I would accept that if you do not have the information available, but there is good reason as to why I have asked the question, and it is not to engage in a debate. I think I am entitled to an answer and I will gratefully accept a written answer, but I would, hopefully, get that answer sooner rather than later. In terms of timeframe, is he talking about the end of this week or is he talking about the end of this year?

Hon. Chief Minister: Mr Speaker, if he really wants it, he can have it as soon as I can make sure that I have it available, but obviously, as he knows, we are preparing for a Budget debate for the financial year 2022-23, not for the Budget debate of 2018-19.

Hon. K Azopardi: On this issue, just to clarify, because the hon. Member has asked a question, we are not sparking or expecting that there should be a debate analogous to the Budget debate. The Budget debate is a debate on the principles of the Appropriation Bill. We are not going to debate the principles of anything. He has asked for a breakdown of a sum of money. It is a bit like asking for a breakdown of the Music Festival that happened three years ago – it is something that can be asked. Or is the Chief Minister saying that, as a matter of principle, he thinks the Government is not here to answer these questions? I think he started there, but I do not think he has ended there, because he has offered the information in written format as long as he can check it. If that is the situation, well then, fine, my hon. colleague has accepted that position. I just want to clarify that.

Hon. Chief Minister: Mr Speaker, I think I have been pretty clear. I have said I am prepared to give the information but it requires us to go back and it requires us to ensure that we check that information, and because this relates to a previous Parliament ... In fact, Mr Speaker, their position was that they would not answer questions about things that had happened in a previous Parliament, and we were told –

Hon. K Azopardi: I have never been in government.

Hon. Chief Minister: Yes, you have. Yes, you have been in Government. Mr Speaker, the Hon. Mr Azopardi has been in government. The Hon. Mr Azopardi has a track record in government. The Hon. Mr Azopardi has been Deputy Chief Minister of Gibraltar and he cannot pretend that people should forget his trajectory and track record when he was in government in Gibraltar. The party that they represent has been in government in Gibraltar, and we were told by that party, including Mr Feetham, who was Minister for Justice in the Government that told us, representing the Gibraltar Social Democrats, that they would not provide information on things that happened in the previous parliamentary session – that is to say before the last election.

We are ready to provide that information because we consider not just that it is information about our administration, although we have changed a Minister, we consider it information which belongs to the taxpayer, and therefore, if it is asked for we shall provide it, but we shall provide it in a way that is designed to ensure that we can vouch for its accuracy.

Going back to something requires us to obtain it, to have it checked, and this year's rents are the ones that we have given. That is easy: we can provide it, and we provide it in the time available. But if the hon. Gentleman wants to go back further and further before the election, before the pandemic, all of that, which requires us to dig through the sands of everything that has happened since, to be able to provide it ... We will provide it, if they want it, but it is going to take us a little bit more time, and we are going to do it despite the fact that it goes back before a general election.

The information that they ... the party they represent, the Government of which Mr Azopardi was a Member, the Government of which Mr Feetham was a Member did not provide it, but because ... Despite the accusations that we were the ones who were not transparent – we have been more transparent than they have ever been; they are, to transparency, what chocolates are to teapots – we will provide the information.

Mr Speaker: So, the information is going to be provided. There is no timescale attached to this because the Ministers are involved in preparations for the Budget session, so I think that needs to be taken into account.

Proceed to the next question, please.

Q271/2022

Balaena Ltd –

Capability of performing obligation re dockyard lease

Clerk: Question 271/2022. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise how it has been satisfied that Balaena Ltd, a company registered in England and Wales with number 12030661, can perform its duties as guarantor under the new dockyard lease, given that its unaudited accounts filed at Companies House UK for the year ended 31st June 2021 showed it had, at that date, negative net assets of £21,992?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, the Government has satisfied itself that Balaena Ltd has the financial capability to perform its obligations as guarantor under the new lease. The Government reached this conclusion prior to entry into the new lease by carrying out its own due diligence on the Balaena Group. This due diligence process extended to the group's ultimate beneficial owner, Mr Simon Gillett, and has involved obtaining information on this individual's wealth.

An independent due diligence process was separately carried out by the sellers and their advisers over a significant period of time, spanning several months, prior to agreeing to enter into the sale transaction with Balaena. A similar due diligence process was also carried out by the financiers lending to the Balaena Group, who have carried out their own credit assessments and advanced funds for the acquisition.

It needs to be understood that these assessments were made at a given moment in time. As we have seen, this is a volatile world and things can change very quickly.

Hon. R M Clinton: Mr Speaker, I am grateful for the Chief Minister's answer, but how has he become satisfied that this entity can actually perform under the guarantee? Is he aware of whether there is a guarantee to this company from the group and if there is any call, or whether this entity has since been capitalised in such a way that it could meet any call? How can the Government be sure that this particular entity will be able to perform its duties under the guarantee?

Hon. Chief Minister: Mr Speaker, many of these things are subjective. Hon. Members know that we were rightly critical of them at times when they entered into arrangements with companies that had issued share capital of £2 and yet they gave those companies considerable tender awards. How were they satisfied that those companies could perform the obligations required under the tender when the company was capitalised at £2? Because they made an assessment of the people standing behind the company and they determined that they would be able to comply with their obligations.

In the context of this transaction, where there were a number of things happening – there was a sale but also a new lease being issued because of differences of opinion between the seller and

the Government as to whether the lease could be sold or whether a new lease should be issued, and that was compromised on the basis of the new lease being issued and entered into with the many advantages to the people who live in the area and to the Gibraltar taxpayer and economy generally – we took the view that, given what we knew, as I have indicated to the House, who the ultimate beneficial owner was and how he would be able, if necessary, to capitalise that company and to perform on its guarantee obligations, it was possible to go forward in this way.

What would happen in the event of the guarantee not being fulfilled? In other words, what happens in the eventuality that Mr Clinton is talking about, if the lessee does not comply with his obligations and if the guarantor does not step in to provide the sufficient payments to comply also with the obligations? The leases fall to the Crown.

Mr Speaker: Next question.

Q272/2022

**Arson attack on *HMC Seeker* –
Measures to prevent further incidents**

Clerk: Question 272/2022. The Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, what preventative measures, if any, are being taken to prevent another incident such as the one that took place on the evening of Wednesday, 18th May when *HMC Seeker* was the subject of an arson attack, so that the risk of reoccurrence is minimised?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, an investigation was opened as soon as the incident occurred, which included the assistance of the RGP scene of crime officers and the reviewing of CCTV footage. Inquiries have included engaging with members of the public in search of any information. Requests have also been sent to Spanish law enforcement in order to obtain any intelligence that might be used to identify and arrest the culprits. In addition, there have been increased operations and presence over the last four weeks in order to put pressure on the different crime groups that might be associated with this act. This is intended to demonstrate that attacks on law enforcement will not be tolerated.

Measures to prevent such a spontaneous assault from happening again are being explored. However, careful consideration is being given to such safeguards so that they do not hinder the Marine section's operations or affect their response times. What needs to be clear is that the community is not going to tolerate any actions or behaviours which compromise the safety of our great law enforcement agents. We fully support them, as I am sure the whole House will agree.

Hon. D A Feetham: Mr Speaker, I associate myself – on behalf of my colleagues, no doubt, on this side of the House – with the final sentiments expressed by the Hon. the Chief Minister.

If he cannot answer this supplementary question, I accept that, and perhaps it can be discussed behind the Speaker's Chair, but what measures are being explored in order to prevent a reoccurrence of this incident?

Hon. Chief Minister: Mr Speaker, that would be like telling the fox where the hole is in the wire, so that he can get in to cut off the heads of the chickens. I have never been known to be a turkey waiting for Christmas, and I am certainly not going to be doing that on behalf of measures which we will be putting in place to protect our law enforcement agents, so I would much rather

have a conversation with the hon. Gentleman without the cameras rolling and the potential bad guys watching.

Mr Speaker: Next question.

Q273/2022
Food imports –
Percentage from non-EU countries

350 **Clerk:** Question 273/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, what percentage of food imports to Gibraltar come from non-EU countries?

355 **Clerk:** Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, this figure fluctuates every year. The UK's departure from the European Union has obviously moved the needle on this considerably, as foodstuffs from the UK, which were previously from the European Union, are now classed as non-EU.

360 As at 17th June 2022 the percentage of food imports to Gibraltar from non-EU countries, which obviously now includes the United Kingdom, is 38.49%. The majority of the foodstuffs come, nonetheless, via EU countries.

365 **Hon. K Azopardi:** Thank you, Mr Speaker.

Does the Chief Minister ...? If I ask him this question, I am not sure if ... He may have the answer, but maybe, if he does not have it, he can write to me. He says it is 38.49%. Does he have a breakdown of the countries it comes from? And when he says that the majority comes through the EU, I assume by the majority he means either it comes via land or hits a European port first and then comes by sea. I am not sure what he means by that, but does he have a breakdown of land and sea arrivals?

370 **Hon. Chief Minister:** Mr Speaker, I do not have that breakdown, but it has to visit a European port if it is going to come by land and it is not EU, unless we were getting food from Russia or something.

375 **Hon. K Azopardi:** Will he give way? Perhaps I have explained it wrongly. What I meant was that it either comes via land ... Or did he mean, in terms of via the EU, that it might arrive by sea in Gibraltar but first arrives at a European port for some kind of processing? I am not sure how the importation is actually done.

380 **Hon. Chief Minister:** I do not have the breakdown, Mr Speaker, but it is done in various different ways. Food can come from third countries to the United Kingdom and from the United Kingdom, through the EU, to Gibraltar, or through the United Kingdom direct to Gibraltar – less so – or not through the United Kingdom but through another European port, either then still by sea or by land, to Gibraltar.

There are no direct links from Gibraltar to third countries operating at the moment, so there is no direct arrival of food from non-EU sources to Gibraltar from third countries. I will give him the example that we would all immediately think of: our fruit and veg from Morocco, when it comes,

390 comes from Algeciras because the commercial route from Morocco is to Algeciras and it has been for some considerable time, during the pandemic etc. I hope that is helpful.

Hon. K Azopardi: To clarify, it is helpful because the concern had been expressed to me, in terms of the future arrangements being negotiated, whether that would have an impact on arrival of food imports from outside the EU, but I take it from what he says that ... In his original answer he said that the majority of the 38.49% arrives via the EU. In fact, he is saying it is not arriving directly into the Gibraltar ports at the moment at all. I think I have understood his answer correctly.

400 **Hon. Chief Minister:** That is right. It is not arriving directly from any third country, so there is not a line from New Zealand to Gibraltar that brings us New Zealand lamb.

Mr Speaker: Next question.

Q274/2022
Secretary posts –
Applications by administrative assistants

405 **Clerk:** Question 274/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, why is it not possible for administrative assistants to apply for job vacancies for secretary posts?

410 **Clerk:** Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, as I understand it, this is not an issue that has changed at all since his time in office. When school secretary and/or personal secretary vacancies are advertised within the Civil Service, applications are invited from civil servants in the secretarial and administrative grades for appointment. I can therefore confirm that administrative assistants are eligible to apply for personal secretary and school secretary posts within the Civil Service, provided they meet the essential requirements of the post.

420 **Hon. K Azopardi:** Mr Speaker, I know it is longstanding and I accept that. It had been suggested to me, and it might be this, that there is a difference perhaps, that GDC employees who are parked in different Departments are not able to do that, even though they are occupying those posts. Is the Chief Minister aware of that?

425 **Hon. Chief Minister:** Mr Speaker, GDC employees are not members of the Civil Service – some of them are ring-fenced civil servants – and the position of the Civil Service unions has consistently been that only civil servants can apply for Civil Service posts. The people who are ring-fenced civil servants can apply for some posts in the Civil Service but not others, but that is not what his question is about, so if I am required to give any further information other than what I can tell him from my own knowledge generally – if he wants me to look into the issue of the GDC in particular – that would require a different answer, probably, and it would require looking at different rules and the interplay between those rules and the positions of unions which have been accepted by successive Governments.

430 **Mr Speaker:** Next question.

Q275/2022

**Proposed EU-UK treaty on Gibraltar's future relationship with the EU –
Number of articles**

Clerk: Question 275/2022. The Hon. the Leader of the Opposition.

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Hon. K Azopardi: Mr Speaker, can the Government state whether the proposed treaty between the EU and the UK on a future relationship with the EU for Gibraltar will have approximately 300 articles?

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Clerk: Answer, the Hon. the Chief Minister.

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Chief Minister (Hon. F R Picardo): Mr Speaker, the number of articles in the proposed treaty between the European Union and the United Kingdom on the future relationship of Gibraltar with the European Union will be known only when the treaty has been drafted. To date, anyone who suggests they know how many articles such a potential treaty may have is merely speculating.

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Hon. K Azopardi: Mr Speaker, the reason for the question – and I caveat it by saying that when I read things in the Spanish press I take them with a pinch of salt and I hardly believe them, but sometimes you hear things first in the Spanish press and they trickle down and it has some modicum of truth. The Chief Minister may have seen a recent article, a couple of weeks ago, that asserted that the treaty would have around 300 articles and that 90% of them had been agreed and that there were some difficult ones. It is, of course, our duty to put that question. That had not been information that I had hitherto been given by the Members opposite and I wanted there to be some confirmation that there was not actually a draft of these 300 articles circulating around the negotiating teams and I wanted to enquire as to the state of the drafting exercise and whether the Chief Minister will confirm that that particular article that I have referred to is entire speculation.

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Hon. Chief Minister: Mr Speaker, the only thing I can say is Hamdulillah, Amen, Hallelujah – let's hope that there is a treaty, let's hope it has 400 articles, 200 articles ... They have drawn a pretty wide opportunity there to get it right. There are a hundred articles in it. As long as it is more than 299 and less than 401, the person who has said that to the Spanish press will be able to get it right. If you look at the number of chapters there might be, 300-odd articles is not a bad guess, but a lot depends on how the treaty is structured.

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As far as I know, there is not yet any agreed treaty provision, let alone a whole treaty. There is not any agreed treaty provision. Even the first words – 'This Treaty shall be referred to as the Treaty between the United Kingdom and the European Union and shall be entered into this first day of September 2022' – do not exist.

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There are different views on both negotiating teams on what the treaty would look like, there are different views on what treaty articles might look like if different options are agreed etc., but that has not happened yet. That agreement on those issues has not happened yet and therefore, given that this has been something which the hon. Gentleman, like I, has read in the Spanish press, it may be that the European Commission, in its preparation and work with the Spanish government on what they think the treaty looks like, has, in its top drawer, ready to '*descartarse*' by the time that we say we agree on a particular issue, a draft which has 300 clauses in it. That may or may not be true; I am speculating.

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I fear that the person who was being relied upon for that article was speculating and I do believe that we should have more respect for each other and for the information that we provide for each other. But if the hon. Gentleman ever reads anything like that and he wants to ask – and perhaps it is uncool to say, Mr Speaker, but we are in touch behind the Speaker's Chair and we

have quite a good relationship in that sense – he should just text me and ask me whether the latest ‘chorada’ that he has read in the Spanish press has any truth to it, or not.

I will say for nothing, and I know that I will be making more enemies than I perhaps should, that the only thing I believe in the Spanish newspapers is the date, as long as it is the day that I am reading the newspaper, which my watch confirms and is the day that my iPad confirms. Other than that, the people of Gibraltar would do right to take a huge pinch of salt and garlic pepper with anything that they read in the Spanish press and know that something may have been placed in the Spanish press to create animosity between the Gibraltarians.

It is the easiest and first tactic of any negotiation to try to divide your opponents, and I would have thought that the people of Gibraltar, after having dealt with all of those Spanish newspapers in the time of Franco etc. would have learnt ... Perhaps the new online social media generation have not learnt, but they should.

Hon. K Azopardi: Yes, Mr Speaker, of course we are in touch, but – (*Interjection by Hon. Chief Minister*) It is not uncool, I think, to be in touch. I think that there are things we can do in a convivial way, but on a joking note, if I were in touch with the hon. Member every time I read an article about Gibraltar it would be all the time.

He needs to understand also that sometimes when we put questions it is not just because of that. Of course I can clarify the issue with the hon. Member, but because it is in the Spanish press, not only I have read it, other people in Gibraltar have read it, and sometimes it is important for people to get a clarification from the Government in public at this stage and in this forum, so that they understand what exactly is going on.

Can I just ask him, slightly related to this but on the basis of his answer as he has given it ...? I think the last time he updated the House was around a month ago. Can he take the opportunity, perhaps, to say where we are in terms of the negotiations, if he is able to do so? I appreciate he might not be able to do so, and he may not have moved on much more from where he was, but it would be helpful for everyone listening to know.

Hon. Chief Minister: Mr Speaker, I do appreciate that. I have been in Opposition for long enough to know that the question as public interest is also an important device of Question Time, so I have no difficulty with him doing so in those circumstances, but he will understand that the vehemence with which I have expressed my answer is exactly, therefore, what he wanted the public in Gibraltar to have, which is that clarity.

Mr Speaker, I will update the House on Tuesday during the course of my Budget address.

Mr Speaker: Next question.

DIGITAL, FINANCIAL SERVICES, HEALTH AUTHORITY AND PUBLIC UTILITIES

Q226/2022

**Vasectomy service –
GHA provision**

Clerk: Question 226/2022. The Hon. Roy Clinton on behalf of the Hon. E J Phillips.

Hon. R M Clinton: Mr Speaker, can the Government state whether it provides a vasectomy service with the GHA; and, if not, why?

Clerk: Answer, the Hon. the Minister for Health, Digital and Financial Services.

Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola):

Mr Speaker, it would seem as if the Hon. Mr Phillips is scared of coming to Parliament and asking questions on health. It is the second time. The last time it was the Hon. Leader of the Opposition and now it is Mr Clinton. He may have thought to take it in turns. Wherever he is, I wish him well and I look forward to seeing him back in due course.

Mr Speaker, yes, the GHA does provide a vasectomy service in line with their GHA sterilisation policy.

Q227-229/2022

NGOs and charities –

**Operation in under-resourced areas of public provision;
monitoring by Government to ensure best practice**

Clerk: Question 227/2022. The Hon. R M Clinton on behalf of the Hon. E J Phillips.

525 **Hon. R M Clinton:** Mr Speaker, can the Government state whether it is aware that NGOs and charities are filling the gap created by under-resourced areas of public provision, namely dentistry and speech therapy?

Clerk: Answer, the Hon. Minister for Health, Digital and Financial Services.

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Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola):

Mr Speaker, I will answer this question together with Questions 228 and 229.

Clerk: Question 228/2022. The Hon. R M Clinton on behalf of the Hon. E J Phillips.

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Hon. R M Clinton: Mr Speaker, can the Government state how it monitors compliance with best practice so that it can provide reassurance to the public that the voluntary service being provided by NGOs and charities is in line with what is a globally expected standard?

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Clerk: Question 229/2022. The Hon. R M Clinton on behalf of the Hon. E J Phillips.

Hon. R M Clinton: Mr Speaker, can the Government state what other areas which have traditionally been under the auspices of the GHA or other care/social services are now being partially picked up and supported by NGOs and charities?

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Clerk: Answer, the Hon. Minister for Health, Digital and Financial Services.

Hon. A J Isola: Mr Speaker, the GHA and Care Agency currently do not commission NGOs or charities to provide any core healthcare service. Should an NGO or charity decide to commission a regulated service, the regulation of said service would be dealt with within the framework of the pertinent regulating body.

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NGOs and charities provide invaluable support to people with a range of needs in the majority of health and care systems globally.

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Hon. K Azopardi: Mr Speaker, Mr Phillips is not here – he is unavoidably away, by the way – but as I understood the reason for him tabling questions on this, it is that recently there were some social media posts by an NGO inviting people who might need assistance in respect of child dentistry services and it seemed strange, in some ways, that that would need to be the case,

because if there were people who perhaps had means issues or needed practical assistance, why wouldn't the GHA, as a matter of course, be dealing with those issues? I am not sure if the hon. Member has seen those posts and whether he can comment on them.

Hon. A J Isola: Mr Speaker, no, I have not seen those posts, but what I will say is that the Care Agency, and indeed the GHA, work very closely with a number of NGOs. How they operate, independent of the Care Agency or, indeed, the GHA is absolute. In other words, they provide us with invaluable support, which we accept, but in terms of providing core services, no, absolutely not. And so, if the hon. Member will let me have that commentary, we can evaluate to what extent it is or is not happening. I do not know, but I can certainly tell you that it is not our policy that we should be outsourcing, to NGOs or charities, core services.

Hon. D J Bossino: Mr Speaker, just by way of clarification, presumably he would consider dentistry and speech therapy core services within that answer.

Hon. A J Isola: Mr Speaker, I think to use the term as a yes or no would be wrong because there are many parts of that service that may well be core, and others that may not be. I am not going to get into a discussion as to what is core in dentistry and what is not, for two reasons: (1) because I do not know what the answer would be, but I can well imagine; and (2) because I have not been provided with that information by the specialists themselves and therefore I would not hasten to form a judgement on my own without their advice.

Mr Speaker: Next question.

Q230/2022

Private-practice pharmacists – Payment re work done for Government

Clerk: Question 230/2022. The Hon. R M Clinton on behalf of the Hon. E J Phillips.

Hon. R M Clinton: Mr Speaker, just before I go on to the next question, I have found the advert on social media and I will pass it to the Minister shortly.

Can the Government state how private-practice pharmacists are paid for the dispensing work they do for the Government?

Clerk: Answer, the Hon. the Minister for Health, Digital and Financial Services.

Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola): Mr Speaker, I have just seen an advert which, apparently, is in conjunction with the Dental Care Centre, which is a private sector provider, and that may well be the case, but again, if he will send it to me, we can always look at that later.

The community pharmacies are paid for the work they do under the GPMS scheme in the following ways: (1) the cost of the medicines is paid in accordance with the Gibraltar Drug Tariff price applicable for that product in the month that the medicine was supplied, i.e. the basic price; (2) they are paid an additional 15% on the cost of the basic price; (3) they are paid a dispensing fee per item of £1.80; and (4) any prescription charges collected from the dispensing of non-exempt prescriptions, i.e. patient fees, is offset against the remuneration which is due from (1) to (3) above.

Hon. K Azopardi: Have these arrangements been revised since they were entered into – at least, the historic arrangements that date back all the way back to the time before 2011?

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Hon. A J Isola: Mr Speaker, I certainly have not been involved in any discussions yet – we do intend to – but my understanding is that these are historical arrangements.

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Hon. K Azopardi: But the Minister is saying, from his answer just now, that they intend to engage in discussions with pharmacies on this? And, if so, has he set out the ...? I am not expecting him to tell me what he wants to necessarily negotiate, because that is a matter for discussions, clearly, but what would be the motivations for doing so?

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Hon. A J Isola: Mr Speaker, the hon. Member will be aware of certain changes we have already made to prescriptions. We are revisiting and reviewing the whole of that process, which will engage some discussions with pharmacies. As I have also referred to in previous answers, one of the intentions is to work closer with pharmacies to provide some sort of walk-in services from different places around Gibraltar. This will all be in the strategic review that is being conducted by the Director General and there will be more on that to come.

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Hon. K Azopardi: Would it be intended, once arrangements have been concluded, for there to be an announcement? Obviously these are private arrangements between the Government and the pharmacies, but does the Government intend to then say publicly that it has concluded new arrangements with the pharmacies? If not, then what we will do from time to time is ask him about the progress on the review.

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Hon. A J Isola: Mr Speaker, the review will form part of the strategic review being carried out by the Director General, so I think at that time he will be aware that the review is published and then how that is implemented will have a whole series of milestones which will tell us how we are doing in terms of meeting that review. So I think it will be public knowledge as and when we are in a position to make that move.

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Hon. K Azopardi: I may not have explained my question. I was asking specifically not about the publication of the strategic review but rather about the conclusion of the arrangement with the particular pharmacies in relation to the commercial arrangements. That is really what I was talking about, which is, I suppose, a small part of the implementation of the review.

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Hon. A J Isola: A very small part, Mr Speaker, and I am very happy to give him my assurances that as and when it is done I will let him know so that he can ask a question, if he wishes to, in Parliament.

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Q231-32/2022

EMIS –

How the system works; set-up and maintenance costs

Clerk: Question 231/2022. The Hon. R M Clinton on behalf of the Hon. E J Phillips.

Hon. R M Clinton: Mr Speaker, can the Government state how the EMIS for pharmaceuticals works in detail?

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Clerk: Answer, the Hon. the Minister for Health, Digital and Financial Services.

Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola):
Mr Speaker, I will answer this question together with Question 232.

Clerk: Question 232/2022. The Hon. R M Clinton on behalf of the Hon. E J Phillips.

Hon. R M Clinton: Mr Speaker, can the Government state how much it cost the taxpayer to set up the EMIS programme in the first place, and how much is the annual maintenance cost?

Clerk: Answer, the Hon. the Minister for Health, Digital and Financial Services.

Hon. A J Isola: Mr Speaker, GHA clinicians use EMIS to generate a GPMS prescription for GHA service users accessing their services. The prescriptions generated are identified with a unique serial code and GHA user medical card number. These prescriptions are then presented for dispensing at the service user's community pharmacy of choice. The community pharmacy, using the EMIS dispensing module, enters the unique serial code and GHA number to dispense the items prescribed. At the same time that the said medication is issued on the EMIS dispensing module, the pharmacy will make a reimbursement claim to the GHA for the items dispensed.

The initial cost to set up the EMIS programme was £233,367.50, with an annual maintenance cost of £184,492.

Hon. K Azopardi: Just one supplementary, if I may: is the Government satisfied that the EMIS system is working well, or is it part of the review that they are conducting of the general arrangements? Arrangements will be contractual in nature, but are there reviews of some of the logistics of the dispensing of the prescriptions that are being looked at, and is this one of them?

Hon. A J Isola: Mr Speaker, I do not want to, in any way, inhibit or restrict the remit of the review. The review is of everything. We are reviewing all aspects of the services that the GHA and the Care Agency provide, including this aspect.

In terms of how the EMIS is operating, it does the job I have described. I believe we can do it better, and so we will be looking for ways in which we can do it better. The introduction of the selective services through online appointments is by plugging into the EMIS calendar, because obviously the person who sees the patient must have access to exactly what has been prescribed within the system. So, it does its job but I think we can make it work better and that is certainly one of the things we are looking to do.

Q233-34/2022

Philips –

Origins of long-term partnership with GoG; tender process re £17 million contract

Clerk: Question 233/2022. The Hon. R M Clinton on behalf of the Hon. E J Phillips.

Hon. R M Clinton: Mr Speaker, can the Government state how the long-term partnership with Dutch multi-national corporation Philips came about?

Clerk: Answer, the Hon. the Minister for Health, Digital and Financial Services.

Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola):
Mr Speaker, I will answer this question together with Question 234.

Clerk: Question 234/2022. The Hon. R M Clinton on behalf of the Hon. E J Phillips.

Hon. R M Clinton: Mr Speaker, can the Government state whether the £17 million contract with Philips was subject to a Government tender process; and, if not, why not?

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Clerk: Answer, the Hon. the Minister for Health, Digital and Financial Services.

Hon. A J Isola: Mr Speaker, I can confirm that the contract with Philips was successfully awarded following a Government tender process.

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Hon. K Azopardi: Mr Speaker, Question 233 was about how the partnership came about. Was there a discussion leading to the tender? Were there previous discussions with Philips in relation to the things that were then eventually the subject matter of the tender, and they were the successful tenderer? Can he give us a bit of background as to the scope and the rationale and how these discussions originated? Was there an approach by Philips to GHA, or was it the other way round? If so, it would be helpful to receive some detail of that.

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Hon. A J Isola: Mr Speaker, the tender was issued in November 2021 by my predecessor. Two firms engaged in that tender process and discussions ensued with the two of them in respect of the breadth of service that could be offered, the price and over what period of time those services would be available. So it was a relationship that was developed as a result of the tender. I am not sure what else the hon. Member wishes me to ... The detail was put out in the tender as to what we were looking for and the kind of partnership we were seeking, and Philips was successful in the process.

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Hon. K Azopardi: This originated from the GHA and not the other way round? It is not that the GHA were approached on a commercial basis to offer them services and they decided to take up the idea that this might be interesting, they then tendered and they were successful? It was the other way round, so the GHA originated the concept that it would be helpful to have a contract for these services, and then put out a tender and Philips was the successful tenderer. Is that right? It is a large contract of some value, so it would be helpful to have some more detail on it.

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Hon. A J Isola: Mr Speaker, the hon. Member will recall there have been previous questions in Parliament as to imaging services and other services that the GHA required. The GHA had been discussing this for some considerable time before this tender was put out, with a number of different parties. The GHA then took the decision that the best way to get where we wanted to get to with a professional provider was just to put it out to tender, detailing the services and inviting firms to come forward, which is exactly what happened. I think the object of the exercise was to get specialisation in, and I am delighted that we have managed to contract with an international firm with the reputation and expertise that Philips has for the benefit of all users of the GHA.

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Q235/2022

Register of property occupation – Policy decision re tenants of government housing

Clerk: Question 235/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, can the Government confirm that it has not changed the previously announced policy decision that tenants of government housing do not, themselves, need to take steps to register under the new Register of Property Occupation?

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Clerk: Answer, the Hon. the Minister for Health, Digital and Financial Services.

740 **Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola):**
Mr Speaker, Government confirms that it has not changed the previously announced policy decision.

Hon. K Azopardi: Mr Speaker, that is helpful but there appears to be quite a lot of confusion
745 on the issue because we keep being approached by people talking about the process and so on,
and some of them will say they have been queuing up and that kind of ... The message that the
Minister gave when we debated the principles of the Bill – and I asked him for an assurance and
he gave it at that time – appears not to be out there, or at least not out there with sufficient clarity,
750 so perhaps the Government would be minded to consider issuing a notice or providing some
further information on this, so that the public are aware that they do not need to worry
themselves about this.

Hon. A J Isola: Mr Speaker, I understand that, and I think there are other live issues, too ...
which is that we will transpose the data that we have from the housing records into the Property
755 Registry, but at the same time as we are doing it we are wanting to check its accuracy and
therefore the team are engaging with people to check and verify who exactly is occupying
different units within the public housing stock. Some of them are relatively straightforward and
we exempted the senior citizens in the homes from those because it is quite straightforward, and
so it is a single-dwelling flat with one or two occupiers, there are no children involved; in public
760 housing, of course, there are.

The policy has not changed. I am happy to look at putting some notices out, which may give
clarity to people that they do not need to worry about it, but the team is engaging in a checking
and double-checking of the information we are putting into the Property Register to make sure
that it is what we want from it, the source of truth. We want to ensure that the data within that
765 system is accurate, so we are taking some time to go through it, but nobody in public housing has
to comply with the legislation at this stage in terms of providing that information; it is being done
for them by us.

Hon. K Azopardi: So, to be clear, Mr Speaker – and I am grateful for that answer – when he
770 says that the Department is checking – which, of course, is understandable and it is okay to check
this information; they *should* check it – that is a proactive decision of the Department? They are
presumably reaching out to check this information but they are not requiring tenants of public
housing to go down to be in the queue and so on? Tenants of government housing are not in
danger of penalties for non-compliance, because this is something that, as a matter of policy, the
775 Principal Housing Officer will register, but then the government officials may be checking the
information once the registration has taken place. That is how I understand the answer.

Hon. A J Isola: Yes, Mr Speaker, that is absolutely right, we are simply verifying information
that we already hold, to ensure it is accurate. And there is no penalty or sanction. They are not
780 obliged to do it; we are doing it for them. Some already have. There are a fair number of people
in public housing who have registered online, and obviously that is very helpful to us in the process
of getting there quicker.

Mr Speaker: Next question.

Q236-39/2022

COVID-19 –

**Boosters administered to residents and non-residents;
repeat positives and vaccination status**

785 **Clerk:** Question 236/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, of the 39,854 COVID boosters administered to 9th June 2022, how many of those were first COVID boosters – that is a third dose of the COVID vaccine – broken down by residents and non-residents?

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Clerk: Answer, the Hon. the Minister for Health, Digital and Financial Services.

Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola): Mr Speaker, I will answer this question together with Questions 237, 238 and 239.

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Clerk: Question 237/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, of the 39,854 COVID boosters administered to 9th June 2022, how many of those were second COVID boosters – that is a fourth dose of the COVID vaccine – broken down by residents and non-residents?

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Clerk: Question 238/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, of the 18,806 confirmed COVID cases detected in Gibraltar to 9th June 2022, how many people have contracted COVID once and how many have contracted COVID-19 more than once – repeat positives – with a breakdown of how many people have contracted it once, twice or three or more times?

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Clerk: Question 239/2022. The Hon. the Leader of the Opposition.

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Hon. K Azopardi: Mr Speaker, to the extent that of the 18,806 confirmed COVID cases detected in Gibraltar to 9th June 2022 there have been repeat positives – in other words, cases of people contracting COVID more than once – can Government provide a breakdown of these by vaccination status, namely how many of the repeat positives have been vaccinated or are/were unvaccinated against COVID-19 at the time of contracting COVID for a second time?

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Clerk: Answer, the Hon. the Minister for Health, Digital and Financial Services.

Hon. A J Isola: Mr Speaker, out of 39,854 booster doses administered up to 9th June 2022, 30,740 were third doses with 23,378 administered to residents and 7,362 administered to non-residents.

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Similarly, 9,114 booster doses were fourth doses with 8,227 administered to residents and 887 administered to non-residents.

Of the 18,806 confirmed cases, a total of 16,728 persons have contracted COVID-19 once, 1,036 persons have contracted COVID-19 twice and two persons have contracted COVID-19 thrice. No one has contracted COVID-19 four times or more.

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Out of 1,038 persons who were confirmed COVID-19 positive two or three times, 771 were vaccinated and 267 were unvaccinated at the time of testing positive.

830 **Hon. K Azopardi:** Mr Speaker, I just give the hon. Member an opportunity to confirm also that the booster remains available for anyone who wants to take it up. Is that correct?

Hon. A J Isola: Yes, indeed, Mr Speaker. As I said at the last sitting of Parliament, for as long as stocks are supplied and are available we will continue to administer them.

Q240-41/2022

Mental health in under-18s –

Number of referrals; anti-depressant and anti-psychotic prescriptions

835 **Clerk:** Question 240/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, how many persons under the age of 18 have been seen by or been referred to Mental Health Services or practitioners at St Bernard's Hospital or Ocean Views or the Community Mental Health Services team in the calendar years 2016, 2017, 2018, 2019, 840 2020, 2021 and 2022 up to 31st May 2022, broken down by each calendar year and GHA facility mentioned?

Clerk: Answer, the Hon. the Minister for Health, Digital and Financial Services.

845 **Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola):** Mr Speaker, I will answer this question together with Question 241.

Clerk: Question 241/2022. The Hon. the Leader of the Opposition.

850 **Hon. K Azopardi:** Mr Speaker, how many persons under the age of 18 were prescribed medication for anti-depressants or anti-psychotic drugs by GHA personnel in each of the calendar years 2017, 2018, 2019, 2020, 2021 and 2022 up to 31st May 2022, broken down by each calendar year mentioned?

855 **Clerk:** Answer, the Hon. the Minister for Health, Digital and Financial Services.

Hon. A J Isola: Mr Speaker, I am now handing over a schedule with the information the hon. Gentlemen has requested. However, in connection to Question 56, I am informed that the service for children was established in 2019 and therefore there are no official statistics prior to that date. 860 The only way to retrieve this information would be from patient paper records, something which would be very difficult and challenging without knowing first-hand the individuals in question.

Moving forward, the Gibraltar National Mental Health Strategy will seek to improve mental health and care for the population of Gibraltar. This will include the strengthening of all the different institutions to implement positive change and progress on the four overarching priorities, which are in alignment with the World Health Organization Global Mental Health Action Plan 2013-30, as mentioned in Press Release 574/2021. 865

Answer to Question 240/2022

Period	Number of Patients Referred
January 2019 to December 2019	110
January 2020 to December 2020	48
January 2021 to December 2021	113
January 2022 to May 2022	112

Answer to Question 241/2022

Years	Antidepressants	Antipsychotics
2017	2	2
2018	2	0
2019	8	3
2020	13	8
2021	17	9
2022	13	2

Hon. K Azopardi: While I look at the schedule, may I just ask briefly ...? He said that in relation to one of the questions – he gave a number that is neither of those numbers, so I am not sure which one he meant – there was not information before 2019. He said Question 46, but I am not really sure which one he meant because these are Questions 240 and 241. Is he saying that he does not have information about the drugs, or is it the referrals? I see now, from the schedule, that he meant the referrals.

Mr Speaker, if the hon. Member looks closely at my question he will see that I wanted to have a breakdown of the referrals but also broken down by each calendar year and GHA facility mentioned. He will see that the schedule he has handed me does not provide that information, so may I ask him, if he does not have that with him, to write to me, because this would not be a full answer to the question that I asked?

Hon. A J Isola: Yes, Mr Speaker, I will be happy to do that. It is not in my supplementary information either, so I will be happy to provide that information to the hon. Member.

Hon. K Azopardi: I am grateful, Mr Speaker.

Just looking at the schedule, we would have to do the totals but you can see that, in terms of referrals, in the year 2019 there are 110, in 2020 a smaller number, 48, then, in 2021, 113, and in 2022 so far, 112. Obviously, January to December 2020 was the COVID year, so I expect that must have had an impact, but looking at the other years and taking out the COVID year you are seeing annual referrals in 2019 and 2021 of over 100 under-18s to mental health facilities of a different type. We do not know whether it is St Bernard's, Ocean Views or the Community Mental Health team because the hon. Member will have to write to me with that answer, and it would be helpful to receive it, but you have seen also in the first five months of this year a number which is as high as the annual numbers for 2021 and 2019. Does he agree that it is of some concern to see these numbers? Will he endeavour to speak to his advisers, those in the Mental Health Services, as to whether this is the norm and as to the causes that perhaps ... and what action could be taken in relation to these matters?

Hon. A J Isola: Mr Speaker, two points. The first point is that yes, I acknowledge the numbers in the first half of this year are higher than they normally are, but the second point is that I believe much of that may be down to the implementation of the Mental Health Strategy carried out by my predecessor, which has led to an awful lot more awareness of the kind of issues that may arise

900 and consequently referring people more than they were previously. The Mental Health Strategy 2021-26 is designed precisely to do that. If that had not happened – and obviously it is still an area that we need to keep looking at – then I would have been concerned if that number had grown out of its own volition, so to say. The fact that there is much more awareness and the fact that the clinical operation and leadership in the Mental Health Service has been refreshed and
905 strengthened are also contributing factors to the increase in numbers. I suspect in previous years had we been doing this, we would have had more referrals also.

So, yes it is an area for concern, yes it is an area that has already been looked at by the Mental Health team, and I have no doubt that their strategy will continue to bring forward cases that require some support and attention.

Adjournment

910 **Clerk:** The Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I move that the House should now adjourn to Tuesday at 10.30 in the morning, when the House will consider the Appropriation Bill.

915 **Mr Speaker:** I now propose a question, which is that this House do now adjourn to Tuesday, 28th June at 10.30 a.m.

I now put the question, which is that this House do now adjourn to Tuesday, 28th June at 10.30 a.m. Those in favour?

920 **Members:** Aye.

Hon. E J Reyes: Mr Speaker, are we going to lay on the table the Answers to Written Questions?

Hon. Chief Minister: We have not finished Questions.

925 **Mr Speaker:** We have not finished Questions yet.

Hon. K Azopardi: Sorry, for clarity – I may have misunderstood; there were some discussions with the Clerk about accepting certain questions in written form – we are not finishing Questions, so there will be a suspension of Standing Orders for the purposes of the Budget. Is that what he meant?
930

Hon. Chief Minister: Mr Speaker, I have consulted the provision on Questions about any question which remains unanswered when the Assembly adjourns on the last day of a meeting. That is not when we adjourn today, because the meeting continues until we have been through the whole of the Order Paper. My mind was drawn to my memory of this, and that is why I have not asked hon. Members to accept those questions, because we can come back to those questions after we have finished dealing with Bills. That is when we will have to see which Ministers are here or not here. Two of them are likely to be back and therefore able to deal with it, subject to other commitments. One may or may not be back. As he knows, we have a Minister who is having a difficulty with a relative and he may or may not be here, but he is going to do his best to be here next week.
935
940

Mr Speaker: I am just going to go back to the procedure for the adjournment.

945 I now put the question, which is that this House do now adjourn to Tuesday, 28th June at 10.30 a.m. Those in favour? (**Members:** Aye.) Those against? Passed.

This House will now adjourn to Tuesday, 28th June at 10.30 a.m.

The House adjourned at 5.00 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.30 a.m. – 1.03 p.m.

Gibraltar, Tuesday, 28th June 2022

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The Gibraltar Parliament

The Parliament met at 10.30 a.m.

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

[ACTING CLERK TO THE PARLIAMENT: S Galliano Esq *in attendance*]

Standing Order 7(1) suspended to proceed with papers laid

Clerk: 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: (vi) Papers to be laid – the Hon. the Minister for Housing, Employment, Youth and Sport.

10 **Minister for Housing, Employment, Youth and Sport (Hon. S E Linares):** Mr Speaker, I have the honour to lay on the table the Employment Survey Report 2021.

Mr Speaker: Ordered to lie.

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

Minister for Business, Tourism and the Port (Hon. V Daryanani): Mr Speaker, I have the honour to lay on the table the Tourist Survey Report 2021, the Hotel Occupancy Survey Report 2021 and the Air Traffic Survey Report 2021.

20 **Mr Speaker:** Ordered to lie.

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

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

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

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

Order of the Day

BILLS

FIRST AND SECOND READING

Appropriation Bill 2022 – First Reading approved

Clerk: A Bill for an Act to appropriate sums of money to the service of the year ending on 31st March 2023. The Hon. the Chief Minister.

30

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2023 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 appropriate sums of money to the service of the year ending on the 31st day of March 2022 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Appropriation Act 2022.

Appropriation Bill 2022 – Second Reading – Debate commenced

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

This is my 19th Budget address as a Member of this Parliament. It is my 11th Budget address as Chief Minister.

45

In moving this Second Reading, I have the honour to present the Estimates of the Government's revenue and expenditure for the year ending 31st March 2023 – that is to say next year. I will also present the outturn for the Government's revenue and expenditure for the year ended 31st March 2022, which was the 10th full financial year of a Socialist Liberal Government since we took office.

50

Given that it will lace much of what I will say, I should remind the House that this debate comes almost exactly six years after the decision of the British people in a referendum to leave the European Union. That makes obvious the reality that most of our time in government has been spent dealing with Brexit. Additionally, the challenges of the pandemic and the war in Ukraine now scar the economic performance of all nations, ours included. I will, of course, explain in greater detail, in different parts of this address, how each of these challenges affects us.

55

I consider that it is, therefore, incumbent on the Government, in the face of these mammoth challenges, to continue to act, in this Budget as we have in the past, in a manner that is both responsible and prudent. Additionally, in taking the steps we will need to take today, we must act with a view to protecting the overall economic integrity of the nation's finances in the short, medium and long term. We have an obligation to act to ensure that the spending required by the COVID pandemic is repaid as efficiently as possible and in a manner that provides as little drag for future generations of Gibraltarians as possible.

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I have approached this exercise, with the Minister for Financial Stability, the Financial Secretary and the Treasury, in a spirit of prudence and responsibility, as we must each Budget. We have designed these estimates to protect the most vulnerable in our community. We have set out to ensure that our key public services can continue to be seamlessly provided. We have ensured that each measure we have designed achieves the purpose of raising revenue, where possible, and avoiding any austerity or hardship in any instance.

As a result, many of the revenue-raising measures I will announce today, with a heavy heart, are going to be in place only for two years – that is to say 24 months. These will be measures that are designed to pay back what the whole House, with the express agreement of the Leader of the Opposition and the Opposition spokesperson for public finances, agreed to take from the public's coffers in order to pay for the worst ravages of COVID.

What we all agreed should be paid out we all must now contribute to paying back. What we all took the benefit of in the extraordinary funding of our health and care services for this period we must all now contribute to paying back. What all sectors in our economy directly or indirectly took the benefit of, we must all now contribute to putting back in. There are no free rides and Gibraltar has never had a free ride. The generations of Gibraltarians who built our nation had no free ride and our generation must recognise that the lives we lead are, in most instances, privileged and we must, therefore, all contribute to the recovery of our public finances.

But let us be crystal clear: this Budget will contain no austerity, because it contains no cuts of jobs or services, but it will tap our people's personal prosperity in a way that will leave untouched the income of the worst off in our community, who will actually see their income grow as a result of the measures I am going to announce today. The most vulnerable and those on the lowest incomes, disability benefits and state pensions, as well as those on public sector occupational pensions, will see their incomes continue to grow. We will, in that way, protect the most vulnerable. But if we are all genuinely committed to social justice, then we must see the most well-off pay a little more, if only for a few years, in a way that is designed to pay off the debts we have incurred to pay our way in the pandemic.

I emphasise that the spending we are talking about repaying is the spending we have all in this House agreed we should incur. This is not to pay for schools, new rental homes for the elderly or affordable homes for young families, the refurbishment of housing estates, new primary care centres, sports facilities or other projects. Each of those projects is a worthy, important project for our community. None of these represent any lavish spending or any project which any Member of this House has spoken out against or suggested we should not proceed with. Nor is this to pay for the pay of public sector workers, which we have increased considerably. The spending we will have to all contribute to repaying is the spending we all agreed to in this House and which relates directly to the disbursement of money by the Government to address the real hardship that the pandemic would otherwise have visited upon this community, because by spending what we spent we prevented what could have been mass unemployment and the mass closure of businesses. Indeed, we prevented many of the problems now affecting other economies where the restart of some parts of their activity is impaired, not least the aviation industry.

So, Mr Speaker, in the context of the continually difficult historic moment in which we find ourselves, I must tell all hon. Members that this will no doubt be seen as a tough but necessary Budget – tough because, whilst the Government will assist and protect the most vulnerable, we will ask for more from those who can, but necessary because there comes a time in the affairs of many when it cannot be all take, take, take.

We have been clear, always, that we believe that we must never be spending more than we collect. Annual expenditure must not exceed annual revenue, and because of the truly exceptional circumstances of the past two years – not for any other reason – annual expenditure presently does exceed annual revenue. That is what we have to correct or we will continue, for longer than would be forgivable – and it is presently forgivable – to breach our own golden rule, as set out by Sir Joe Bossano in his first address as Chief Minister in a Budget debate after 1988.

Mr Speaker, it is worth that I should pause there to reflect for a moment, because last Thursday, 23rd June, was not just the unfortunate sixth anniversary of a very unhappy plebiscite – that is to say the anniversary of voting in the Brexit referendum; 23rd June was also the 50th anniversary of the 1972 General Election. That was the first General Election that saw Joseph John Bossano elected to the House of Assembly, this Parliament's predecessor, with 4,383 votes. The Hon. the Father of the House, Sir Joe Bossano has, therefore, now been a Member of Parliament for more than 50 years, and on this side of the House we express our congratulations to him on this magnificent milestone and the huge benefits that his work as a parliamentarian has delivered to Gibraltar and Gibraltarians in the course of the half century that he has served our people.

Additionally, we would congratulate him for having persuaded so many of the nay-sayers on the opposite benches who now say they support his economic policies and his policies on international relations. No one, now, is against the accumulation of rainy-day funds, like the GSD used to be. Incidentally, those are now, once again, healthy, even at this time. No one, now, backs the Brussels process, like the GSD did when it was formed. No one, now, speaks out against the Future Job Strategy, like the GSD used to do – although I see Mr Phillips is not here to hear my response to his goading on that. Sir Joe Bossano has seen off all those arguments. The GSD are now converts to what they used to call Walter Mitty economics and unrealistic cherry-picking.

So, I am here to praise Bossano, not to bury him, but the fact is that many on the other side have made it their lives' work to come to this place to bury Bossano, not to praise him, although in that sense they would be truer to the original Shakespeare. They have happily abandoned their original principles – no surprises there – and have adopted a salutary 'if you cannot beat him, join him' approach to Sir Joe, which we on this side of the House warmly welcome on the occasion of this auspicious anniversary. Those opposite, of course, have now found another target for their disaffections – and you are listening to him, Mr Speaker. I have absolutely no difficulty with that, and they should have the comfort that I have no intention of being here for 50 years!

But let us return to Sir Joe and his golden rule, one which Members opposite embrace and eschew, depending on whatever mood takes their fancy, but which we regard as sacrosanct. To observe the golden rule and to reap its benefits for our nation, it is immediately necessary that all of us who can take a step forward and contribute a little more, even if it is for a short period of time, must do so to get the whole community over the COVID hump.

Of course, we are also still dealing with the negotiations with the EU on a treaty on our future relationship. The reality is that the absence of that treaty has meant that there has been an unwelcome element of uncertainty in our economy. The other side of the coin of that reality is that we cannot accelerate the negotiation, if it would mean saying yes to matters which would be unacceptable, simply to hurry the process along. The GSLP Liberal parties which I represent have a very clear view of what is and is not acceptable to us in this context and what is and is not acceptable to the people of Gibraltar. So any voice which is raised to suggest that we are somehow to blame for the delay and not having a treaty cannot be a voice that is concerned to ensure that the said treaty, if it emerges, is safe and secure for Gibraltar, because we cannot rush a negotiation other than by accepting things we would not otherwise be prepared to accept, and we will not do that. I say that in anticipation of addresses from hon. Members in the House in this debate. It would be inherently contradictory to complain we have not gone fast enough and at the same time suggest we must ensure that Gibraltar's sovereignty, jurisdiction and control must be properly and fully protected. Undoubtedly, however, leaving the European Union has created uncertainty, and that will have had economic consequences, of course. I will say more later in my address to update the House on the latest on the treaty negotiations, but these are, of course, matters which fall to be considered in a State of the Nation debate such as this debate on the Appropriation Bill.

Whilst these are tough times requiring tough but necessary measures, it is an honour to have been entrusted by our people to navigate Gibraltar through these storms. There may be many detractors of the Government and of mine outside of this House. So much criticism these days is vented on social media. It is the modern politician's cross to bear that so many want to see the

negative in everything and not appreciate the effort that is required to actually achieve things. But that cross is like water off a duck's back given the honour that it is to hold the reins at this immensely difficult time, the pleasure that it is to see things progress and proceed, the deep satisfaction as we look back and see our achievements, all of them in the teeth of criticism, and the reward that we enjoy as we see a community evolving and a nation progressing socially and economically.

Of course we have suffered delays on key projects. Who has not at this time? In fact, I want to acknowledge receipt of a heartfelt petition from purchasers at Chatham Counterguard and Bob Peliza Mews relating to the delays inevitably occasioned to those two projects. I look forward to meeting the organisers of the petition so that we can discuss the reasons for the delays and the cost increases that are likely on those projects. But I refuse to believe that the Gibraltarians do not really understand, deep down, the difficulties we have faced and the inevitable delays to projects that have arisen, whatever the more impetuous may choose to blithely post on social media. Our fellow Gibraltarians know and understand that we did not choose Brexit and the uncertainty it has created and the work it has required, we did not bring COVID upon ourselves and the economic and social difficulties it has created around the world, and we did not invade Ukraine and the inflationary pressures that it has brought. These factors are external factors and their consequences have to be dealt with and managed, and I do not think that many or any Gibraltarian would have made different choices in the circumstances we have found ourselves in than those we made ourselves.

However critical some may be, if they had been in my chair they would have done the same thing in nine or 10 out of 10 of the instances in which we have had to make choices. But when all is said and done, just as I told the House last year, in the end it will, of course, be my responsibility that we should get this right, and that is a responsibility that I am genuinely honoured to shoulder for our country at this time, because we – all of us on this side – and I will not cower in the face of these difficulties. We will not shake and dither or be rabbits frozen in headlights. We will continue to act, we will continue to work, we will continue to trade through and out of these circumstances – and today marks an important moment in doing so, as we set out to prescribe the measures that we will all have to contribute to in order to do so.

Predictably, I expect some may want to argue that the state of Gibraltar's post-pandemic public finances, and consequently the measures we have to take, are somehow the fault of the GSLP Liberal Government. That is probably the oldest political trick in the book, like blaming the Labour government in the United Kingdom for the debt in 2010 without accepting that the debt arose from the worldwide economic crash and the need to put cash in to stop a total collapse of the banks and the capitalist markets. It worked a treat for the Opposition then to use the argument as the excuse for the austerity that followed and that predictably hurt working people, whilst exonerating the capitalists that had been saved by the socialist government's spending. I will not stand idly by as the same cruel trick is attempted in Gibraltar to pull the wool over the eyes of Gibraltarians. Naturally, we are the guys in charge and we are responsible for the public finances, but from that to being to blame for a deficit and higher debt is quite a stretch.

In this respect, I note the statement last year from the Opposition that the effect of the pandemic was that whatever had happened before, and whether or not we had followed the Opposition's advice or not, we would have ended up in the same place. It has been suggested by some now that those remarks relate only to the deficit and not the debt. That is to say it is suggested that the Opposition accept that we would have ended up in a deficit situation, but not that the debt would have increased as it has as a result.

Sterile though I think such a debate is, I think it is important to highlight that the deficit is being plugged by borrowing. That is to say the debt is going up because we are plugging the deficit by borrowing. So, given that we will no doubt face this continued sterility in the approach we face in this debate, I provide the obvious answer to the argument we expect to hear in coming days, because anyone who thinks they can sustain the argument that the economic and public finance issues that Gibraltar is facing today is the fault of the Government of Gibraltar is not being

objective in their analysis. I can understand that those who are just perennially opposed to the Government might think that, but any fair-minded, objective, independent observer will appreciate that the point of arrival at the pandemic was a point of reducing direct government debt, surpluses and increased revenue over expenditure. That is why, despite the many attempts
220 to try to get that argument to stick, it has stuck only in the quarters that want it to stick.

What has driven us to deficit is the three-fold aspect of the deployment of public money to pay those forced out of work by the closure of businesses, the closing of our economy and other economies that deprived us of revenue at the same time, to a position from which recovery will take some time, and the additional myriad expenses of COVID. It's that simple. We have a deficit
225 because we spent money to keep food on people's tables and to keep our companies going. We spent money to fund the GHA and public sector to trade through COVID. We spent money to plug the revenue gap from our falling or disappearing revenue. That gap is still there, as Government revenue has not yet fully recovered.

We are not in this situation because we built a school, built a primary care centre or built new, affordable homes, and the measures we will take today, tough and painful though some may be, have a clear purpose and signify a clear direction out of these difficulties – to get back on track, to get back to growth and to get back to surpluses: balancing the books, which is what our right-thinking citizens want us to do.

Mr Speaker, before we get into the economic detail, it is also important to remind ourselves that this debate has always been wider than just an economic debate or a debate just about the public finances. That is the right approach, as the economic well-being of a nation comes from the social and political well-being of a nation, so it equally falls to us to consider the wider vicissitudes of life in Gibraltar when we consider this Bill. In that respect, I think we are well placed to reflect positively on a decade of social investment, social progress and social reform which has landed
240 well and established itself deeply now.

We have refurbished old and tired estates and we will refurbish more of them as our public finances recover. We have added massive new green areas in the centre of our city. Commonwealth Park and Campion Park serve as everybody's back garden in Gibraltar. Just that shows commitment to improving our common environment and our people's quality of life.

We have built and are building new schools, so that by the time our programme is finished every school in Gibraltar will have been built by the GSLP, including a new Jewish school. Additionally, we will have employed 172 more teachers in 10 years. That is where your money is going, not on lavish spending, as some allege. We have employed 170 more learning support assistants in 10 years. That is not lavish spending. That is investment in education.

We have employed 137 more nurses in the GHA in the last 10 years and we have employed almost double the number more GPs in 10 years, although we still have to get right how to organise appointments with them. That is where your money is going.

In fact, the total complement in Head 16, Education, is up from 607 when we took over, to 1,123 now. The total complement of the GHA, which can be seen in Appendix G, has gone up from
255 869.5 when we took over, to 1,185. That is where your money is going. Austerity is about cutting people in such roles. We have done no such thing. We have invested in quality jobs with the best terms and conditions of employment, exceeding even those on which we used to match parity.

We have built brilliant new facilities for our elderly at Hillsides and Bella Vista, as well as refurbishing Mount Alvernia and the Jewish Home and opening the John Mac Wing for the elderly.

We have provided two new primary care facilities for our people, one of them for children. In fact, the Government believes that these are not yet operating as they should and they need to be reviewed, and we are in the process of doing so.

We have built and are building more affordable homes than we have ever seen built by any administration in our history. Delays have arisen from the pandemic, of course – nothing we can do about that, although Members opposite will, no doubt, try to pin the delays on us; not surprising, as I fully expect them to try to pin the Black Death, the Plague and the Vietnam War on

us during the course this debate if they think it will help them gain one or two more political points. But we continue doing.

We have built car parks that provide facilities for those of our people who wanted to buy car parking spaces.

We have provided a new facility for our broadcasting corporation so that they have the modern studios and equipment that they need.

We developed a 700-berth marina for small boats and will soon provide a hard, once we settle the outstanding aspects with the Yacht Club which come from the time in government of Members opposite.

We held great concerts, the cost of which we subsidised for whole families to enjoy when we could.

We built and established a University of Gibraltar as a centre of learning, which had long been an ambition of successive Governments that we have made a reality, as is the Gibraltar International Bank a reality that other Governments spoke of and we banked, literally.

We have built, and in one case just finished, the best sporting facilities our athletes have ever enjoyed. The delays have been impossible to manage for reasons already repeatedly explained in this House, but again I have no doubt that the delays will also be said by the Opposition to be our fault, just like the Cuban Missile Crisis and the Korean War. Nothing will be too remote in time or geography for the GSD not to say it was Picardo's fault, the Government's fault or the GSLP Liberals' fault.

All these things can be said very quickly – *se dice muy pronto* – but what a legacy in the past 10 years. Whilst many have spoken of these things and promised them, we have made them happen, and not without great effort, very late nights and a massive amount of work involving ministerial colleagues and great public servants. That is how we work.

That is not mismanagement by any definition. It is the legacy of a golden socialist liberal decade for Gibraltar, stopped in its tracks, like the whole world was, by a pandemic that took no prisoners around the world and has taken 104 of our most beloved people, so far. Indeed, the best way to demonstrate that the issues afflicting our economy today are not related to our actions, our alleged mismanagement or any spending which we may have undertaken which is lavish by any stretch of the collective imagination, is best set out by a quote from Members opposite. This is a direct quote:

Of course, no one on this side of the House is saying that if they had been prudent with the people's money over the last 10 years we could have avoided a £157 million deficit which is, of course, COVID-related. No one could have predicted the pandemic ...

That is correct, of course. It is the actual statement, a direct quote, from the Member for Devil's Gap North, Mr Feetham, speaking, as he told us, on behalf of the Opposition because the Leader of the Opposition had asked him to address these issues. That very realistic assessment, which accords with our own understanding, estops the Members opposite from now seeking to suggest the opposite with any credibility. The political estoppel created will, nonetheless, no doubt be ignored at the altar of political convenience, but that fleeting moment of lucid honesty which Mr Feetham brought to last year's debate will forever be recorded in the *Hansard* of this House and in the political history of this community. For that, I thank him.

In fact, what we delivered before that was a boost to Gibraltar as a society and for our nation, a massive step forward in a decade of hard work and hyperactive government, a generational step change that we have delivered for our people. Some say we have not done enough. I acknowledge we still have things to do and we have basic things that have gone awry in the pandemic that we have to fix. Some say we have done too much. You can never please everyone. Sometimes, it feels like we can never please anyone – certainly no one on the opposite benches, at least – but we have satisfied ourselves that we have done what we said we would, insofar as we reasonably could until the pandemic struck. We have not been idle one day since we were entrusted by the people

to govern our nation's affairs, we have not been complacent one moment since we took over in
315 December 2011, and we have been humble always in the discharge of our functions and true to
the principles of natural justice and the seven principles of public life set out by Lord Nolan and
our draft Ministerial Code. I trust we will now be able to do the work of the Select Committee to
finalise adoption of it formally, and to further tighten that, we will very soon be publishing a Bill
320 to provide additional protection to prevent any semblance of corruption in our society. Having
blown hot and cold on it, and having insisted that we should not proceed with it, I hope all
Members opposite will support the Bill when it is published in coming weeks.

Gibraltar is now also freer and more open than ever before. Freedom and equality is
established in respect of the sexual orientations. It was a pleasure, therefore, to have attended
this year's Pride event on Saturday, to represent all of Gibraltar there. When people ask why
325 should we have a Gay Pride event: for a simple reason, because the opposite is no longer true in
Gibraltar. There is no gay shame. That is why we celebrate equality with Pride.

We are also making much better but as yet imperfect provision for the disabled in our
community. We have started the work on the extension of the UN Convention on the Rights of
Persons With Disabilities. The process has already commenced and is being led by the Minister for
330 Equality, working within the Ministry of Equality and other Departments. This is a long process
with various stages, some of which are not under our direct control. The extension has always
been our ambition, as we have set out on a number of occasions in this House since we were in
opposition. This is, of course, linked to the Disability Act which we passed in this Parliament and
which is modelled on the Convention.

Mr Speaker, you will recall that there are two sections of that Act that have not yet
commenced, and this was in order to give time to plan for premises to be accessible. In the 2019
Budget I announced an initiative to enable businesses to claim a tax deduction equal to the
expenditure of works to improve their property up to a maximum of £15,000. This was to
encourage businesses to facilitate access for people with disabilities in their existing premises.
340 That measure was made available for 36 months. Regrettably, the COVID pandemic got in the way
of that initiative, as with so many other things, and as the very first Budget measure today I
announce that I am pleased to reinstate this provision for another 24 months.

Every community is a work in progress, but it is churlish of our opponents not to congratulate
us on the progress achieved so far. I will not dwell further on the subject of social progress and
inclusion and equality, but I will repeat my warning. Whilst I have breath in my body I will continue
345 to ensure that we move only in one direction in this respect: forward. Gibraltar has no reverse
gear on rights and progress. The progressive road to equality is a one-way road. Any attempt to
reverse the laws to prevent discrimination will have ferocious opposition from the majority,
because Gibraltar is a socially liberal European democracy and we have taken our place at the
350 table of nations with modern, progressive laws, very often opposed from the majority of those on
the opposite benches. And how apposite that on the one-year anniversary of the Crimes Act, or
abortion referendum, in Gibraltar, the United States Supreme Court should have ruled to undo
50 years of federal protection to women's reproductive rights. Whilst others move backwards, we
move forward, *only* forward.

Speaking of matters European, I will now update the House on the progress of the EU
negotiations. At this time last year, we had not even seen the publication of the mandate of the
European Commission for this negotiation. When we saw the EU mandate, we all agreed that it
presented many unacceptable aspects which the Government and people of Gibraltar would
never be able to agree. Now we have engaged directly with the European Commission on nine
360 rounds of negotiation. Technical discussions are ongoing today. We have made huge progress in
understanding each other's positions. I think it is fair to say that there are areas where we have
found agreement. It is also fair to say that there are areas where, whether we agree in principle
or not, we are not yet able to agree the mechanics of how to give effect to our agreement. Yes,
this is taking longer than any of us wished or expected, but it is a negotiation that is on foot and

365 which we have to get right. This really is a process where the adage 'more haste, less speed' is going to be what gets us to the right conclusion.

At the moment, the talks are processing through a deeply technical stage where some of the detail of the parts of the Schengen *aquis* and the relevant parts of the *aquis* on movement of goods are being considered. We have to ensure that these have been fully and properly analysed between the parties in order to ensure beyond peradventure that if we do reach agreement, or when we find that agreement, we find no nasty surprises and we have addressed all of those issues in the course of the negotiation.

The technical teams for the Government of Gibraltar are being led today by Michael Llamas QC, the Attorney General, who is immersed in highly complex work. The Deputy Chief Minister and I are equally involved in all policy aspects which the technical work throws up.

The meetings have been innumerable and the meetings to come will likely be innumerable, yet it is worth remembering that this is not a process that we are embarked upon by choice. We have not decided that we wish to recast our relationship with the European Union because we woke up one morning and decided to do so. It may sound trite to say it, but it is important to remember we are embarked on this process because we must, as a result of the Brexit referendum, work to fashion the recasting of our relationship with the EU into the best possible form, and if the best form we can negotiate is not safe and secure, then so be it. But we must pursue this course and I am confident that we will reach agreement and that the agreement will recast our relationship with Europe going forward.

It is also presenting us with an opportunity to recast our relationship with Spain and leave behind the confrontations of the past. Whether that opportunity is taken is more for them than for us, but our hand has been stretched out in friendship for generations and under successive governments. Too often it has been cheaper for successive governments of Spain to play to historic prejudices than to move forward to dialogue and co-operation. We may be seeing a change, and every Gibraltarian will want to welcome that if it takes root and is not lost to the rise of far-right extremism in Spanish politics. But the opportunity may be there, and that is why we remain committed to seeking to resolve the nature of our future relationship with the EU through a UK-EU treaty which is safe and secure on all our fundamental concerns and which is, essentially, with the EU, which has no sovereignty claim on Gibraltar. We do believe we can deliver such a treaty in a manner which creates that mythical shared prosperity of which we all talk and which must, perforce, lead to enhanced prosperity in Gibraltar, which is where prosperity spreads from. I remain deeply optimistic that such a safe and secure treaty is possible and now increasingly probable. The latest technical negotiations are very tough and very tricky and they are dealing with difficult areas of policy. They require deep maturity in understanding the European rules as they are between member states and how they would apply to us in the context of non-membership of the EU or of Schengen, but of adherence through international treaty and the application of public international law.

But what I would, therefore, warn against is the idea, put out by some siren voices, that we could have done this quicker in some way or that we are failing by not bringing it in quicker. It is worth every member of the community remembering that in Greek mythology the sirens were dangerous creatures who lured sailors, with their enchanting music and singing voices, to shipwreck on the rocky coast of their island. In the past, some such sirens have said we should have done like Northern Ireland. Of course, when we pointed out the differences, those who made that argument scoffed. In fact, now, those who argued we should be like Northern Ireland will have seen that there would have been little merit in that. They have come full circle and are now arguing, like us, that the Gibraltar negotiation is very different to the Northern Ireland negotiation. The same sirens have even called for a deal in which Gibraltar's external relations become the responsibility of the President of the European Commission. That is not something we would consider would be safe and secure.

I do appreciate that they have come round to our position, although they do not say so. It is also true that they urge us to do things quicker, but also urge us not to concede anything

fundamental – not that we would or that we might need them to remind us. But of course the only way to go faster is to concede things we are not prepared to concede. We are never going to compromise our British sovereignty, jurisdiction or control, so anyone who thinks we have gone
420 soft on the fundamentals, or who thinks they will be able to argue that in order to somehow lure our supporters away with siren calls to the rocks ... is in for a shock because we will not compromise on the fundamentals and neither are we being asked to do so. But we have been right to be cautious and to be careful in our negotiation. There is too much at stake for Gibraltar, and for those around us, to get things wrong. If we are put under pressure in the process of
425 negotiation, we have to ignore that pressure in order to negotiate successfully, however much the pressure may produce negative effects in the interim.

I acknowledge the difficulties being experienced by blue and other colour ID card holders, but in assessing our actions and reactions to things that may be happening, our opponents, our supporters and the general public need to think about what the alternatives are to the steps we
430 are taking – and any such thinking must be deep thinking. That is to say people should not blithely think that it would be proper to react in this complex and important negotiation as one does in a brawl. This negotiation is no brawl. It is as much a game of chess as it is of poker, where we all have to win and none of us can lose. Not easy, but nothing worth doing in politics ever is easy. And neither will this Budget be easy, or the numbers that I will now report to the House arising
435 from the social background that I have described.

Mr Speaker, the last time I delivered a full Budget address – last year – was July 2021. Over the last few years, in economic terms, the entire world has changed, but as I highlighted last year and every year, my focus has to remain on this small part of the world that we call home. This is our
paradise and we must preserve it as much as possible.

First, we were hit by the unexpected departure of the United Kingdom from the European Union. The exchange rate ructions and the uncertainty created by that vote, and the subsequent negotiations on our departure, caused huge turbulence to a previously settled economic environment – and to think that Brexit seemed so seismic at the time that we called those
440 politically instigated problems ‘turbulent’ and ‘challenging’. Little did we know what earthquake was to come next, because next it was the impact of COVID. The continuing economic effect of that pandemic is the subject of much of my address. Then came its after-effects, as the world started opening up. We all saw the tensions between supply and demand played out in news reports daily. These tensions translated immediately to increased prices and worldwide pressures on labour forces, as these had been displaced during the lockdowns. This has resulted in further
445 shortages, such as delays on deliveries of motor vehicles, parts – you name it – and daily pressures such as those we can all relate to, such as long queues at security checks at airports etc. Additionally, all of this turbulence has unfortunately been severely compounded by the war in Ukraine, which really has thrown global markets into crisis. The importance of self-sufficiency in energy and other factors has been brought to the fore as we see larger countries in Europe grapple
450 with their conscience in the face of possible sanctions and what is truly deliverable, despite the tough rhetoric, given their dependence on fuel from Russia. This is the main factor moving inflation as high as it is, the effects of which I will analyse later in my address. These are all salutary lessons for us in Gibraltar as we continue to carefully calibrate the arrangements we might be able to negotiate as part of our own agreement arising from Brexit.

In this context it is perhaps useful for me to update the recent history of GDP growth to provide a sense of how Gibraltar has performed in the face of all these external factors. I really need to emphasise here that all of these factors – be they COVID, shortages, price inflation, Brexit and now the effects of the war in Ukraine – are external forces which we, as a small nation, are at the
460 mercy of. We are buffeted by these forces but we have no way to arrest them or manage these international issues. We can only ensure the integrity of *HMS Gibraltar* and work to make sure she is a watertight ship that will withstand any storm. It really is quite remarkable how a small place like Gibraltar has found its own way of adapting and dealing with them. As with everything, this is

a continuing journey, not a destination, so it is important to reflect on the journey so far to ensure also the comfort and longevity of the traveller as we continue to navigate the course.

Pressures from relocations of public officers to the COVID helpline and related duties have meant stresses in Government departments such as the Statistics Office. The Government Statistic Office has, nonetheless, provided their Budget brief, which forecasts GDP and revises historic forecast in light of actual information. I will walk the House through some of these figures, pausing only to thank the Chief Statistician and her team for the work that they do in delivering these annual metrics for our economy.

Mr Speaker, you may recall that last year I provided a preliminary estimate for the figures for 2019-20. The preliminary estimate I quoted last year, based on the information provided by the Government Statistic Office, was for a GDP of £2.57 billion. I am delighted to confirm that the final estimate for 2019, the final year before the pandemic, which really started at the end of March 2019, has not varied materially from that preliminary estimate. There has been a small positive increase in the final estimate of around £2.1 million, which will not move the needle on the rounded figure of £2.57 billion. I explained last year that this represented an increase, now of £112 million, namely 4.6%, as adjusted, over the figure for 2018-19. I explained that this growth was below the average growth rate during my Government's term in office and has arisen from relocations in the gaming sector caused by Brexit. And here, once again, is that first external factor impacting on the economy.

I now turn to the preliminary estimate for 2020-21. Last year, I provided a forecast for that figure of £2.44 billion. The preliminary estimate is slightly below that, at £2.41 billion, a reduction of some £25 million, one that is, again, not material in the context of those figures. As I explained last year, this reduction should not come as a surprise to anyone, given the lockdowns and the other factors affecting this economy. It is consistent with the direction of travel of the growth charted in other mature economies. Once again, factors which were not a direct result of anything we have any control over.

Mr Speaker, I therefore believe the Gibraltar economy has performed remarkably well. The lockdown and restrictions on non-essential travel as a result of the COVID-19 pandemic had a significant negative effect on Gibraltar's economy in 2020-21, which is estimated to have contracted by 5.9% in nominal terms to £2.42 billion and decreased by 7.2% in real terms. To correct the forecast I gave last year and bring this up to date, the preliminary GDP forecast for 2019-20 is £2.41 billion – that is a reduction of £152 million, or that decline of 5.9% over the 2019-20 final estimate. Income from employment and gross trading profits of companies are estimated to have dropped by 5.2% and 7.6% respectively over the year, due to the effect of the pandemic. This confirms my statement last year that we have reverted to GDP levels of 2018-19, more or less, pre COVID.

Rolling things forward to the last financial year – that is to say 2021-22 – we opened up the economy in the faltering way that we were best able to achieve and against continuing restrictions elsewhere, not least in our principal markets of the UK and Spain. Our reopening involved a series of different measures, but I am sure that everyone is now delighted to see Main Street beginning to fill up with tourists visiting on land-based tours or cruise ships. This has always been an important part of our economic activity. We have been blessed that we took the right decisions in semi-mothballing these functions and the associated staff by keeping full employment, albeit not fully functional. The result is that we have been able to ramp up our airport, cruise liner terminal and coach park without the disruptions that many other places have experienced. As lockdowns and travel restrictions ended during 2021, the result is that our forecast GDP for 2021-22 is £2.59 million, surpassing the pre-pandemic GDP level.

The good news is that this GDP bounce-back reflects that economic activity is coming back and shows that our economy is strong. It is our public finances that will now need to be nurtured back to health. The GDP bounce-back represents an increase of £173 million or 7.2% in nominal terms over the final estimate for 2020-21. This is a solid performance for a year where the economy opened up as early as possible, perhaps in jumps and starts but as early as we could. Real growth,

however, decreased marginally by 0.4% as inflation grew at a faster rate, rising by 7.6% over the year to April 2022.

The gross trading profits of companies grew by 10.5% over the year and income from employment increased more slowly by 3.6% as the number of employee jobs rose by 3% over the year, but real average annual earnings fell by 4.6% compared with 2020. Although there was significant growth in 2021, the total number of employee jobs remained just below pre-pandemic levels, with a small shortfall of 200, or 0.7%, compared with October 2019. The numbers show we went from 30,603 jobs at the peak in 2019 to 30,403 jobs in October 2021, growing from a figure of all employee jobs of 29,516 in October 2020 when we were at peak pandemic. Hopefully, we can also see that the growth in jobs is coming in the private sector, where, in the period from October 2020 to October 2021, the growth in private sector jobs was 851, or 3.7%, up to 23,638, and only a growth of 47 in the public sector.

In the financial services sector, we have seen jobs reduced only by 25 out of 4,027 in the past year, up 29% over a quarter and almost a third from when we took over in 2011. In that respect, the FATF decision is one which will impact this sector, but we do not believe it will impact jobs. We respect the FATF decision and will be working to resolve the matters identified. We do not believe that Gibraltar deserves to be anything other than white listed and we will work with industry and law enforcement, as well as with FATF itself, to ensure our view is shared by them in time for the next review date.

Employment generally has remained stable and Gibraltar continues to benefit from admirably low unemployment levels, even during such difficult times. We also continue to see record low unemployment. In 2021, whilst the pandemic critically affected unemployment throughout the globe, the yearly average for Gibraltarians registered unemployed was 27. The comparable figure for 2011 was 442. That represents a drop of 415 unemployed from the time when we took over; a staggering 94% reduction in unemployment since our election in 2011, something of which we are rightly proud. That is not mismanagement, Mr Speaker, far from it.

In 2022 we have continued to maintain low unemployment levels with first-quarter average for 2022 of registered unemployment at 41. The comparable figure for the first quarter of 2012, when we took over from them, was 522. There is a drop of 481 there, a 92% reduction in unemployment since the first quarter of 2012. The House will be pleased to note that as at May 2022, unemployment stands at 35. The fact is that we all agree that daily life has hardly been normal throughout the year, given other places opened up in differing ways with different requirements and the other challenges we have faced.

If we take the average year-on-year economic growth between 2014 and 2018 – the five years pre pandemic – this averages out to 10.7%, despite the lower than average increase in 2018-19 for the reasons I explained, which were associated with Brexit and the losses within the gaming sector of one company, to our economy.

Taking these figures absolutely, the forecast figure now is £21 million higher than in the final estimate of the 2019-20 GDP figure. That year was only marginally affected by COVID, so what I would surmise is that we are back on track, having lost two years of economic growth. This, in my view, would be consistent with what the man in the street may feel, that somehow about two years of all of our lives have been lost to the pandemic.

Mr Speaker, interestingly, the ratio of personal taxation to GDP has been consistently coming down in Gibraltar. The ratio was 13.5% when we took over, with a GDP of £1.082 billion and £146 million in total collected in Social Insurance at £24.1 million and personal tax at £122.5 million. Today the ratio, after 10 years of Socialist Liberal Government, is 5% lower – over one third lower – at 8.7%, with a total of £225.6 million collected in Social Insurance at £45.6 million and personal tax at £180 million.

The GDP to tax ratio in the United Kingdom in March 2022 is 32.7%. That is 73.4% higher than in Gibraltar. The GDP to tax ratio in Spain at the end of 2021 is 36.6%. That is 76% higher than in Gibraltar. These figures show that the remarkable increases in government revenue in our time in office have not been driven by taxation, as we have relied on external arrivals and our external

market to raise revenues. That is the market in which the pandemic caused havoc: arrivals from outside. It is returning, albeit more slowly than we would all have wished.

I will now seek to explain how the GDP impacts on the rest of the Government finances. I will also seek to explain the steps I feel we must take to somehow bridge the gap and bring the state of Government finances back on track, after ensuring this extended period afflicted by external forces. Given all the usual caveats, I will also, this year, not have to do the GDP per capita calculation for Gibraltar, as the figures would be the same as for the year 2019-20.

As I mentioned in last year's speech, the Estimates Book format took on a much more complex nature to be able to track COVID-related expenditure separately from other annually recurring expenditure. This year, the Estimates Book has necessarily had to conform to that format, but now I will now try to distil at a high level the contents of those close to 300 pages which set out in great detail how Government finances have matched up to expectation and where I think we are heading over the next 12 months.

To add transparency and to provide the most complete accountability to our people, we have taken the previously unprecedented step of publishing the Estimates Book online as I rose to start this debate. It will make this exercise easier for the public to follow as they listen to the deliberations of this House. The link to the Draft Estimates Book – which is this one – which was confidential until I have got up to speak this morning, is on the Government Press Office page, on our Twitter feed and on our Facebook page. I have shared the links on my Facebook page also. I would therefore refer all those watching or listening, who want to follow the economic parts of this debate, to please look at the Estimates Book as we go through the next sections. Additionally, earlier Estimates Books will all soon be made available online, also to enable all citizens to track the economic evolution of our community over the past 50 years.

To make my references easier to follow – and at the risk of sounding like Disney's Tinkerbell, but without the assistance of a ringtone – I will refer to relevant page numbers of the Book during the speech, so that those following can find the relevant information. In doing so, I would sound a cautionary warning. If COVID and lockdown had an impact on the economy and created uncertainty, inflation and world events continue to cause pressures and uncertainties that make charting the next 12 months as fraught as it was to predict them some 12 months ago. Never has the word 'estimate' been more apposite than in the title page of this Book.

Mr Speaker, let me turn first to the year that has just closed. The background and context to financial year 2021-22 was that whilst we lifted restrictions fairly quickly, many countries, including the United Kingdom and Spain, continued with restrictions for longer than we expected when we compiled the Estimates Book during the first few months of 2021. These restrictions were not in the form of a complete lockdown, but they nonetheless discouraged international travel generally – although we received visitors from the UK – and impacted on visitors, all of which has an impact for many of Government's revenue sources.

At a high level we were projecting a loss for 2021-22 of £50.72 million. As I already have made public on first becoming aware of the figure, the forecast outturn deficit for the year was slightly higher than that, at £55.291 million, by some £4.6 million, and people can see that on page 2 of the Estimates Book. Although the figures in the Book are kept confidential until the start of this debate, it would not have been fair for me not to have shared that figure with the public as soon as we became aware of it in the Ministry of Finance and the Treasury. That is our commitment to being fully accountable to our people.

Let me see if I can break this down into more relevant analysis, for those listening to understand. The good news in all of that is that our true third party revenue came in at £650 million, some £16 million above our projected revenue of £634 million. This shows the Government revenue stream by and large held up, despite the after-effects of the prolonged restrictions, and people can see that on page 5, which is a blue page.

Personal tax and corporate tax came in some £22 million overall in excess of our projections. That is on page 6.

Import duties, on the other hand, came in at a disappointing £111 million, when our conservative estimate, also on page 6, was for £150 million. This can be explained given the lack of tourists and the measures we issued to make local shopping more attractive. When we have been used to collecting close to £170 million in duty, a hit of around £60 million, or around 10% of our COVID income, is very noticeable indeed and the reason the COVID Response Fund had to step in to make up the difference, but I will say more about that shortly.

Stamp Duty, which you can also see on page 6, Mr Speaker, came in at £14.9 million, almost double the predicted estimate of £8.5 million, signifying the continued strength and resilience of the property market.

Aviation revenue was actually down, and to an extent this was in part compensated for by higher fees earned on our Upper Rock tourist sites.

The GHA Group Practice Medical Scheme revenue came in some £10 million ahead of our estimate of £56 million, and that is on page 9. This is directly in line with the result of the increases in Social Insurance which were announced after the publication of the Estimates Book and therefore had not been factored into the Estimates.

The revenue from increasing the electricity tariff was also reflected, as this came in some £2.75 million higher than we expected.

Remarkably, the Port produced revenue almost in line with expectation, some £650,000 down only on the Estimate, despite the reduction in cruise line activity, which can be seen on page 10.

With minor exceptions, income is therefore broadly in line with our estimate, and that can be seen on pages 6-10, which I have just taken the House through. The positive takeaway from this analysis is that where we introduced measures that were not projected at the time of preparation of the Estimates Book, such as increases in Social Insurance or electricity, they actually gave rise to increases in that particular head of revenue. These were not offset by other losses within that same revenue head, as might have been expected, for example, had a spate of redundancies followed the release from restrictions.

Mr Speaker, on the expenditure side I believe we managed reasonably well, also. We projected for Consolidated Fund charges of £103.4 million and the forecast outturn figure came in at £105.7 million. That is on page 13. Most of this difference is made up of £300,000 of additional legal aid paid, circa £800,000 of Social Insurance contributions arising from the increase and an additional repayment of tax of £800,000, and that can be seen from page 16 of the detailed Estimates Book for the recurrent fund charges.

Similarly, we projected £551 million of departmental expenditure and the forecast outturn came in at £569 million, which is a difference of £18 million or some 3%, and that is visible in the summary on page 14 of the Book, which is a summary of all the heads of expenditure. The main cause of this is not unexpected, with a £20 million overspend between the GHA, the ERS and the Care Agency, all areas of expenditure which have had a significant and unpredictable overspend as they grapple to return to business as usual and emerge from COVID.

The Department of Education came in over budget at £61.4 million when compared with £58.8 million estimated. The main reason for this overspend has been the large issue with temporary cover which has been addressed recently by the formalisation of posts that needed to be filled, which results in the increase in posts from 869 to 1,123, or a whopping 30% increase in posts. This is not increased expenditure, though, as we are simply regularising posts that were previously funded through the 'Temporary Assistance' heads of charge. It is on pages 13-61 that people can see the detail of that spending in respect of education. That is not increased expenditure, as I said, though.

The GEA is another authority that has come in at higher than expected costs – £67.9 million, as compared with an estimate of £55 million. That can be seen on page 14. The reason for this overspend is the inability to do away with the temporary generators within the timeline we had hoped for as commissioning continues on the new plant, coupled with the inflationary impact on fuel costs. The good news on the former, though, is that we are working to take these offline and save costs. On the latter, however, the recent increase in fuel prices will no doubt impact on the

year ahead well beyond what was possible to project earlier this year when the Estimates Book was prepared. In that respect, because the GEA is an Authority, hon. Members will need to go to page 248 to see the detail of the payments I have just referred to. I will say more about the GEA later, Mr Speaker. For now I will say that we expect an overspend in this head by the end of the year, given the unprecedented and unexpected increases in the cost of fuel.

Again, by and large, all other Departments fell within the boundaries of their estimates, with the usual swings and roundabouts between Departments as one Department's overspend was compensated for by another Department's savings. That is best seen in those summary pages, the summary of Consolidated Fund expenditure, which are pages 13 and 14 of the Book.

Finally, turning to other expenditure within the COVID Fund, this is perhaps the area of expenditure that was most prone to errors in projecting, given the huge uncertainties at the time of preparation of the Estimates last year. It was not just a question of determining how long COVID would persist but also the implications of elements such as how other countries were to react, what tests were required and what attitude would be taken for employees of key facilities, such as the Hospital, that had daily testing of all staff with all the associated impact on cost. What we saw here was expenditure far in excess of the amounts we projected.

Our estimate last year was for a COVID Response Fund expenditure of £67.5 million, whereas the forecast outturn turned out slightly in excess of double this amount at £135.1 million. The detail is on page 292, which is near the back of the Book where we have Appendix S, 'The COVID Response Fund'. It is worth doing an analysis of this because the main reasons for that overspend can be broken down – and those who are trying to follow the Book need to be on page 292 whilst I do this analysis.

There was a large underestimation of how actual revenue would hold up when compared with the average revenue collected by Government for each of the seven key heads of revenue, compared with the equivalent revenue for the same heads for the two years pre pandemic. By and large, our estimates were broadly in line with expectation save for, first, the head of Rates, which is easily explained, as we provided an exemption of rates for a quarter beyond what we had originally projected; and, most importantly, import duties, which, for the reasons explained – when there were no tourists coming to Gibraltar the visitor numbers were low, and import duties are driven by the arrivals in Gibraltar, who buy things in Gibraltar – came in at £45.7 million below the adjustment we expected we would need to make. In addition, our COVID costs for the GHA and other public undertakings came in at £22.8 million, which was £15.8 million, or three times more than what was originally projected.

Mr Speaker, as you know, the COVID Response Fund is entirely funded by Government borrowing – deficit plugged by borrowing. The effect of this additional £68 million of expenditure was that the Government needed to borrow further. Whilst we have expected borrowing to increase for this year by £50 million, it has actually been required to increase by £100 million, and that can be seen on page 11 of the Estimates Book, which sets out how the borrowing comes in at the bottom, the public debt.

I trust this explains the position and also serves to interconnect the different items and threads in the Estimates Book for all Members and for everyone in the community who may be listening to or watching this debate.

Over the last few months there has been an attempt to suggest a division between comments made by the Father of the House in an interview on GBC, where he projected a loss of in excess of £90 million, and some of the statements I have made. The Hon. the Father of the House was guiding his projections for the overall loss based on the level of borrowing, without classifying the distinction between business-as-usual losses of £55.3 million and the additional over-expenditure incurred within the COVID Response Fund. I trust the explanation I have provided seeks to reconcile any perceived differences, as in fact there were, and are, none. Indeed, I would strongly recommend a thorough read and analysis of the Estimates Book, which provides all relevant information in this respect.

Mr Speaker, I will now seek to set out where I think public finances are heading over the next 12 months. As I have said previously, there continue to be very strong external headwinds that make projecting this extremely difficult, but we must, of course, try to produce as accurate an estimate as is possible with the information available. In many ways, these headwinds are different to the effects of COVID, which created uncertainty in economic activity through lockdown and lack of tourists and visitors. The headwinds caused by the impact from the war in Ukraine, the global turmoil and realignment and the impact on availability and prices have resulted in all governments reversing years of low interest to introduce repeated increases in interest rates that many of the young in our community will find unprecedented. They impact on costs and we simply cannot avoid such as the cost of fuel to power our community or to desalinate our water supply or to fill the truck that delivers produce to our supermarkets.

Where all this will eventually settle and what it means is difficult to project. All I can say is that day by day the prognosis is for increasing costs. Our projection of these possible increases back in March 2022 seems modest now, as we have seen the rapid rate of change and increases in inflation. They impact on all of us in similar ways, devaluing the pound in our pocket and making us feel grateful that there is availability of the product we may seek to acquire. This highlights some of the challenges in delivering a programme of work when it is not just price one is grappling with, but availability and impacted timelines.

Once again, Mr Speaker, I remind the House of my earlier comments that these issues are not of our making. The only difference on the effect of this is that most of us do not have to seek to project where we are heading in a way that is so challenging that it was most likely wrong from the moment the ink dried on this Estimates Book. These external forces are affecting all countries in different ways; we are no different. Nonetheless, this is what we think will happen over the next 12 months in terms of public finances.

Mr Speaker, if those who want to follow the debate in the Book go back to page 1, we are estimating revenue for the year 2022-23 of around £637 million. That is some £12 million below the forecast outturn for the year 2021-22. The reason for this is as follows, and if people now go to page 6 they can see the breakdown. We have kept corporate and personal tax more or less in line with the estimate for the year that has closed and we have not increased these figures in line with the forecast outturn, as we expect corporate tax returns coming in this year might be somewhat impacted by the effects of the lockdown. Remember, those corporate tax returns are sometimes 18 months in arrears. It must be noted that corporate tax returns and assessments trail about a year and a half behind general activity.

We have significantly reduced our estimate for Import Duty, from the £150 million we estimated last year to £120 million. We are hopeful, now that visitors and tourists are on the up, that the forecast outturn for this year will be higher than this, but we think we should remain prudent and conservative in our predictions. I would comment that, from the information I presently have, that has been wise because, so far, we are on target for the lower estimate of revenue ... than we would have been for the higher.

In terms of expenditure, we are projecting Consolidated Fund charges at £99.4 million and departmental expenditure at £552.8 million – and that also is on page 1. The reasons for this are as follows. The Consolidated Fund charges factor in increases in our cost of borrowing, assuming an average base rate during this financial year of 1.5%. It is possible that the average may well exceed this given recent announcements by the Bank of England that a more forceful approach may be taken to future rises to curb inflation. This recent change only serves to reinforce my comment on the possible accuracy of the assumptions we have made. The effect of increased borrowing costs is somewhat mitigated by channelling some of the excess cost through the Sinking Fund. Nonetheless, given the overall impact on liquidity, it is important to highlight this.

On departmental expenditure, this figure of £552.8 million is, of course, ambitious. It is £16.5 million down on the forecast outturn for the year just closed, and this occurred during a period where inflationary increases were quite confined. That said, if we are going to seek to

rebalance our books as soon as possible and return to the fiscal discipline of meeting expenditure from revenue, we must be controlled, and ambitious in that control.

780 A quick review of the information on the Estimates Summary page – going back to page 1 – shows that we are expecting COVID Response Fund expenditure to tail off this year, hopefully finally. The budget for the fund is £40.12 million. The vast majority of expenditure relates to making contributions to foregone revenue; once again, the majority of this being to cover shortage in import duties.

785 We have not budgeted for any departmental COVID-related expenditure, with the exception of the £120,000 for Elderly Residential Services. The reality on this approach is already proving a challenge, as there are invoices that are being received during the early months of this year that will inevitably relate to the COVID Response Fund for goods and services relating to last year. Nonetheless, this prudent and controlled approach seeks to bring to an end expenditure under the COVID Response Fund, with controlling officers knowing they cannot incur any further
790 spending under the excuse that it is for COVID.

Given the GHA was the Authority with the highest COVID-related expenditure, we have explained that were a resurgence to occur, we expect the cost of the necessary preparations and tests to be between £8 million and £10 million. That is actually provided for specifically on page 227. If such expenditure were necessary – should there be, for example, a resurgence of
795 COVID-related cases – it will be available as money that can be tapped into, but it should not be incurred otherwise. In this way, any such expenditure is instantly highlighted and we can seek to understand why it has been incurred. It will not disappear with the run and flow of all of the rest of the recurrent expenditure.

The effect of all of the above results in a projected deficit for the current year of £45.3 million
800 and an overall additional net borrowing of £50 million. If we come in or around these figures, it will mean we are back on track and have reset spending within acceptable levels without resorting to cuts in services or austerity.

Additionally, we will finalise, this year, our strategy for the repayment of the COVID debt, which will be long-term, war bond style debt. Our current discussions with HM Treasury sees us repaying
805 the bulk of the outstanding over 25 to 26 years, with the benefit of the sovereign guarantee from the United Kingdom extending over that period for that ring-fenced, crystallised debt. We will be able to set that into legal-agreement stone only once the full extent of our COVID drawdown is, itself, crystallised.

Mr Speaker, I turn now to the relevant areas of ministerial responsibility on which I lead. I am
810 going to start with the Central Arrears Unit (CAU). It is clear that the local economy is still adversely affected by the cumulative impact of the pandemic. The CAU has, therefore, been asked to continue to take a more conservative and prudent approach towards debtors, as many are still just surviving in the current economic climate. Although businesses are now up and running and the tourist industry is now starting to recover, our economy is still recuperating from the
815 aftermath of the pandemic. But whilst we do not want to push anyone over the edge at this time, it is also true that it would be unfair to take steps to increase revenue from everyone who pays and allow those who do not want to pay to continue not paying. Leniency in chasing government debt is therefore being shown only in respect of those who genuinely cannot pay.

The CAU, in fact, focuses mainly on the arrears recovery for the Commissioner of Income Tax,
820 who is the principal Receiver of Revenue. They focus on compliance with arrears agreements and the recovery of arrears on a daily basis using different methodologies, and also actively ensure that current payments are received in a timely manner. This is hugely important in delivering social justice also, as it is totally socially unjust for most to pay their dues and for some not to bother paying.

825 Although the CAU managed to control and reduce the debts for individual tax, PAYE and Social Insurance, unfortunately the corporate tax debt increased by £2.67 million from last year as a result of the economic difficulties being experienced by some businesses. Without the CAU, that increase in debt would undoubtedly have been even greater. £1.8 million of this increase can be

830 attributed to tax penalties that need to be recovered or written off, as the case may be. These
arise from a number of non-chargeable and, on occasions, single-purpose companies that are not
trading but remain 'active' at Companies House and are therefore required to file annual returns.
Mr Speaker, as you know, the Registrar has the discretion to strike off the register the name of
any company in respect of which no annual return has been filed for the previous three years.
Should he do so, the prospect of recovering these accrued penalties becomes remote and they
835 then need to be written off.

Mr Speaker, as you can imagine, the increase in corporate tax debts is largely to be expected
given the very difficult trading conditions arising from the lockdown and the wider COVID
restrictions. The CAU continues to retain payments due to companies and businesses from
HM Government and retained a total of £2.5 million during this year for both current payments
840 and arrears recovery. This is an incredibly effective tool, whereby tax and other debts due to
Government are settled by offsetting payments due by the Government for goods and services
provided by the companies or businesses.

The raising of objections for new business licences and/or extension of licences with regard to
directors or companies continues to be a very effective tool that has seen the recovery of almost
845 half a million pounds – £456,000 – during this last financial year. The CAU has also successfully
recovered over £108,000 with regard to arrears for PAYE, electricity and gambling licence fees as
a direct result of dividends received from liquidations. They have also raised objections to
Companies House with regard to re-domiciled companies and liquidations reducing corporate tax
by nearly £379,000.

850 In addition, the CAU undertakes full arrears checks for the Environment Department before
the granting even of beach tent licences, as individuals are required to settle all outstanding debts
before the use of the seasonal beach tent is approved. It is important to use every lever at the
disposal of the Government to recover debts due to Government and I am sure that the whole
House will agree with this strategy, as we cannot allow some to simply ignore their liabilities whilst
855 the majority dutifully pay. Remember, this is about those who will not pay, not those who cannot
pay. In fact, we have seen a measure of agreement in the House in this respect in the past.
Additionally, we do protect those who genuinely cannot pay, as opposed to those who simply will
not or do not want to pay. Furthermore, the CAU carry out full arrears checks for LPS on the
assigning of units, and effectively recovered over £120,000 in respect of taxes and Social Insurance
860 prior to the assignment of just one unit by using this strategy.

However, the CAU's most important role during these two challenging years has been to
maintain and control the overall arrears of revenue in the midst of a pandemic, where companies
and individuals have been struggling to survive from one day to another. As hon. Members will
understand, as years go by it becomes more challenging to recover historical debts, especially
865 since the main bulk of arrears had already been addressed by the CAU during their first four
operational years under our time in office.

The CAU works closely with all Government departments, agencies and authorities to actively
pursue and guide them with their debt recovery and assist them with the preparation of write-
offs for historical bad debts. During the last year, the CAU undertook thorough exercises to
870 identify those bad debts where there was no prospect of recovery, as individuals and sole directors
had passed away, left Gibraltar and were deemed uncontactable, or companies had been struck
off the register or liquidated. This exercise was presented to the Financial Secretary, who
approved write-offs amounting to over £4.85 million, of which £2.8 million pertained to taxes and
Social Insurance and £0.7 million pertained to general rates and sundry rents. The balance of
875 £1.35 million related to house rents, airport landing and departure taxes, hostel fees, import
duties, services performed by public officers, port arrival and departure taxes and port operators
and harbour craft licences. The benefit of this exercise results in not just reducing the debt but
also thoroughly cleansing both the Tax Office and LPS databases.

Even though the pandemic has, unfortunately, cast long shadows on our economy, it is evident
880 that the CAU has been creative in their approach and has effectively and successfully managed to

reduce the overall arrears of revenue by over £2.3 million in a pandemic period. Finally, let there be no doubt in anyone's mind that the CAU will continue to work diligently to restore fairness to our system of chasing debt and defaulters.

Mr Speaker, I now want to deal with the Civil Status and Registration Office and Customs. In order to do so, but not delay the consideration by the House of the economic issues which concern us today, I will lay on the table an extract containing the relevant part of my address today which deals with the hugely important work of both these departments. In that way, the House will now have before it all relevant information about the running and progress of those departments, as well as the important statistical information which may be helpful to Members. I am going to distribute that to all hon. Members now, so that they all have it. I will then be able to continue with the parts of my speech which relate directly to the budgetary matters that the House is concerned with primarily today and at paragraph 609 of my prepared text.

Mr Speaker, it is only fitting that I now turn to taxation, given that the collection of corporate and personal income tax consistently accounts for approximately between 40% and 50% of recurring Government revenue. As is now customary, I comment on this very vital part of our economy, highlighting developments and important areas in this field that are relevant to our community.

The total amount of tax collected in the 2021-22 financial year is £324.6 million, representing £202.5 million in personal taxes and £122.1 million in corporate taxes. Those who are following the Book can see those numbers on page 6. That is £22.5 million more in personal income tax and £2.1 million more in corporate tax than in the previous financial year 2020-21. Despite this immediate net increase in revenue, the general expectation is that trends will start to decline as the eventual effect of the COVID pandemic is realised in the years to come.

It is now more important than ever that we continue to exercise prudent financial management, ensuring that we successfully drive through these challenging times. That is the focus of this Government. We are fully committed to ensuring a speedy return to the prosperity Gibraltar has always enjoyed, to the life every Gibraltarian deserves and to continuing to make Gibraltar the wonderful place it is. This is the path that we have embarked upon. It is by no means an easy path, but I am confident that this Government has the necessary expertise and maturity to navigate these challenges which, together with the public service, achieve the desired and deserving outcome for all. Our prudent financial management is evident in the way that we have forecast future tax receipts. Our financial estimate for the 2022-23 financial year is projecting a receipt of £307.6 million, ensuring that any potential impact from external factors such as Brexit or the lasting effect of the COVID-19 pandemic is suitably hedged against.

Mr Speaker, I have in past Budget sessions highlighted the enormous investment made by my Government in addressing the historic backlog of tax refunds owed to the public. In the extended financial year 2019-21 an unprecedented investment amounting to £26 million was allocated to tax refunds, ensuring that as many taxpayers as possible were repaid moneys due to them. Notwithstanding the careful and responsible approach that we have adopted regarding public spending, we have continued to allocate significant funds towards tax refunds, with an amount of £18.8 million allocated in the financial year 2021-22. Despite the difficulties we are experiencing, it is right to give money back to taxpayers that is due to taxpayers as soon as possible. It is also a measure that puts money back in people's pockets at a difficult time. That is not just the right thing to do, it is in line with the recommendations of the OECD on helpful measures to the public, helping them to cope with the pandemic.

I am advised by the Commissioner of Income Tax that whilst the COVID-19 pandemic impacted anticipated progress in their refunds programme, the Income Tax Office is now continuing to update its refund position successfully. Presently, over half of the assessment refunds for 2019-20 and over one third of those for 2020-21 have now been completed. Completion in relation to these years will continue, and refunds will continue to be released in line with the funding of £10 million made available this financial year.

I know that some criticism may have been levied against the Income Tax Office by some who have experienced delays in receiving refunds. I am also aware that some have had to wait longer than we would have liked in order to receive refunds. Unfortunately, cash counters had to be closed due to the COVID-19 pandemic and, as a result, the payment of tax refunds is now carried out via direct bank transfer. I believe that most people are content to receive their tax refunds in this manner; it is more streamlined, there is no requirement to physically queue up at a counter and no delay due to clearing of cheques. It also allows for a shorter processing time and for HM Treasury to effect payment sooner. It is important to understand the extraordinary number of applications received by the Income Tax Office, however. Most people in Gibraltar had not supplied these details and therefore this continues to be a tremendous task, but one we are committed to, in order to ensure that taxpayers receive their refunds directly and quickly. This investment in information and data will pay dividends in the future and will help to smooth out the efficiency of future refund payments by the Income Tax Office. The team at the Income Tax Office is working hard to give each citizen what they are owed; they do not want to keep it.

The Government continues also with its commitment to Tax Transparency and Prevention of Base Erosion and Profit Shifting (BEPS). As a Member of the OECD's Inclusive Framework, Gibraltar has engaged in these initiatives, including the implementation of Pillars 1 and 2 relating to the taxation of the digital economy, the allocation of taxing rights and the harmonisation of a minimum global tax rate – probably the most drastic change to modern taxation in recent times. The Commissioner of Income Tax, in his capacity as Competent Authority for Gibraltar, has continued to ensure that Gibraltar meets all international obligations under its various international exchange mechanisms in respect of both the automatic exchange of information and that exchanged on request, including both the International Tax Agreement with Spain and the Double Taxation Agreement with the UK. Gibraltar also continues to undergo numerous assessments as part of its membership with the Inclusive Framework on BEPS across various of its actions.

Returning to a national focus, the Income Tax Office continues with its digital transformation in conjunction with HM Government's Digital Services team. Last year saw the rollout of a preliminary tax e-service. I was sorry to see that the adoption of this service was not as expected, with most taxpayers continuing to opt to file their returns either by email or even in paper form. We have listened to criticisms and complaints about the system. We have listened to what citizens want and need and we have worked hard to deliver what they deserve – a system for which you can easily register, one which is not cumbersome and is set out in a familiar format, one which is not time-consuming and which is dynamically responsive to requirements. As a result, both components of the tax return that need to be completed online are now much simpler.

Finally, I would like to express my sincerest thanks to all the team at the Income Tax Office for all their hard work, dedication and commitment. In doing so, I turn now to the measures that the Government will implement in order to redress the imbalance in our public finances and secure our nation's future.

Mr Speaker, last year I announced an incentive intended to promote investment in marketing by awarding businesses that invest in marketing an additional deduction amounting to 50% of their marketing costs. When we discussed this incentive internally, before the announcement, it was always intended to refer to marketing of Gibraltar as a destination and jurisdiction to visit or in which to set up business, and not a deduction for all marketing expenses generally. The idea of the incentive was that as we emerged from the pandemic we wanted to encourage travellers to visit Gibraltar and businesses to consider relocating here, particularly now the case has been made and proved for remote working. This was a way of adding to the Government's own efforts and promotion of Gibraltar by allowing and incentivising businesses to join us in these efforts. We recognise that businesses sometimes have a different and, at times, perhaps more effective way of delivering these objectives. That was the intention; however, it was not how it came across from the speech, or the legislation that followed.

985 This incentive was intended for a period of two years. Following this announcement, we have realised that this incentive is uncapped and capable of being overused by certain sectors of the economy, as presently drafted. With this in mind, I am terminating this incentive with immediate effect. To date, very little use has been made of this incentive, in large part because those businesses that might have used it heavily to market to their customers are considerably delayed on their filings, something which, in itself, needs to be corrected and I will deal with this shortly. It should also be noted that some businesses within these sectors have brought the possibility of excessive charges to our attention and told us they will not be making use of this enhanced deduction. In order to treat everyone fairly, the incentive will, therefore, apply for its first and only year as set out in the legislation, but only in the way it was originally intended – that is to say the marketing must be of Gibraltar as a destination and jurisdiction, with the aim of attracting conventions, events, visitors and tourists or new businesses to set up here. Generic marketing to customers of one's own product is not what we had in mind and will not be allowed. The Income Tax Office will set out guidance to define 'marketing' in the context of the legislation. An amendment to the legislation will shortly be passed to address these issues.

990 Mr Speaker, there has been much discussion and debate in other parliaments of the introduction of a windfall tax. I must admit I find the principle of retrospective taxation challenging. However, I also recognise that these are difficult times which call for difficult measures. Many key and long-held principles have been set aside as countries chase ways of balancing their books. Indeed, as every day passes it seems some announcement is made whereby the entire rule book is being rewritten on public finances beyond our shores.

1000 It will come as no surprise that we are looking at our corporate tax take and how this is being split between the various pillars and sectors of this economy. What we have found is that certain sectors pay their way in a balanced manner, whereas others are not meeting their end of the bargain. They are using all the creative tricks that are available to them and, in some cases, pushing the extent of limits that were not expected to be pushed and which they should know better than to push. I will not point these sectors out, as it would be unfair, but rather I will tell them how I suggest we address this without resorting to a windfall tax, which punishes everyone across the board. We are going to open an amnesty period between now and 31st December 2022. All companies that have filed accounts during the COVID period – that is to say the last two financial years – and should have filed accounts up to December 2022 will be invited to voluntarily review their returns. If they consider they have under-declared or pushed deductions in a way that might be considered over-creative, they will be allowed to resubmit these returns and pay the corresponding taxation without penalty, interest or further question. At the same time, we are conducting a review of those companies that we consider are being over-creative and under-declaring. Listeners should note that in doing this we have reached out to our contacts at HM Treasury to secure a secondment who will assist us with this process. After the end of the amnesty window, on 1st January 2023 – still within this financial year – the Commissioner of Income Tax will then issue estimated assessments on those companies where we believe there has been an under-declaration for the years in question. The tax in this case will be a multiple, to be determined, of the taxation they would otherwise have paid. There will also be penalties and interest charges.

1005 In Gibraltar we have generally taken a friendly and open view to operators in respect of their corporate tax, always seeking to incentivise and prioritise business and make the jurisdiction attractive and fair. In this regard, our officials are approachable and tend to take a balanced view when applying our tax legislation. I do not intend that to change, but ask operators to reciprocate and treat the jurisdiction correctly and fairly, too. The last two years have been exceedingly tough. We believe that as a Government we have enabled business to continue to thrive despite the unprecedented challenges. It is therefore a little too much when there is a feeling that that generosity of spirit is being somewhat taken for granted and abused. The world is changing. Going forward, international businesses that set up here and do not pay tax here will be paying the correct amount of tax elsewhere anyway, so these operators are depriving this jurisdiction of tax

1035 for no net benefit. We must, therefore, instil in them correct tax behaviour at this early stage. Their under-declaring here needs to stop and we intend to tackle it in the next 12 months, going back through earlier financial years. We will need to enact legislation to deal with this, and this will follow after this session.

1040 Mr Speaker, over 30 years ago the Government entered into a series of agreements to privatise the production of water, the maintenance and operation of our water network and waste-water network. As part of a joint-venture arrangement with the Lyonnaise Group, a number of contracts were entered into between the joint-venture entity, Lyonnaise des Eaux (Gibraltar) Ltd, and the Government of Gibraltar whereby HMGoG contributed our network and desalination plant. This model was similar to the model adopted in the creation of GibNynex in the telecommunications space. Lyonnaise Group, as shareholder of joint-venture entity Lyonnaise des Eaux (Gibraltar) Ltd, brought in their expertise. In this way, the joint venture we now know as Aquagib Ltd was established. The operation and maintenance contracts were originally for a period of 30 years, with the possibility of extending it further for 10 years. Those contracts expired on 30th June 2021, and given the other pressures facing Government at the time it was agreed to extend it for a short period such that discussions could take place between the Government and NWG Commercial Solutions Ltd, known as Northumbrian Water, the successor to the Lyonnaise Group. The nature of the agreement was that if the contract were not renewed, the respective assets held in Aquagib would be returned to Government.

1055 Clearly it is not practical to unwind Aquagib, given the implications of that approach. The Government has, therefore, agreed to take Aquagib back into public ownership. Thirty years ago it was right to find a partner to push our water production forward and benefit from external expertise; today, it is right that we should renationalise our water supply and buy in expertise when and where we need it. But the benefit of our water production company can now return to the taxpayer entirely. We will, therefore, purchase the shares in Aquagib for the proportionate net asset value of these, based around the latest financial statement and calculations, subject to any adjustments that may be required. By transferring the shares, as opposed to allowing the contracts to reach their natural conclusion, it is possible to avoid numerous problems, such as having to set up a new entity with all the implications for novation of agreements, customers, creditors, banks and, most importantly, the employees of the company. The approach of acquiring the shares in the way proposed means nothing changes. The accounts are being audited and completed and it is, therefore, not possible to provide the exact cost of the acquisition at this stage. These will be subject to negotiation, of course, before finalising the purchase price. Although discussions and documentation are advanced, the agreement has, as yet, to be finalised between the parties. I am pleased to say that the Government would expect to finalise this transaction within the next six months, such that ownership will return fully to the Gibraltar Government and our control in the course of this financial year.

1075 Mr Speaker, as all hon. Members will know, the GSD, when in government, entered into a structured finance agreement to purchase and fund the set-up costs of St Bernard's Hospital. We, on this side of the House, have been vocal critics of that agreement. Indeed, the former leader of the GSD, Mr Feetham, has been consistently critical of this arrangement entered into by the Government of the former, former leader of the GSD and the current leader of the GSD, Mr Azopardi. To put it in perspective, an arrangement entered into by the GSD in 2003 for a total value of £54 million will, by the end of this year, have cost the taxpayer a total sum of £91.3 million, leaving an additional amount of around £17.8 million – that is to say going well into over 1080 £100 million of costs for £54 million. The total amount is £109.1 million, assuming we paid it off now. It would be even more if we continued the GSD arrangements.

That agreement offered a break clause given interest-free swaps maturities, so long as certain filings are completed by 11th July 2022. These filings would allow the Government to act as agent in the sale of the hospital building. The arrangement provides for a reduction of around £825,000 by way of rebate if this approach is taken. I can confirm that the Government is in discussions with Royal Bank of Scotland International to take advantage of this ability to terminate that sale and 1085

leaseback agreement and, instead of brokering a sale with a third party, confirm we, the Government, will be purchasing the hospital ourselves. This will substitute the present sale and leaseback arrangement with a short-term financing that vests title of the hospital away from NatWest Bank, back to the Government or the GHA. Remember that, at the moment, the structure is that NatWest owns the hospital, Mr Speaker.

Whilst terms have not yet been finalised, to put this in perspective, we are currently paying a rent to the bank of almost £5 million per annum as a result of the arrangements entered into by Members opposite. That is best seen on page 226 of the Estimates Book, which sets out the detail. The new arrangement we propose would allow us to repay fully the hospital loan over 10 years for an annual payment, instead, of £1.9 million. That would represent a saving of an additional £3.1 million per year – £3.1 million per year less than the arrangements they entered into – that can be spent on healthcare by taking advantage of this opportunity. There are, of course, numerous alternatives for that final repayment which we are considering. If we decide to repay this facility more promptly, an alternative would be to increase repayments to say £3 million per annum in rent – again, less than the £5 million that they lumbered us with – which again frees up £2 million for further healthcare and will allow us to repay the loan in under seven years. These interest figures have been projected, of course, with the current rates of interest in mind. Whilst we expect interest rates to rise, we do, nonetheless, feel we can structure a deal which will be more beneficial to the taxpayer and those patients who use the GHA than the current deal done by the GSD, which we have been locked into and which Mr Feetham and we have been rightly critical of for so long.

Mr Speaker, in order to ensure that we do social justice, one of the things that this Budget must also do is insulate the most vulnerable from the effects of rampant inflation and the increased cost of living. So who are the most vulnerable and how will they be protected by this Budget? First of all, we must agree that vulnerability, for the purposes of this discussion, is economic vulnerability. Secondly, the key factors in economic vulnerability are earnings and dependence on state benefits and payments. In this respect, we will be ensuring that those on the Minimum Wage, those on disability benefit and the recipients of the state or old age pension will all enjoy the benefit of increases in line with inflation to the payments that they will receive. I will take each of those in turn to announce the relevant increases that this Budget will provide for as follows.

The Minimum Wage will increase, in line with our estimate of inflation, at the rate of 8%. The Minimum Wage will therefore increase by 60 pence, to £8.10 per hour. The Government considers that this is the best way to ensure that the minimum sum of money that people earn in our economy keeps pace directly with the cost of living in our economy. Based on a 37.5-hour week, the Minimum Wage will go up from £14,681.25 to £15,855.75, an increase of £1,174.50. Based on a 39-hour week, the Minimum Wage will go up from £15,268.50 to £16,489.98, an increase of £1,221.48. Those worst off in work will, therefore, enjoy the benefit of salary increases in the region of £1,200.

It will not just be the Minimum Wage that will go up by inflation. The state pension and disability benefit will also go up by inflation, which, as I said, we expect to be in the region of 8%. It is right that the old age pension and disability benefit should go up by the rate of inflation, in order to ensure that those who depend on those amounts are not affected adversely by the increase in the cost of living.

There will also be an increase for occupational pensions from the Government, which will increase by 2% in line with the provisions of section 6(2) and (2A) of the Pensions (Increase) Act. Those pensions have been increasing by 2% each year for the last 20 years, even in the years when inflation has been lower than 2%. They will also rise by that rate this year.

Our public sector salaries have grown in Gibraltar, even when in successive years they have not grown in the United Kingdom. Where, once, parity was an aspiration for our community, in the past 12 years we have exceeded parity in many areas. In most areas, public sector salaries in Gibraltar are now in the region of 40% above parity with equivalent grades in the UK. That is not true of all areas, however. We will not tolerate, even in these difficult moments, that any public

servant should fall below parity with a UK equivalent officer, because we remain committed to parity with the UK public sector. We are, therefore, prepared to borrow more, if necessary, to fund public sector pay rises for any grades that might fall below UK parity analogues. In addition, and in any event, we will resume the annual pay rises for the public sector as our revenue recovers or the overall cost of the public sector payroll comes down as a result of efficiency measures taking effect. Our public sector deserves nothing less and we restate our commitment to it and to the complement of the Civil Service at the time of our election in December 2011.

In terms of the services provided by the public service, as from 1st July all fees charged by any Government Department and payable to Government, including licence fees and forms, will increase in line with inflation, rounded off to the nearest half point and to the nearest 50 pence.

Mr Speaker, over the years we have noticed a number of issues with the operation of the Category 2 regime and we will seek to correct these as we now progress the development of that hugely successful regime. A point that is concerning us is that the scheme works well when individuals join and stay in Gibraltar. One of the things that we have noticed, however, is that as individuals decide to leave they sometimes fail to adequately settle their final tax position prior to departure. This means that their final period in Gibraltar can, in some instances, go untaxed. This arises when the authorities seek to raise the amount but the individual is no longer in Gibraltar, and it is very difficult to locate them, let alone get them to settle the amount of taxation due or enforce an order in that respect. I said a little about that when I was talking about the Central Arrears Unit not being able to reach some people who had not paid their taxes and who had left Gibraltar. In order to resolve this concern, we are going to require existing Category 2 individuals, as from this year, to pay the year's tax in advance. This will be effective for the tax year commencing on 1st July 2022 and the amount will be based on the maximum amount of tax payable under this regime. This should be settled by 30th November this year, which is the date by when they are obliged to file their return together with their annual balancing payment of taxation for the year just passed, as is normal. This payment in advance will be returned to them if or when they finally decide to leave, and any overpayments will be credited or rebated as appropriate. In this way, the final amount due on the year of departure can be settled correctly and we do not end up having to chase individuals outside Gibraltar, with varying degrees of success. This rule will also apply to new applicants, who will be asked to pay a year up front on confirmation of the status.

We believe that all individuals were cared for very well during the COVID pandemic in Gibraltar and it is, therefore, necessary for us to look to all our taxpayers, amongst others, for ways to recover the amounts spent. Category 2 individuals are perhaps the wealthiest in our community. In this regard, we propose to increase the bandings such that the maximum assessable income increases to £118,000, up from £105,000. This results in an additional amount of tax of £5,000 being payable at the maximum income level. The minimum amount of taxation will also increase by £5,000, from £32,000 to £37,000. This, we believe, is a small increase to balance the benefit of the safety and relative freedom of living in Gibraltar which has been granted them during the most difficult times of this pandemic, as it has to all of us.

We have also noticed another trend recently, whereby certain individuals have given up their Category 2 status and others are coming to Gibraltar without any such status and nonetheless residing here. This follows advice from certain quarters to assist such individuals to remain resident of Gibraltar, with all the benefits that that accrues, but pay not tax or make any other direct contribution to the Government's coffers. The reason for this is that we do not tax many forms of income, and therefore some individuals have chosen to make Gibraltar their home without necessarily paying their way. I am sure that all Members of the House will agree that this is neither fair nor equitable. To deal with this, we propose to introduce a tax whereby any non-Gibraltar national who claims residency in Gibraltar or is resident in Gibraltar, is not in possession of a CAT2 or HEPSS certificate and is not in true third party employment – that is to say somebody who is here but is not making any contribution – will be taxed on their full savings income, including pension income, interest income, dividend income and income from other passive

sources. This approach is clearly intended as a penalty. We will use the register of occupation as a means to assist us to identify these individuals and grant the Commissioner of Income Tax powers to address this issue. There will also be a simple way to address this, and that is for such individuals to rationalise their status by enabling them to apply for their CAT2 status retrospectively, so long as they meet the eligibility criteria and pay any outstanding amount of tax. That means that they will be able to attain the protection afforded to them and those sources of taxation by CAT2 status. In order to address the unfairness of them not having paid over what may possibly be a number of years, they will need to pay the taxation at the maximum rate with no adjustment for lower rates of income for the years when they have not done so.

Mr Speaker, similar to the position of CAT2 individuals, when seeking to square our public finances we have looked at other relative unfairness in our tax system. One that has existed but has remained unaddressed is the way the personal tax rate, introduced by Members opposite when they were in Government, dips for income in excess of £500,000 – half a million pounds – under the gross income based system (GIBS). At present, under the GIBS system the average tax rate for income up to £500,000 works out at 25%. The rates become, in our view, socially unjust when you get beyond that point. This is not something that we have alighted upon before, given that there are very few of us on those levels of income. Beyond that, the rate drops to 18%, and beyond £700,000 of income the income is taxed at 5%. This means that the higher the overall income, the lower the overall average rate of taxation. That GSD measure is not progressive and it is not socially just. For illustrative purposes, someone declaring £1 million of income pays tax at 17.6%, whereas someone with an income of £30,000 pays an effective rate of 18.3%. That cannot be right. This creates an anomaly whereby business owners and others are able to delay or defer payments such as dividends, or even consultancy fees, to a point whereby they are able to distribute accumulations in one go and avail themselves of a lower marginal rate of taxation. In order to address this anomaly, the rate beyond £105,000 of income will, from now on, be a flat rate of tax and, subject to what I am going to say in a few moments about tax rates generally, it will be 25%. This is a fair approach whereby everyone will pay tax at the same rate, save those at the very lowest levels of income – that is to say less than £25,000 – who pay at an average rate of just under 17% and those on very low incomes, below the tax threshold, who pay zero.

Mr Speaker, like every country in the world, we are going through tough times that have impacted on our public finances and our levels of necessary borrowing. This borrowing has not been on anything other than the public spending on COVID and the maintenance of our public sector salaries – nothing lavish, nothing extravagant, whatever some may now say to try to spare their blushes in having agreed our COVID spending. It is, nonetheless, incumbent on me and this Government to seek to find a way to lead this community out of the deficit period, with the certainty that we can address the debt that has built up during the COVID period and its aftermath. In order to do so, I therefore propose a number of temporary measures. This measure is for two years only, and tax rates will restore after those two years for these taxation measures that follow.

For the next two years only, all tax rates in all bands under the allowance based system and the gross income based system will increase by two pence in the pound for those two years. That is a two-year 2% increase in taxation. That is to say under these new bandings an individual paying tax under GIBS on income above £25,000 will be taxed at an average rate of 27%, not 25%, and below that level the average rate will be just shy of 19%, not the aforementioned 17%. As I said, the measure will apply only for two years, 24 months.

As we did last year, the Government has decided not to levy tax on pensions. We gave careful consideration to the option but, on balance, we have determined it is possible to avoid doing so. I do believe this measure was largely to be expected in this community and will catch few right-thinking members of the community by surprise.

The additional income recovered by this measure will allow us to fill in the revenue shortfall in the coming two years and make repayments of the amounts borrowed easier for the taxpayer. It will also assist us to crystallise our COVID-related borrowing in a structured way over a longer period and allow us to repay this in a managed way. We have all lost two years of our lives to

COVID. The Government has been paying out for two years, but we have lost two years of revenue whilst paying out more than ever and more than we received, so now, for the next two years, we must get whole again. We must use the next 24 months to strengthen our public finances. We may likely get a UK-EU treaty, but it may only last four years, so we will have to be strong, at the latest, in four years. So this is a Budget measure we impose not out of desire but out of necessity, to get our public finances back on their feet in two years. That does not change that we want tax to remain as low as possible. That is why we are fixing this measure for a short and defined period, so that people will have the certainty of how long they will pay this extra amount. Given the GDP to tax ratios we see in other countries and increases being seen in direct and indirect taxation in other economies, this is a modest measure which will be much less painful than it will be useful in the rebuilding of our public finances post COVID.

Mr Speaker, taxation is the lifeblood of any modern government and is vital to the continued prosperity and growth of any economy. In order to ensure that taxes are duly paid, it is vital to enforce tax compliance. 'Compliance' is not an ugly word. It simply means that each of us should contribute what is owed in a fair and timely manner, so that this can be invested for the benefit of all. It is, therefore, imperative that tax systems have robust and practical tax compliance measures. Unfortunately, the current sanctions we have in place in Gibraltar are outdated and, in some cases, simply not fit for purpose. Tax penalties should penalise those who flagrantly flaunt their obligations, whilst simultaneously acting as a deterrent to others from doing the same. In seeking to improve this, I have already asked the Commissioner of Income Tax to carry out a review of existing penalty regimes and seek alternatives that implement stricter but fairer sanctions, ones that are commensurate with the size of the defaulter as well as the level and frequency of the default itself. These revised sanctions will be introduced shortly and will seek to create a noticeable improvement in general tax compliance and behaviour.

Mr Speaker, presently the Income Tax Office receives numerous applications for certificates and other information requests, ranging from ordinarily resident and sub-contractor certificates to payment transaction printouts, as well as copies of previous filings and associated documentation. Whilst the team at the Tax Office are proficient in expediting these service requests to the best of their ability, the large volume of requests at particularly critical times of the fiscal year impose a notable administrative burden and corresponding cost on the department, which, up until now, has been absorbed as part of continuing operations. Certificates confirming 'ordinarily resident' are sought to satisfy requirements from offshore financial institutions as part of the due diligence and self-certification process governed by obligations imposed by regulations for the exchange of financial account information between jurisdictions or to provide additional evidence of tax residency in Gibraltar in response to a tax residency challenge or enquiry from a foreign jurisdiction. Sub-contractor certificates are sought by those seeking to avoid the imposition of a 25% withholding tax being applied on payments received from their main contractor, in accordance with the Income Tax (Construction Sub-Contractors) Regulations 1994. In order to alleviate the administrative burden referred to above, with effect from 1st September 2022 the Income Tax Office will impose administrative fees for the provision of these services. A tariff sheet will be made publicly available by the Income Tax Office.

Following the change in corporate tax rate from 10% to 12.5% on 1st August 2021, the Income Tax Office has received representations from industry practitioners that the legislation is not sufficiently prescriptive in providing a basis for how the transitional year containing the change in tax rate is to be computed. Although we believe this was clear, in order to accommodate industry requests an amendment to the Rates of Tax Rules 1989 is being published. In addition to this, the Income Tax Office is also issuing explanatory notes supplementing this legislative amendment.

Section 30 of the Income Tax Act 2010 provides for a threshold of assessable income above which corporate tax returns must be accompanied by audited accounts. This threshold presently stands at £1.25 million. In order to assist our audit practitioners, and particularly those smaller firms, this threshold is being increased from £1.25 million to £1.5 million. We understand this increase will expand the net of companies in scope of this audit exemption, with approximately

1295 85% of companies filing chargeable returns with the Income Tax Office now benefitting from the exemption. This increased threshold will apply to accounting periods ending on or after 1st July 2022. We will be introducing a regulation-making power in section 30 of the Income Tax Act 2010 which will allow us to make the necessary changes to this threshold expeditiously and responsively without the need to seek the amendment of primary legislation in Parliament in the future. I
1300 nevertheless urge practitioners and company directors themselves to ensure that the quality of accounting records and accounts is maintained and that the increase in this threshold we have announced today is not used as an excuse to disclose improper or incorrect returns to the Income Tax Office. Should we find that the quality of non-audited accounts is lacking, we will reverse this measure.

1305 Mr Speaker, by and large, most companies in Gibraltar somehow benefited from the approach we took during COVID. If the company was operational with a large workforce, they received support for their staff and reduced elements of rates and other charges. If they are passive holding companies, their service providers, directors and secretaries were put in a position where they were able to operate and keep those companies compliant with the rules. If is, therefore, right
1310 and fair that as we seek to balance the Government's finances we should also ask every company to make a small contribution, just as we are seeking, for a time limited basis, from personal tax payers. As with individuals, we are seeking a COVID recovery charge for a period of two years only. We propose that every company pay a COVID recovery charge of £25 per week over the next two years. This charge will be levied as part of the company annual return collected by Companies
1315 House as from 1st August, to allow Companies House the time to set their systems up to deal with this. Companies House will then pass this COVID recovery charge straight on to Government with no deduction whatsoever.

I turn now to import duties, Mr Speaker. In July 2020, in the first throes of the pandemic, we announced a series of measures designed to provide financial support to our businesses as they
1320 returned to work during that difficult period, and secondly to stimulate and accelerate economic activity. These measures included an Import Duty waiver which was introduced for all commercial imports, other than for certain commodities such as excise goods. In addition to this, we later introduced a 10% flat rate of Import Duty to be levied on all personal imports over £25 in value, with this measure again not applying to key commodities. Both of these measures will be revoked
1325 with effect from zero hours on 29th June. Private importations will now be charged at the Import Duty rates in place prior to the introduction of these measures in 2020, subject to the £25 de minimis rule remaining. The waiver on commercial importations ceases to be in effect also at zero hours on 29th June – tomorrow. This means that duty will be charged as per the Integrated Tariff Regulations 2017. The relevant Gazette will be published during the course of today.

1330 Mr Speaker, you may recall that HMGoG introduced a change to the tariff for petroleum products at the roadside petrol pump, for motor vehicles only. This measure was aimed at helping our petrol stations locally, as an equivalent measure had been introduced in Spain. This does not apply to fuel for vessels or other pleasure craft. This measure was there to partly address the ever-increasing price of fuel suffered at the petrol pump by the motorist and haulier. The equivalent
1335 measure has recently been extended in Spain. In order to ensure that our citizens do not feel the economic need to drive to Spain to fill up, I propose to extend the original measure here, too, from its expiry date of 30th June 2022 to 30th September 2022. We will keep fuel prices under review for the next quarter and make such announcements as may be necessary in coming months about this measure. Absent a further announcement, fuel duty will revert to its original non-discounted rate on 1st October 2022.

1340 Any individual taxpayer who installs a mechanism for the electric charging of a vehicle in their home, or private parking space or garage owned by them, will be able to continue to deduct the first £2,000 of costs approved by the Commissioner of Income Tax against their tax liabilities.

1345 In tandem with measures to encourage the uptake of electric alternatives, we will be actively disincentivising the purchase of conventionally fuelled vehicles. Mopeds fully fuelled by diesel or

petrol will become prohibited imports as of 1st July 2023. These vehicles are polluting, they cause a noise nuisance and contribute to overall levels of traffic.

Nearly 50% of currently active registered vehicles in Gibraltar are more than 10 years old. The market sees approximately five or six hundred imports of used vehicles every year that do not meet the latest emissions standards. In order to prevent the market from continuing to be filled with older, more polluting vehicles, used passenger cars – other than classic cars – light commercial vehicles and buses over five years old will become prohibited imports from 1st January 2023.

Tourism is one of the main areas of our economy where we expect to see growth. We are excited to see it slowly but surely returning to pre-pandemic levels. The influx of visitors, however, places increased demands on our infrastructure and on our tourist products, such as our beaches and the Nature Reserve. As such, Government will be introducing a Sustainable Tourism Tax, similar to that already payable in many destinations. Research has shown that well-designed tourism taxes can be both practical and meaningful tools in the sustainable management of a destination's resources. As from 1st August this year, hotel and Airbnb visitors will, therefore, pay £3 per person per night for a stay in Gibraltar. All revenue from this hotel levy will be paid into the Climate Action Fund and will be invested into relevant projects such as promoting sustainable mobility and protecting and preserving our biodiversity. It will be the responsibility of each hotelier or property owner to pass that cost on, monthly, to the Department of the Environment as the receiver of revenue. Additionally, as from 1st April next year, cruise ship passengers will pay £1 per passenger environmental levy, based on the number of passengers on the vessel calling. This sum will be paid to the Port Authority.

We have seen the recent inflationary increases apply across the board. Nonetheless, the item that will be most noticeable to individuals will be the increase in the cost of fuel at the petrol pump, despite the deduction of duty we have granted and now extended to seek to mitigate the impact. These increases are really quite significant by any measure and are being felt across the globe, even in the US, which is an oil producer. This is, in fact, the principal driver of inflation across the world. You know the situation is severe when even citizens of the United States are complaining of the cost of filling up a tank of petrol. Mr Speaker, as you know, we have opted to produce the electricity that powers our homes and businesses through the use of natural gas. The cost of gas is linked to the price of oil and this has also increased with inflation. Not only that, but to keep self-sufficient we desalinate our water supply and this process is powered by electricity, which is ultimately powered by natural gas.

We have recorded increases in IRP here in Gibraltar, between July last year, the time of our Budget announcement, and April this year, of 5.8%. I have no doubt – based on recent CPI increases announced for May, in the UK, of over 9% – that by the time the end of the year comes, our own IRP will be closer to that figure. We consider that increases are likely to be in the order of 8%. As I have already said, we will apply that figure to the Minimum Wage, state pension and disability benefit. In light of this, we really need to pass on some of the cost of the increases we are suffering on the cost of producing electricity – which I referred to earlier when I pointed out the increases that we could see in the cost in the book – which, in turn, is also used to produce water. As a result, we propose to increase electricity and water charges, but contain that increase to 8% also. We are not applying the full increase in the cost of fuel to the consumer, far from it; we are greatly amortising the increase to ensure it is less harsh than the reality of the market in which we are operating. We are going to provide more support, in doing so, than any other government is providing anywhere else in Europe, and we are doing this from a historic position of giving full amortisation in a much, much more generous manner than is the case in the UK or in Spain, or in any other economy.

Gibraltar electricity prices are very significantly cheaper than the UK and Spain, our two most relevant comparators. Compared against the prices paid by consumers in the UK, Gibraltar's average annual household electricity bill is approximately 30% lower. Spain has an average annual household electricity bill that is almost 40% more expensive than our own. Gibraltar's average

household consumption is 4,038 kWh, which is quite high. This consumption is notably higher than the average consumption in the UK, where it is 2,900kWh, and Spain, where it is 3,240kWh. The reason for this is likely two-fold. The first is that heating of households and, in some instances, cooking in the UK and Spain is generally delivered via other means, normally gas heaters and boilers, and those are billed separately but have also seen costs increase significantly, and they have not been incorporated in the price differentials that I have just provided, so, in fact, it is higher. Additionally, the higher cost also makes people more conscious of consumption of electricity, something we all used to be in earlier times, I recall. But notwithstanding our higher household consumption, our electricity bills are still lower. If we calculated the annual household bills according to annual consumption by flexing volumes to equate things like for like, our bills would be approximately 50% lower than in the UK and Spain, and that is even with the discounts we have seen announced in Spain and the financial support being provided to some in the UK. Take away the discounts which have recently been announced in Spain and the UK and the difference will be more than 50%. Indeed, that is why discounts and financial support for some are necessary in those jurisdictions.

Consumers in Gibraltar have not needed price caps or electricity tax cuts, as we have seen in Spain and the UK. Indeed, electricity charges have been stagnant in Gibraltar since 1984 until 2010 under the GSD, who started to put them up. Our consumers are not exposed to regular price fluctuations based on fuel prices, as most, if not all, European consumers are. Here, the unit price has remained constant for the past 12 months and before then it had been constant for 11 years. I think people cannot have missed that in Spain and in the United Kingdom, in the news bulletins that most people will be seeing, there have been constant references this year to how the price of electricity has changed almost on a weekly basis as the price of fuel has changed. That has not been the case in Gibraltar, where the price is fixed for a year. And the 8% tariff increase that we are announcing today will be fixed for at least the next 12 months and represents an increase to the average monthly bill of £4.37, or £1.09 a week. Thankfully, for most people in our economy that will be an imperceptible amount – *dos crónicas*, some might say, Mr Speaker. This is approximately just over one third of the total increase suffered by our neighbours over the last three months alone, where they have seen an increase of €162.01 in quarter 1 of 2022. To put all of this in context, the price we are paying for diesel to run the temporary generators whilst we snag out the new power station has increased from £467.31 per metric tonne on the supply date of April 2021 to £1,022 per metric tonne on the supply date of May 2022 – in other words, an increase of 120% of cost to the taxpayer in diesel alone. For LNG this has increased from £9.24 per MMBTu (metric million British thermal unit) on a supply date of May 2021 to £15.79 per MMBTu in May 2022, or an increase of some 71% in the period of one year alone.

The increase in water and electricity which I have announced will apply as from the August 2022 bills. Again, that will allow the GEA and Aquagib to deal with billing issues and will be accompanied by a weekly levy of £1 against each Aquagib and GEA meter to support infrastructure maintenance costs as we prepare to make greater investments in the distribution and management network of our basic utilities. Going forward, and building upon this continuing subsidy against the fuel price, hereafter electricity and water tariffs will increase annually on 1st April by the cost of living percentage, rounded down to the closest whole number. That will be a considerable, continuing discount against the fluctuation of the cost of fuel, whilst being a more manageable subsidy for future generations to sustain.

In the event that there are people who find themselves in genuine difficulty and for whom this increase might be meaningful, the Government will introduce a means-tested utilities credit which will provide relief for genuine cases of hardship arising from these increases. No one will have their water or their electricity cut off if they genuinely cannot afford to pay. I will discuss the detail of this with relevant unions and representative organisations, including Action on Poverty, to ensure that we are able to protect the most vulnerable and that no one falls between the cracks.

Mr Speaker, raising the cost of utilities, even if it is by just over £1 a week, will obviously be unpopular. Most will not even feel this increase, but it will be unpopular with everyone. I just want

1450 to say this about that. I think that sitting in my chair at No. 6 Convent Place, having my responsibilities and seeing what I see from the bridge of *HMS Gibraltar*, everyone in this House and every Gibraltarian and resident of Gibraltar would do the same thing. These are the right steps to steady the ship, by spreading the load amongst all who have taken the benefit of the measures we are now paying back, whilst protecting the most vulnerable, because this is the right thing to do, even though it may not be the most popular thing to do.

1455 I want to recognise the representations from employer and business representative organisations seeking no increases in respect of the costs of utilities. It is their job to make the case for their members and I recognise that too, but if any of the member of the Chamber or the Federation were in my chair, if our captains of industry were doing my job, they would be making the same decisions, too. Yes, they might also take the knife to the public sector and to public sector terms and conditions – something that I will never do, because I believe in and I defend the Gibraltar public sector and the role it plays in keeping the community working, as it did in sterling fashion during the COVID pandemic. And our unions might think that they might borrow more to pay out more, until they saw that in the medium and long term that would mean fewer jobs, less quality employment and more years without surpluses and pay rises, as well as even higher inflation. On reflection, union leaders and business leaders would reach the same conclusions I am setting out to the nation today – I am absolutely sure of that. They, too, would do what I am doing now because I am doing these things to make Gibraltar strong for my children, I am doing this to make Gibraltar strong for their children, I am doing this to make Gibraltar stronger for all our children and our children's children, not because we choose to do so but because we need to do so; actions taken out of necessity not ideological choice or desire.

1460 When we are done, Gibraltar will be stronger than it has ever been before. Gibraltar will need to be stronger going forward with a future outside the EU, although hopefully with a treaty relationship with it; with all commentators predicting a recession for next year; with a war in Eastern Europe that shows no signs of abating and with its attendant worldwide consequences. I may be an optimist, I may believe Gibraltar has a bright future – although this year will present high inflation and rising interest rate charges outside our control also – but I know that our strong and bright future comes only as a result of robust, tough measures now. When the going gets tough, the tough get going – but always protecting the vulnerable, taking a little more from those who can, because, as Sir Joe has also repeatedly taught us, the road to self-determination is paved by self-sufficiency, and, in the end, we are the ones elected to manage problems and to fix problems, not to exacerbate them. That is why we have to do what is right to treat the patient and not fail to do so.

1475 Mr Speaker, it is incumbent on me now to thank the whole of the public service for the magnificent work they do for Gibraltar. I say that genuinely and knowing that they are often the butt of criticism, but the Gibraltar we know and love cannot operate without our public sector's continued commitment. In particular, I thank the officers of the Departments that I have reported on and who work directly under my ministerial responsibility.

1480 Mr Speaker, I take a moment to thank you and your staff, in particular the Clerk and the ushers, for all of the support given to all Members of the House, myself in particular.

I single out, of course, for specific mention those who work daily with me at No. 6 Convent Place, assisting me in the discharge of my obligations in the post of Chief Minister. They are a very special bunch of people who are like knives through the butter of the daily challenges we face. My success, such as it may be, is down to them. The failures of my Office are entirely my own.

1495 Of course, in this debate so much of the preparatory work is done by the team from the Financial Secretary's Office, the Finance Ministry and the Treasury. I thank all those who have helped us to prepare the Estimates Book. I single out Bethany, Ernest and Susie, who, together with the Financial Secretary himself, spend most of the late winter and early spring in a permanent wrestling match with figures and spreadsheets to produce the Estimates. These Estimates are, therefore, as much my work as the work of the Financial Secretary, Albert Mena, whom I recognise in the House today, Mr Speaker. I genuinely believe he has been an essential part of how we have

successfully negotiated the very challenging past 28 months since that dreadful first moment of March 2020. I cannot be fulsome enough in my gratitude, on behalf of the people of Gibraltar, for his work alongside me in the Finance Ministry in the dark days of the dawning of the pandemic. History will judge his contribution as essential for the economic survival of this community.

Mr Speaker, this is not a giveaway Budget, because there is nothing to give away, but neither is this an austerity Budget, which would be a Budget of cuts and wholesale tax increases that affect everyone in our economy in the same way. No. We will target support for those most in need. We will use this Budget to deliver measures that will ensure that those worst off in our economy will not suffer in this period. No one in our economy will be left without enough money to buy the goods they need in their home.

Our opponents, Mr Speaker, should not treat our people like children, pretending they do not understand the severity of the worldwide economic downturn, the complexity of the situation and the reality of the arguments about our public finances, because, contrary to suggestions, there is no pay freeze in Gibraltar as we continue to invest in the areas which require and are worthy of our investment, not least our people, who will continue to progress through spine points etc.

The fact is that our people gave me this job this past decade not because it was easy but because it was hard, and we are taking these measures today not because they are easy but because they are right. That is why this will not be a Budget for those who have more than enough to have even more, because today we must rebuild our public finances, not plunder them.

The fact is that if we had not had the COVID pandemic to deal with, we would today probably be announcing a £100 million surplus. If that were the case, we would not be announcing a tax rise. We have raised salaries and allowances for the past 10 years, so people know our instinct is not to tax more. We are not taking these steps to court unpopularity; we are doing so because we have to, and we will do so only for a limited time.

The pandemic has affected many things, of course, not just our finances, and as a result, the Government accepts that there are issues affecting services to citizens that we have to resolve. Is everyone happy? No. Do we need to do more in some areas? Yes. But let us be clear that where we are failing to act, there is a good and problematic reason, not negligence, laziness or dereliction. And there is, of course, the effect of the pandemic and the effect of the Brexit negotiation. Both those are slowly resolving themselves and we expect to be able to do more to resolve outstanding issues in coming months.

I know that this Budget will be difficult for people to hear. The tough part of this job is not being able to do everything that people would like you to do, but we are already borrowing quite a large amount of money. Borrowing more for recurrent expenditure would not make sense and would further breach our golden rule. We have to get back to observing the golden rule as soon as possible.

So, yes, some of these things are difficult, they are certainly – probably – going to be unpopular, but these are the responsible and prudent measures we have to take. They are measures that will help us in the long term, and I am not going to deviate from the long-term good just for some short-term popularity gain. That is not what people elected me to do, it is not what people entrusted me to do; indeed, it is not why people trust us on this side of the House, because we are on the side of parents, pupils, pensioners and patients in improving public services, and of course we are also on the side of our public servants. We have shown that by prioritising them for 10 years, but the efficient delivery of the public services themselves to those who need them is also the priority for my Government.

So, to every young person, to every older person, to every pensioner, to every vulnerable person I say we on your side. Your ambitions are our ambitions. Your concerns are our concerns. Your aspirations are our aspirations. As we remove the low rate of tax for those earning over half a million pounds, we are building also a new model of Gibraltar based on equality, fairness and opportunity which is not based on class, wealth or who you know; a nation of fairness for the many, not the privilege of the few, concerned about those who use services as much as we care for those who provide services.

1555 We are the people's Government, delivering the people's priorities in the people's toughest Budget yet, but seeking to do the people's bidding as we do so. This is a Budget to ensure that we strengthen our common treasure chest again, a Budget to protect us in the long term with very little pain in the short term, with no giveaways but no austerity either, with none of the benefits we enjoy and value in Gibraltar being negatively affected.

1560 Mr Speaker, we respect our people. We believe in the Gibraltarian, in Gibraltar and in the Gibraltarian spirit. We trust our people. We trust them to understand the logic and reasons behind this Budget, this people's Budget, a fair Budget and a renaissance Budget to lead to a rebirth of our public finances, to leave COVID behind, to make Brexit history and to propel our nation forward.

1565 This really is a Budget in which I am telling our people to ask not what more they can take from our country, I am telling our people to accept that now it is time for our country to take a little bit more from each of us. These increases are preparing us to be in a position to give public sector pay rises again in the future, setting direction to resolve the economic issues we face today, to repay the debt, to get back to surplus, to protect our way of life and to insulate our prosperity for future generations.

1570 I am raising taxes and I am raising utilities. These things may be unpopular but they are the right thing to do in these circumstances, in this time and in this moment, to turn the corner and to get back to growth, and every Gibraltarian and resident of Gibraltar who cares about Gibraltar and our people will want nothing less. That is why, even though it contains tough measures, even though it contains measures to increase taxation in small way for a short period, even though it
1575 may feel like hard medicine, it is the right appropriation for this nation at this time and I therefore unhesitatingly commend the Bill to the House. *(Banging on desks)*

Before I sit down, Mr Speaker, and given the length of my address, I would propose that the House should now recess before we return to hear other speeches at three o'clock this afternoon.

1580 **Mr Speaker:** The House will now recess to three o'clock this afternoon.

The House recessed at 1.03 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.03 p.m. – 7.40 p.m.

Gibraltar, Tuesday, 28th June 2022

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The Gibraltar Parliament

The Parliament met at 3.03 p.m.

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

[ACTING CLERK TO THE PARLIAMENT: S Galliano Esq *in attendance*]

Appropriation Bill 2022 – Second Reading – Debate continued

Clerk: We continue with the Second Reading of the Appropriation Act.

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

Hon. K Azopardi: Mr Speaker, thank you.

This morning we listened intently to the Chief Minister, as we would. It had been trailed, already, as a tough Budget by drip-feeding into the public domain and we listened intently, and towards the end ... The temerity of calling this the people's Budget. The people will be tired of the antics and wish the Chief Minister would practise what he preaches.

This was the ultimate act, especially towards the end – 'we are on your side' – while he stared right into the people's eyes and slipped his hand into their pockets. It is all too much. Some, or all, of these new revenue-raising measures would not need to happen if the Government had been disciplined last year, if they had been disciplined from the beginning. This is a case, simply put, of passing the bill on to the people for *their* failures, of Mr Picardo asking the people to bail him out of his mistakes, and then, with drama, trying to convince them that it is not his fault.

When anyone looks at this Budget and, importantly, last year's public spending, there are some big themes that emerge: on trust, because the Chief Minister cannot be trusted on the economy, public finances or the recovery – there is no real plan, other than a very late and insufficient one, no direction, no willingness to address issues and no clue; a reality check, because scratch the surface of his Budget and today's picture is far worse than presented – when you look forward to next year, it might be even worse than that, and that is down to the possibly unrealistic projections the Government is making in certain key areas; and failure, because all this is down to Government failures – a failure to control expenditure, a failure to control waste and a failure of discipline, which goes all the way to the top because there is a clear line of responsibility and the buck stops with Mr Picardo, who has political responsibility for the bottom line, no ifs, no buts. I am going to deal with all these points in some detail, but first some observations on the macro-economic picture as well as some state of the nation issues that affect public finances and the economy.

We are still without a post-Brexit deal, six years after the referendum. We have been warning about lost opportunities for some time. Not only have there been lost opportunities, there now appear to be missed boats. When, with great fanfare, the flimsy eight-page non-binding New Year's Eve Agreement was presented as some form of Neville Chamberlain-type triumph, we warned about its vagueness, the potential concessions it may lead us to, and the fact that we had missed the boat by not landing a deal at the same time as the UK had bagged for itself a 1,000-page binding legal treaty. We were told we were wrong and that the negotiations for a new treaty would be over in six months, but here we are, 18 months on, without a deal, without even the

draft of one and with problems surfacing and affecting some of our citizens. That is inevitably compounded by the Northern Irish reality, despite any assertions that the negotiating streams are separate. Of course, they are theoretically separate and I hope they remain so in practice, but it does not take much to understand that these are also human processes and the potential of our process being stymied by the mounting sense of European frustration with the UK over Northern Ireland is a distinct possibility.

I make clear that we want a safe and beneficial deal, but this uncertainty is not good for Gibraltar and some of our people are now facing the impact of delay as blue card holders endure an erratic and sometimes hindered passage across the border. These are also realities on the ground. The Chief Minister may urge us not to mention this a lot or too loudly, lest we all suffer the same fate, but that is a drab, self-serving invitation tendered by a contributor to, if not the architect of the misfortune, (*Interjection*) because we have been saying since 2018, when Spain bagged lasting freedom of movement rights for its frontier workers, that Gibraltar lost an opportunity to bag enduring rights for our people – again a reality – not because workers should not have these rights but because we should have got these at the same time in exchange and when we gave other things away.

Mr Picardo often says it was not the right time to talk about these things. I get it – he got it wrong and he does not like to admit it, but that is the reality. Instead of landing permanent rights for our citizens, we gave away MoUs that were inroads into our economic and social affairs, gave frontier workers permanent rights for not much in return, and accepted a permanent Tax Treaty that classed some Gibraltarians and some of our companies as Spanish tax resident, even when they lived here and did not do business in Spain. It discouraged inward investment by hitting at the core quality of life factors that attract investors to Gibraltar.

That was the balance sheet before the New Year's Eve Agreement and when the boat to a new relationship with the EU was badly missed again. Now, here we are, six years after the Brexit referendum, without a permanent deal and without knowing what the future has in store. We are now alone in this quest, as the UK has its deal, and we have the certainty that if we do not get a deal, Spain will still have obtained permanent rights for its citizens and permanent tax concessions to its state. Facts, not spin, and so far a black mark as to the Government's negotiating skills.

He said, this morning, he could not go quicker because he was protecting our rights and our sovereignty, but he gave away rights in the MoUs and fiscal sovereignty in the Tax Treaty, so if this is him taking his time to protect us, then I say no thanks. Is he suggesting, by placing us in a position where we are the only ones without a deal, that this is somehow beneficial to us? That would be the last straw in his salesman's pitch. I suppose we are to thank him for not having landed a deal and for keeping us in this state of uncertainty. I, for one – and I am sure I am not alone – cannot see the logic of those statements.

None of that is to indicate we do not want an agreement. I repeat: we want a safe and beneficial agreement, and the sooner the better, clearly. Of course, whether it is safe and beneficial will need to be judged when the specific text of the draft treaty is published. Again, we think that publication should be before any treaty is entered into, and not just before its ratification. It should be before the treaty parties – the UK and the EU – enter into it. After all, this is a treaty of some importance and it will affect our lives and our people. Why shouldn't it be published in draft, so we can look at it before it is entered into, so that a debate can be had, so that there can be proper scrutiny, so that the people most affected can express a view, and perhaps for that view not just to be expressed informally in the media but in a referendum where our people decide whether to freely choose to accept the permanent relationship with the EU which is then on offer?

I am clear that I want a deal that achieves freedom of movement – mobility – for our people, and safeguards our economic future. We need to be politically and economically sustainable, and a good deal would enhance those prospects, if it can be achieved. Uncertainty damages our economy and the prospect of inward investment. It is less likely that people making investment choices will opt for a territory whose economic relationship with the EU is unclear over one that

90 does not have these big challenges and uncertainties on the horizon – again, a fact. So, despite my criticisms of the negotiations so far, which I make in all honesty and clarity and have always made, I reiterate our desire for a deal that works and is good for Gibraltar.

95 Whatever happens, we are at a crossroads because the present situation cannot continue much longer – at least, we would not expect it to. Either there is a deal that emerges and that is acceptable, or there is not. We cannot turn the clock back and we are not in the EU. Unless a future UK government were to take the presently unforeseeable course of applying to join the EU, the best we can do is negotiate an acceptable arrangement for ourselves with Europe, because we are European and that is where our future lies as an inevitable geographic reality that nowhere else in the UK has. So we do hope for a safe and beneficial agreement and one that emerges soon
100 this year, because the present Brexit uncertainty affects our economy and is present against a backdrop of global and local economic pressure. Some of that has been caused by the COVID pandemic but other factors have not, and it is important to distinguish between these.

The COVID pandemic left economic chaos in its wake which will take time to recover from, but it also needs to be seen in context. Not every country was the same and not every country will
105 face the same issues. Some had longer lockdowns than others, some are still suffering from these, some were more affected by the economic pressure, and in some countries the toll of human suffering was much larger than in Gibraltar, so it is important to understand the effect of COVID and not let it mask other, more historic issues we had when entering the pandemic.

Clearly, by the time we entered the pandemic we were already straddled in a historic
110 ratcheting of direct and indirect gross debt of around £1.3 billion, this despite the Government having promised to halve the level of gross debt that existed in 2011, then £480 million. Instead, it tripled it. That is a fact and a stunning breach of promise and one that affects our recovery and our ability to manoeuvre. Again, this may be an unwelcome reminder for Mr Picardo, but it is true and a fact. As I said last year, while the £500 million guarantee of the UK was welcome because it
115 lowered the cost of borrowing, it did not provide absolution of past mistakes and nor did COVID paper over the financial state in which we arrived when the COVID crisis happened. If there is further borrowing, it should be to kick-start the economy and not to plug the running costs of an unrestrained and undisciplined Government.

I know he does not like my reminders of his debt promises of 2011, but in 2012, in his first
120 Budget speech as Chief Minister, Mr Picardo said:

in Opposition, we raised issues about the creeping growth of our nation's gross debt and why we have a clear commitment to deal with gross debt and net debt levels, as we set out in our manifesto ...

[...]

That is why, Mr Speaker, our manifesto specifically provided, in clear and unambiguous terms, our approach to the reduction of national debt. Our manifesto provides on page 27 that in respect of gross debt:

'Our commitment is that Gibraltar's public debt will be brought down by half of its current level, whatever the current level is after the election, so that by the time of the next election in 2015 there will have been a 50% reduction. Gibraltar's gross debt is presently stated to be at £480,000,000.00 ...'

In 2015 he was still carrying on the pretence of lowering gross debt in his Budget speech, but
125 as the addiction to debt and hunger for clinging on to power grew, the Government parked hundreds of millions of pounds in off-book transactions to pretend the gross debt is smaller than it is. There is now almost £1 billion in off-book, indirect gross debt and the total gross indirect and direct public debt is over £1.7 billion.

That historic debt hangs over our ability to do things. It deprives us of leeway in this severe financial crisis and lessens the opportunities for us to navigate through these challenges quickly. All that is a fact, and it is a fact born out of the financial ill-discipline over the last decade when he has been in charge. Where we are now is because of him and his policies. He has had the
130 opportunity to tackle issues but dismissed those opportunities and, instead, taken the easier road of borrow and spend with everyone's money – your money. Anyone can do that. It takes guts to

be disciplined, bold to ensure you say no. Instead, every time a lender has knocked on his door, all he has been able to say is yes without regard to the precarious position it would put Gibraltar in, and that is why we already were weak when we entered the COVID period.

135 The most direct and extreme effects of COVID subsided before the beginning of the last financial year and obviously have improved further since then. The last lockdown did not occur during the last financial year; it happened almost 17 months ago. The vaccination programme which was successfully rolled out, to the credit of the Health Authority and its staff, started 18 months ago. It is clear from the COVID Fund numbers that some income streams have
140 recovered well. I mean, in particular, Income Tax and, to a large extent, company tax. The Import Duty issues may suggest factors that are systemic or structural and not about COVID, and they bear further examination in the future.

During the period up to 31st March 2021 the COVID Fund contribution was £227 million, this last financial year it was £135 million and the forecast for next year is £40 million, but as you will
145 see when I analyse the COVID Fund spend for this year, we have some doubt about how or why this Fund was used this year to channel some payments, and questions as to whether it will or should be used in the future. Ultimately this fund was about costs directly attributable to COVID and not other costs.

There are also surrounding economic circumstances affecting citizens. There is talk of a US
150 recession, which of course would trickle down to the whole globe, and high inflation during 2023. In the UK, inflation rates are already high at 9%, and here the index of retail prices has reached levels not seen in years with a 7.6% increase this last financial year, compared with 1.4% for the year up to April 2021, and 0.6% in the year up to April 2020. This is a reality faced by people whenever they go to buy food in the supermarkets. Life has become more expensive when there
155 is less money for wage rises. Everyone is tightening their belt and understands this on the ground, and so it is important for Government to lead by example. The facts, however, show that the Government is not. In fact, far from leading, it is making the situation far worse and their mistakes have contributed to the necessity for the more financially painful measures today.

This is the backdrop which takes us to the more detailed analysis of why Mr Picardo cannot be
160 trusted on the economy and on public finances, because there are seven economic sins: because there is no discipline; because there is no plan – there is bad management – and he just hopes one will magically emerge; because the worse-off, the vulnerable and the most affected in this community have been left behind despite some of the measures today; because he is not making the public sector more efficient – he has a duty to do so and to make it more responsive to people,
165 and he is failing; because there is a duty to reduce waste and better monitor the spend and use of the people's money; because there has been an unwillingness to make hard choices; and because the policies are often incoherent and contradictory.

Let's look at those features that come through, in detail. Last year the Government predicted a deficit of £50 million, or £1 million per week. In other words, they predicted that the public
170 sector would cost £1 million per week more than it would generate in revenue. Let me make that clear: that is like losing over £142,000 per day, £6,000 an hour. And of course that calculation was based on the fact that they were going to borrow £50 million to prop up public finances. It was, by all accounts, the worst public finances crisis ever. Sir Joe Bossano candidly described it that way: the worst he had seen in all his 50 years in Parliament. But let's be clear, what happened
175 next and over the last financial year has been absolutely staggering.

Instead of being extra prudent and careful in the worst time ever for our public finances, instead of being the watchdog of the people's money, instead of being the financial shepherd he pretended to be this morning, in this crisis the Chief Minister allowed further overspends, and not just a few pounds here and there. Instead of making sure he kept to his own Budget in the worst
180 crisis of our history, the Chief Minister has presided over some massive overspends and could not even keep to the limits he promised this House and the people last year.

In the estimate for 2021-22 the Government promised it would spend, and it was authorised to spend, £768 million. In fact, the actual expenditure this last year was £859 million. In other

185 words, this was a figure of around £91 million above the estimated Budget. They spent an
additional £91 million which they had not expected to spend, which they had promised not to
190 spend in the worst year ever. Not just £90,000: £90 *million*. We appreciate some of that is
represented by additional contributions to loss of revenue, but a big chunk of that is departmental
overspend. In fact, the basic departmental overspend in net terms alone, compared with what it
should have been, is around £35 million of that figure. Not £35,000: £35 *million*. To compound
195 things, they had to resort to borrowing more. They borrowed an extra £50 million, bringing the
borrowing for the last year alone to £100 million, and a large part of that borrowing was just used
to pay for running costs.

To put it in the simplest terms, if you were a person who had started the year with zero in the
bank account and you had then added all your income and taken out all your expenditure, you
195 would have been down 12% – in reality, £103 million, given the figures that were presented last
year ... this year. Any person running a home or a business will understand that. You are earning
less than you spend. If that is the case, you need to tighten your belt. You cannot buy luxuries;
you have to live within your means. You cannot go on holidays or buy expensive things; you have
to wait till you have more money, till your income rises, and cut out unnecessary spending. You
200 do not buy cake if all you can afford is bread. You do not go on that Caribbean cruise. Everyone
understands that. But instead of tightening its belt, the Government is still spending more than it
receives and, worse still, more than it promised to spend in the worst financial year ever. This is a
recipe for disaster. The public finances are out of control. In the year of the biggest deficit,
Mr Picardo failed to have the discipline of sticking to his own Budget and had to borrow more.
205 That is sheer irresponsibility with the people's money. How can he have got it so wrong,
£103 million down for the year, and the Government that he is responsible for not sticking to their
own departmental budgets by £35 million?

There is sometimes departmental overspend, but the difference is that this was the year of the
biggest deficit ever, which required the biggest discipline ever for us to get out. It is very different
210 to overspend in a year of surplus than in a year of the biggest financial crisis ever. And when you
drill down further, there are serious warnings for the future. The Health Authority budget, for
example, for last year was supposed to be £140 million, of which £134 million was supposed to be
regular expenditure and £5.5 million was supposed to then come via the COVID Fund as COVID-
related expenditure. In fact, the GHA spent a whopping £170 million last year, with £20 million,
215 instead of £5.5 million, coming through the COVID Fund. And it is not necessarily because people
are getting an amazing, unsurpassed Health Service. There are many excellent health
professionals, but they are frustrated and morale is low. For the user, the children's dental service
is appalling, the telephone appointments system at the Primary Care Centre has been a shambles,
the administration services are slow and grinding, and in Mental Health the complaints of lack of
220 support and continuity of care are legion. If we are not getting a Rolls Royce service for the money,
should we not at least expect the Government to keep to the budget that they have been voted
and to ask for more money only if they are intending to provide better services?

So, GHA overspent by £30 million – over 20%, not just a few thousand – and as I mentioned,
when you look at that in detail you see that instead of a projected injection of £5.5 million from
225 the COVID Fund the GHA received £20 million last year from that source. But how were some of
those COVID Fund expenses ...? If we take a step back, in the year of the two lockdowns, with the
massive disruption which that entailed, with the massive extra recruitment that had to be
engaged, with the massive purchase of PPE and other equipment that had to be made, with the
massive commitment to the Nightingale facility that had to be planned and delivered, in those
230 two years that ended in March 2021 and spanned all the COVID expense from the beginning of
2020 – in practice, a period of 15 months of intense spending from March 2020 – the GHA needed
£19 million from the COVID Fund, £19 million of extra money to pay for the costs of COVID.

So how can it be that last year, after the lockdowns – we did not have a lockdown last year –
after the vaccination programme and after the worst effects of COVID, the GHA needed more
235 money, £20 million, than in the worst COVID time? And if it did, why was it not foreseeable last

year when the Budget was presented? Why did they not know? How did they project £5.5 million would be needed and then ended up needing £20 million? Why were these payments necessary? And why was this a surprise and unforeseen? Above all, how was this COVID related, given that the sum received last year was higher than when the COVID pandemic was in full force? And even if all this was COVID and unforeseen, how were other aspects of the GHA overspend generated and why was there such obvious inability to maintain the Budget?

I will give you a few examples. They had forecast they would spend £2.5 million in relief cover last year. They ended up spending £11 million – it is not even close – of which £4.3 million was a sum attributed via the COVID Fund, so why was there a need for the other overspend of nearly £5 million? How can you go from £2.5 million to £11 million? How can you get it so wrong?

Medical departments were supposed to spend £3.5 million last year, and they spent £18.5 million. It is not even close. Of that £18.5 million a sum of £13.1 million was funded from the COVID Fund – £18.5 million instead of £3.5 million. How can you get it so wrong? They presented that Budget. These are figures from their Budget of last year. They must have had that information. Officials provide information, and then they present the Budget. Massively off.

Recruitment expenses cost £2 million instead of the promised £900,000, more than 100% more. Security services cost £270,000 more than budgeted. Computer and office equipment were £700,000 above budget. There are other examples. And if they got it wrong this year by such a margin, what comfort do we have that the figures this year are realistic or will be kept to?

This year, for example, if we do the same exercise, they are projecting to spend £1 million in relief cover – that is down £10 million on last year; £750,000 in recruitment expenses, down from £2 million last year; £9 million in GPMS prescriptions, down from £12 million last year; £5.7 million on medical departments, down from £18 million last year; £10 million on sponsored patients, down from £14.75 million last year; and £1.5 million on disposal of clinical waste, down from £2.4 million last year. In overall terms, the GHA forecasts it will spend £128 million this year. That is £42 million less than last year and £12 million less than last year's estimate, which they did not keep to anyway. Are these figures realistic? Will they keep to the Budget this time, and will they do so in a way that the public service is not impaired? That is what the user expects. After all, the health and care services – meaning the total of GHA, ERS and the Care Agency – cost the taxpayer over £210 million last year alone.

The GHA is not the only Department; I am using it as an example. Other departmental budgets are smaller but the principles are the same. The Environment Department was £500,000 above budget. The collection and disposal of refuse was £750,000 above budget. There are other examples scattered around the Budget of departments, agencies and statutory authorities overspending by margins which are well above slight increases.

This inability to keep to the Budget hampers our overall ability – Gibraltar's ability – to emerge from this financial crisis, and there is a political responsibility for all this which lies at the feet of the Chief Minister, who presented last year's Budget as a real attempt to start our process of recovery. In that, he has singularly failed. In fact, our position this year is worse than last year. We had to borrow £50 million more than envisaged, just to keep afloat. The Government spent £90 million more than it promised. Government Departments for which Ministers are responsible and accountable overspent by £35 million.

Our direct and indirect borrowing is now at approximately £1.75 billion. Of that sum, hundreds of millions of pounds were parked in an opaque way without there being full clarity of how those moneys have been spent – and, indeed, if they have been spent. We still do not know how much of those moneys borrowed remain.

This year the Chief Minister promises to spend £723 million – in other words, £45 million less than the promise he made last year of £768 million, which he did not keep to anyway. Last year's promise was breached because they spent £859 million. So, to put it into context, this year he is promising to spend £136 million less than the Government actually spent last year. Really? After all that failure? Who believes that? It is like someone who ran a kilometre two minutes slower than expected now saying that he will run it three minutes faster than his personal best time. He

is a person without credibility in the field of economic promises. These promises having been breached so often and this failure of financial discipline being so profound, he will forgive us for no longer believing he can navigate us through the storm. He has borrowed to the hilt, with even six of our housing estates mortgaged, with tenants locked into regular rent increases because of the terms of those facilities.

People face hikes in inflation. Everything costs more. Their wages stretch to less. The Government is not providing a better service but is asking people for more for a worse service and giving the people less. Prescription charges go up, and by stealth the legal notice contains a provision that there will be inflationary prescription charge increases every year. This is a Government that issues a press release whenever it feels any sense of good news story which it can capitalise on, and yet did not tell us of the expected annual prescription fee charges – an attempt to bury bad news and to hide behind the GHA.

The financial stress is being felt by the ordinary citizen and the small business owner, who has now been left to survive out there while the Government asks everyone to tighten their belt but does not do the same itself and overspends massively in the year of biggest financial crisis. Little surprise, then, that we have no faith in Mr Picardo's economic management skills. He is the captain without a plan and without a clue, all spin and smoke and mirrors. Is that why he went to visit His Holiness the Pope in the Vatican? Things must be really bad if he had to go all that way to ask for financial forgiveness and to confess his economic sins. Or, as he walked those hallowed corridors and smelt the powerful incense, was it a bid for divine inspiration that would illuminate his financial path, or a request for an economic miracle, because that's what he needs now?

Mr Speaker, people are increasingly seeing that the promises are just that: empty words that are said but not kept, like the pretty pictures in their successive manifestos, like the hundreds of letters he writes to associations and individual voters at election time hoping to persuade them to trust one more time – just one more time, one more for the road. He is addicted to debt and to economic failure. Just one more for the road does not cut it anymore with an electorate that can see through the smoke and mirrors of his spending and his promises.

He spends the people's money like there is no tomorrow – maybe because there *is* no tomorrow for him – and the signs of recklessness and lack of realism are also there in other ways. They say they will borrow another £50 million next year, but of course we know they did not keep to that promise last year. They are now perilously running out of leeway in the guarantee facility they negotiated – and we heard what he said this morning about that. For next year's Budget and to maintain the pretence of prudence they have shaved off projected expenditure from high-spending Departments, but without any real sense of whether these promises will be kept – because, as I have illustrated clearly, they were not last year at all.

Part of the reason they are projecting to spend £723 million next year is because this year they are only providing a notional £1 million contribution from the Consolidated Fund to the Improvement and Development Fund (IDF), from which, as people know, the infrastructure projects of the Government are paid. The spending in the IDF seems clearly dependent on the receipt of the Eastside premium of £90 million, but what happens if it is not received? How are the extra projects going to be funded? After all, they are expecting to spend an extra £30 million this year through the IDF.

For example, via that fund it is clear that they intend to spend £2.75 million on computerisation of the Government, having already spent a massive £14.5 million in 2019-21. Over and above that, they intend to spend £3.75 million on so-called digital transformation, having spent £3.4 million last year. But of course that is a misnomer, if you ever needed one, because the citizen knows that e-government is still a shambles and there is not much to show for that – and yet the millions being spent just keep on piling up.

Remarkably, the Island Games facilities are still not complete. They intend to spend another £2.3 million on those facilities this year to complete the facilities of the Games that took place three years ago. If there is a monument to this Government's tendency for smoke and mirrors, it is those facilities – which they are still trying to finish – that were promised to sportsmen and

sportswomen as a generational legacy to enhance sports facilities and training capabilities, only to be ripped up, in part, when the Games were over; because the façade shown at the Games was just that, a façade, and for these still not to be complete even now forcing sports people to go elsewhere to do their training. This morning, he called them the best sporting facilities our athletes enjoy. In fact, they are the best sporting facilities that our athletes do not enjoy.

But no worries, Mr Speaker, because No. 6 Convent Place expects to spend 50% more in its entertainment budget this year. While Rome burns, the emperor will play the fiddle and be entertained. To put it in sharper context, the Government is cutting the GHA's sponsored patient budget by £4.75 million this year, or over 30%, but intends to spend 50% more by way of the Chief Minister's entertainment budget than last year. The priorities are all wrong. *(Interjection by Hon. Chief Minister)* The Hon. Chief Minister says it is to invite me to National Day. Well, that glib little remark will not obscure the reality. If you pull that picture together, you see a large public sector budget out of control with a Government preaching a tightening of the belt to others but unable to carry it out themselves. Far from a tightening of the belt, the figures show a greater loosening by the Government.

If only they at least stuck to their Budget, that would be but a first step. There would then be a need to weed out inefficiencies, monitor public contracts in a better way and cut out waste and abuse. But that seems a lost cause with a Government that has not got a clue or a real desire or commitment to rein in expenditure, prioritise properly and become more efficient and deliver a better service to people. Above all, there is no leadership to make that happen, and that must be a conscious decision. Instead, everywhere you look there are contradictions and incoherence.

Beyond this, there remain real concerns that the people have still not been properly told how hundreds of millions of pounds borrowed in their name have been used, or *if* they have been used, and what we have seen over the last 12 months indicates a willingness to ignore tendering processes that the Government itself had triggered. These practices affect governance and finances. So it was a few months ago that TNG, an entity that did not even exist when the expressions of interest process closed for the Bayside/St Anne's plots, were suddenly announced as having been awarded that multi-million luxury plot, despite not even having participated in the expressions of interest process. Instead of re-advertising the process, the Government awarded the sites to them. That was compounded by the downright misrepresentations of the Government press releases at the time, which clearly suggested that TNG had presented the 'highest offer' – to quote from their press release – clearly implying that they had been bidders in that process when they had not.

Once we made clear and put in the public domain that our own verifications suggested that the entity did not even exist when the process had closed, the Government backtracked, inevitably, at that stage, and, to try to deflect matters, suggested the Opposition had an agenda for some nameless developers; a complete nonsense, of course, but demonstrative of how, if there were 'locked-up cats' here – to coin the pejorative Spanish saying used by the Chief Minister on Twitter at the time – they were on that side of the House. But the reality is that the cats did not stay locked up much longer, because days after the Bayside announcement the same entity was also awarded the whole of the very valuable £2.5 billion Eastside development. Again, this entity had not participated in the Eastside expressions of interest process because, we know, it did not exist at the time. Again, the Government misrepresented the position by saying TNG were, to quote, 'the highest bidder', when clearly they were not bidders at all at the time the process closed. Again, much more recently the Government has accepted that TNG did not submit an expression of interest by the closing date in this Parliament. The 13 other bidders on the Eastside plot and the other bidders of the Bayside/St Anne's plot may feel, rightly, hard done by that sequence of events.

Of course, at the same time that those behind TNG were seeking to persuade the Government that they should consider their aspirations for those plots, when they had not even filed bids by the closing dates, it was a complete coincidence that those behind TNG via Trusted Novus Bank gave the Government a £3.75 million donation to bail it out of the spiralling high cost of the

Midtown Park. In a rather quirky intervention at the Budget last year the Chief Minister described the donation in this way:

I am very pleased to be able to announce that the new park at Midtown is being funded entirely by a very generous donation from Trusted Novus Bank.

He went on:

What an out of the ordinary manner to support the community with an out of the ordinary donation for an out of the ordinary park area in the very centre of our city.

395 He used the words 'out of the ordinary' in front of descriptive words several times for emphasis
and clearly deliberately. Given that the bank that shares the same ultimate owners of TNG market
themselves as the 'Out of the Ordinary Bank', using that as their effective strapline – 'Out of the
Ordinary' – and that the park eventually acquired the livery and emblem of the bank, one can be
400 forgiven for being left thinking that these are the new depths that we have got to with this
Government.

This is a cash-strapped Government that is not only selling the family silver and looking for
benefactors for its financial mistakes but is, apparently, prepared to rent out the Chief Minister
for short, 30-second commercials where you are assured that he will use your corporate slogan a
few times. If he was in Saatchi & Saatchi they would be proud, but to watch that performance was
405 farcical and demeaning to his office, especially given the events that then unfolded, a few months
later, when it became obvious what the donation was for.

Mr Speaker, last year the Chief Minister increased Social Insurance, which was a burden on
small businesses trying to survive as they emerged from the COVID lockdowns. He did so by a
significant margin. He also increased electricity charges: 20% for commercial electricity and 16%
410 for home consumers. When he did so, he compared electricity charge increases in the past. This
year, there have been further hikes of 8% in electricity and water charges. Of course, it is different
to increase charges when wages are going up and in a buoyant economy with low inflation, where
charges and increases may still leave you better off, in net terms, after you take account of wage
rises; but when wage rises are difficult or low and inflation is high, all these charges and new
415 indirect taxes leave the poorer worse off. So where is the real evidence that ordinary working
families are being insulated from his economic mismanagement? That is not a sentiment felt
simply by the Opposition. The Equality Rights Group, who have campaigned fearlessly on social
issues for decades, chastised the Government recently, and rightly, for precisely running deeply
contradictory financial policies seeking a tightening of the collective belt but being unprepared to
420 do so itself. All this leaves people behind.

We share the view that in a year of high inflation and such economic pressure the Government
should be cautious about putting further pressure on workers or small business. There are people
already living on a knife-edge. There is a need to protect the worse off, the more vulnerable and
those on the business economic knife-edge who are striving hard to put food on the table for their
425 families and employing people who, in turn, need those businesses to survive. This is especially so
given the rising inflation of over 7%. Everything is more expensive. People have less money in their
pockets.

The problem with this year's measures is that it is a bag of contradictions, like everything they
do. This year, and unusually, certain figures have been drip-fed into the public domain ahead of
430 this Budget debate. Additionally, they have briefed the press about how this is going to be his
toughest Budget. But what he has omitted to say is why. The why is because of a decade of
borrowing without restraint; a decade of spending without discipline; a decade of not controlling
public sector contracts; a decade of not controlling waste and abuse; a decade where
systematically *our* money – *your* money – has been misspent by him and where he has singularly
435 failed to provide a strong financial legacy to future generations. We have been taken, as a
community, to the financial cliff-edge. That is why it is so appalling for the Government to

overspend in its own Budget in this year, because this then creates pressure on the innocent. Workers and small businesses and the ordinary citizen will feel a sense of genuine outrage that the reason they face new taxes or charges or higher fees is because in the worst financial year ever the Government of Mr Picardo has not kept to its own Budget. Why should people pay for his mistakes? What moneys are the measures they have announced this morning going to generate, other than to plug the holes of his overspend, which I have explained already he did last year?

Some sectors of the business sector will rightly suffer a genuine sense of dejection. There is nothing in the Budget to help businesses through the current turmoil. Beyond the continuation of BEAT for part of the last financial year, the big chunk of the COVID Fund was used to fund loss in revenue, although some went to expenditure of some Departments, as we have seen.

The Social Insurance price hikes last year were penal. They hit business and eroded wages so that there were employees actually worse off, even after receiving a wage rise. That is how profound the Social Insurance hikes last year were. He will remember that the Chamber condemned those increases because they were done without consultation and highlighted, to quote from their press release at the time, 'the precarious state of the Government's finances in the wake of not only the COVID pandemic but also years of rampant recurrent and capital expenditure'. We agree. Those increases were against a backdrop of much lower inflation, and even then there were concerns on jobs, wages and business viability. The Social Insurance increases last year were from 20% to 107% at one brutal stroke. Voluntary contributions were increased by 142%. This meant around £1,100 to those taxpayers.

As I said last year, COVID left certain sectors of the economy very damaged – particularly those reliant on the tourism industry, which is only now starting to come back, albeit not in the large pre-pandemic volumes – but many of those businesses remain on a precipice and there is no real sign of Government assistance or sympathy. For example, when the Omicron variant spread quickly and the Government openly discouraged people from going out, this had a real effect on bookings and business. The public comments of the Government were unsympathetic, as the Catering Association had itself noted in its public remarks at the time. Rather than give the small business sector breathing space, the Government jumped from funding BEAT payments to levying higher Social Insurance or electricity charges – plainly inconsistent policies. And now, this year, further pressure has been piled on workers, ordinary families and small business.

So, let me be absolutely clear on the specific budgetary measures announced today. Of course we welcome that state pension and disability benefits should be increased by inflation and the measures designed to assist the most vulnerable through this crisis – for example, the means-tested utilities credit. We agree with the measures announced in respect of adjusting Income Tax rates at the highest end on incomes over £500,000 a year and the reform of rules on Category 2 individuals. We also agree with measures that would address any corporate under-declaring.

Some of the other specific measures seem short-sighted and counterproductive to the economy. For example, of concern would be the passenger tax applied to the cruise liner market. In a notoriously competitive market, that could remove any edge our market has and mean that cruises do not dock at Gibraltar. This would be a massive mistake. It would harm the industry and jobs. That measure and our concerns will be addressed more specifically by my colleague Damon Bossino in his reply.

So, too, the imposition of a so-called COVID recovery charge, by which companies have to pay, in effect, £1,250 per year. That will raise lots of eyebrows in the business and financial services sector. It was not clear – and he has the chance, on reply, to say – but did he mean all companies or all trading companies? If the former, it will, in effect, strike a crushing blow to company and trust managers and potentially destabilise the big sectors of the financial services industry and, with it, endanger many jobs in the industry. If he meant the latter – trading companies – then this, too, is harsh on small businesses trying to make ends meet. Margins of survival are thin and all he is doing is making it so much harder for business and for these ...

On the Minimum Wage, we understand and share the concern that we must do more for our lower paid. When this is put alongside other charges, however, and without any rebalancing relief for small business, the Government may find that the effect of increasing these burdens is that small businesses on thin margins will not survive. That will mean the loss of jobs and the irony that by seeking to increase wages the Government has caused workers to lose their jobs, in some sectors.

The Chief Minister has increased Income Tax by 2% and electricity and water charges by 8%. The fact that electricity and water prices may be higher in Spain is of little comfort to ordinary working families who may be on the edge. Food prices here are higher than in Spain, and there are people who are even facing difficulty going across the border, so they cannot just pop over to buy food in Spain. So, if we are going to do the comparison, let's do the comparison in the round. He may be dismissive about the effect of these charges, but they have to be seen in context, and as a cumulative effect they take a toll on the ordinary working family. Last year, electricity and water went up 16%, so in cumulative terms it means they have raised these 24% in the space of merely 12 months. That will mean hundreds of pounds more per year for consumers, on top of the hundreds of pounds they have already been paying because of last year's increases. Combined with that and the inflation and the Income Tax, it will erode wages even further. It will mean that the vast majority of people will be worse off after this Budget and will have less money in their pockets, and they will ask why.

This is not the people's Budget, Mr Speaker. It was the last straw for him to call it that. This is *not* the people's Budget. It is to hold the people up by the side of the road like a 15th- or 16th-century highwayman. This is not the renaissance Budget. I know how fond the Chief Minister is of straplines, in the hope that tomorrow the headline will be 'The Renaissance Budget', but the Renaissance was a break with the past, a great leap into modernity. The only relevance to his Renaissance reference is that there were plenty of highwaymen robbing the people in Renaissance times as well. And this is all this is. This is the highwayman's Budget: stand and deliver! These are his inabilities to control expenditure, which he is now seeking to sell to people as everyone chipping in to save the country. He has the gall to sell to people – after his failures, the over-expenditure last year – that this is the people's Budget, a Budget for them, to save the people, to save their souls, when this is only to cover *his* tracks and save *his* political future after *his* expenditure and overspending last year, to plug that hole.

How do the words even slip out of his mouth when he has raised taxes and made most people worse off, after overspending last year and making our position worse than it was last year, in the year when all financial records were broken? How can he even keep a straight face after raiding everyone's pockets, when all he is doing is taking more from the people? How can he treat the people with such financial disdain? Why does he not own up to the indiscipline, the overspending, the vanity projects, and say this is necessary because of that? Why doesn't he say that? Why doesn't he come and say, 'Look, we overspent, we apologise, we made mistakes, but we have to do this?' That is not what he says. It is a different message and he is trying to sell to people that it is the people's Budget, some kind of common-man approach. It sticks in many people's throats, Mr Speaker.

I repeat, as I said last year, that we need a new way and one that ditches this catalogue of failures and contradictions. We need efficiencies, control of waste, control of abuse and corruption, transparency so there is real visibility of the economy and actual debt, real prudence, targeted business assistance to deliver restart, borrowing only to invest and to create economic activity, a programme of reduction and management of borrowing, a reform of public services to deliver a better and more modern service to people which gives the taxpayer more value for money and embraces the 21st century.

Mr Speaker, this Budget does not give a true picture of public finances and is unrealistic. We cannot support it because to do so would give the signal that we support the approach of someone with no clue and no plan, that we support someone who has made our public finances even worse in the worst year of our democratic history. We are not going to do that and we are not going to

equivocate. As I said last year, this is not about us being seen to vote for public service salaries or not. This is about the Chief Minister and not our hardworking public servants, who grow as frustrated and tired of his lack of leadership, inconsistencies and failures as the rest of the electorate.

The basic point here is this: we think that our ability to emerge from the effects of the COVID pandemic have been made worse by years of economic mismanagement. The Government say that is not true. They say the deficit has nothing to do with them, and nor does our financial weakness. But putting that debate as to where we were before COVID and our relative financial strength or weakness, as it was, to one side, what is clear is that they had the opportunity last year to show discipline and leadership. That required, at the very least, that they keep to their Budget. By failing to do so, they have demonstrated beyond doubt everything that they have been accused of.

Mr Speaker, this is the State of the Nation debate, and after the damning indictment people will hear from the Members on these benches about his economic record and the lack of leadership, it would be wrong and perverse to send the signal that we are aiding and abetting his attempts by voting for his lack of controls and unwillingness to grapple with the hard choices necessary to steady our economy and to leave a legacy of sustainability. That would require leadership and vision. In the ambition he has to remain in power, he is sacrificing the public interest for the sake of their narrow electoral interest. That is why a change in approach is so badly needed, so we move away from his addiction to debt, his recklessness and his lack of direction, so that we can recover a better path of economic sustainability, tackle the big challenges for our community and deliver a long-term strategy for a solvent future.

Where is, for example, the big roadmap to first recognise and then deal with the issues of major public sector reform that exist? It is obvious that systems and working practices need to change to achieve a responsive, modernised and effective public service. That requires investment combined with change, not just a continuation of antiquated practices, a perpetuation of the unchecked and also untargeted, un-strategic use of money. This is as bad as throwing taxpayers' money down a deep well, in some cases. The taxpayer deserves better. The people deserve better.

All this, Mr Speaker, is putting huge pressure on working families or small business because there is little financial leeway to help them out at a time of crisis – because the Government led by the Chief Minister has spent all the people's money and there is no money left. Borrowing from banks to pay wages and costs, which he is now having to do, is a fool's economics – and that because of historic debt and a fundamental inability to control expenditure in this time of deep crisis and make efficiencies. Everyone knows reform is necessary, and it takes courage and leadership to deal with those issues but to deal with them consistently and show and lead by your example of having kept to the Budget of last year, which they failed to do. Mr Picardo is not the man for that job because he is far too fond of just being in that job. The people have given up hoping for financial realism, prudence or a willingness to conduct radical economic reforms from him or his Government. *(Banging on desks)*

Mr Speaker: The Hon. the Deputy Chief Minister.

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Speaker, it has been a difficult six years. I think even the hon. Member opposite would realise that. As you know, Gibraltar has, in that time, had to endure a dual crisis, the consequence of a lethal combination of our departure from the European Union and a global public health pandemic. The former stretches back now to the referendum of June 2016. The origins of the latter can be traced to December 2019. Those two events have dominated our politics and shaped our lives. They have also taken up valuable hours, days, weeks, months and years of Government time. And not least, the pandemic in particular has impacted negatively on the economy and on Government finances. All this is reflected in the Estimates of Revenue and Expenditure before us today. In all my time in this House I have never witnessed an external event which has impacted on our finances in this way – and I have been

here for 23 years now. It would be grossly unfair to belittle or ignore this fact, as the hon. Members are prone to do, and to pretend it simply has not happened. This is, as I said, my 23rd Budget debate; the pandemic, as the House will recall, caused us to skip one a couple of years ago.

595 The COVID Response Fund has set out, in a clear and transparent manner, exactly what the financial consequences of the pandemic have been. Clearly, the human cost will always be more important than the numbers – the 6.3 million people who have lost their lives so far, over one hundred of our own citizens – but the public health crisis has catapulted the planet into an economic crisis. That cannot be denied. Businesses have closed, many have contracted; jobs have
600 been lost; revenue has fallen; expenditure has increased; and debt has mounted everywhere. Government finances all over the globe have taken a hit, and Gibraltar is no exception. The latest published figures show that the overall impact of the pandemic, here, is over £360 million. All this represents a real and direct blow to our finances.

The House will recall the detailed preparations that were made in 2020 and 2021 to meet the
605 challenge posed by the pandemic. This included the purchase of medical equipment, the stockpiling of medical supplies, the creation of a field hospital from scratch, the extensive testing regime which made Gibraltar a world leader in the field, the Contact Tracing Bureau. And in addition to all this, the taxpayer supported the salaries of private sector workers during two lockdowns and, in certain cases, beyond. Indeed, businesses were also assisted with their costs in
610 other ways. The bill has run to hundreds of millions of pounds. That is money the Government has spent and money the Government has not received – all this with the agreement of the Opposition. True, we hoped to have seen the back of the pandemic by now, but the truth is, as variants of concern continue to emerge, we can never know for certain. The vaccination programme remains our main defence going forward, and in this area, too, Gibraltar has led the
615 world with the invaluable support and assistance of the United Kingdom. Therefore, the impact of the diversion of resources, funding, staff, time and energy to fight the pandemic since 2020 should not be underestimated or belittled; neither should the combined consequences of the £360 million in expenses and lost revenue.

But COVID-19 is, sadly, not the only external factor to have hit Gibraltar. The effects of our
620 departure from the European Union have been with us for even longer. Indeed, Brexit has dominated many Government workstreams since the 2016 referendum. That makes it six of our 10 years in office. It also means the entirety of this electoral term so far. It is inevitable that six years of Brexit and three years of COVID will have consequences for what any Government can do. The time spent on Brexit matters by Ministers and officials has had and will have a knock-on
625 effect. That same attention will, sadly, have been denied to other areas. The speed with which decisions are taken has been impacted. The time available to meet people has been, sadly, squeezed.

We cannot underestimate the all-consuming and cross-cutting nature of our EU departure. Practically every Department or Ministry has been affected in some way. It is true that the Chief
630 Minister and I have certainly devoted more time to this than other Members of the Government, but that does not mean to say that the others have not been involved also. On the contrary, they have: firstly, in the wider discussions and the policy decisions that have needed to be taken; secondly, because of the direct impact of our EU departure in their own areas of responsibility; and now, thirdly, in the assessment and discussions of the proposed future relationship with the
635 European Union. I cannot stress enough, therefore, the cross-departmental nature of this work. It is also relevant to emphasise that there are different Brexit workstreams: the first for work in the context of an agreement; the second for work in the context of no agreement, with the exploration of possible alternatives or contingencies; and the third in relation to future long-term economic planning. The entirety of the Government has been involved in these processes over all
640 these years.

As my hon. Friend the Chief Minister has said, the Government continues to work towards a treaty to govern the future relationship of Gibraltar with the European Union. The House knows that our main interest lies in a mobility agreement which facilitates the movement of persons.

That principle was reflected in the New Year's Eve Agreement of 31st December 2020. It is relevant to note that this objective is diametrically opposed to the deal that the UK negotiated for itself under the Trade and Co-operation Agreement. The UK wanted barriers, controls and check points, whereas we were looking for the opposite. But for us, our objective remains – that is to remove the existing EU Schengen controls from the land border with Spain and transfer those controls to Gibraltar Port and Airport. The effect of this would be the seamless movement of persons by land between Gibraltar and the European Union through Spain.

It is obvious that the movement of goods can impact on the movement of persons. Under the terms of a common travel area, a person on foot or in a vehicle would not be subject to immigration controls. However, they could still be stopped and asked to show the contents of their bag or their suitcase, or indeed to open the boot of their vehicle. The decision of the Government to pursue an agreement on the movement of goods must be seen in this context. The House will understand why. The history of the border crossing experience enjoyed by our people since the Frontier opened is well known to us all, and no controls means no queues. So the work goes on.

The Government remains fully committed to arrive at a positive conclusion, but we also need to be alive to the alternative – that is to say the possibility of a no negotiated outcome (NNO). This, to put it mildly, is not an attractive proposition, nor is it where we wish to land politically, but we do recognise that until there is a deal no agreement remains a possibility, and the Government has a duty to prepare, as far as possible, for that eventuality. In some areas, Gibraltar can and will look to alternative mechanisms and procedures. We will look to non-EU international legal frameworks, Council of Europe and United Nations Conventions. International Agreements, too, may cushion the full impact of our departure from the European Union. However, it must be understood that there are some areas where it will simply be impossible to provide any mitigation. That means that the full impact of our position outside the European Union will come to bear.

This House will be aware of the booklet on NNO which was issued by the Government in February. This was entitled *Guidance to Citizens – No UK-EU Treaty on the future relationship of Gibraltar*. It was an important piece of public information strategy on NNO. The booklet was published online and distributed to thousands of households all over Gibraltar. It made the point that since the UK or Gibraltar would never sacrifice fundamentals or put Gibraltar's future in jeopardy, we must also be ready to walk away. The 40-page guidance covered areas like the movement of persons, the movement of goods, healthcare, driving licences, social security, students and mobile roaming. It also pointed to advice which had been issued previously. This information is now all on the Government website.

I should add that the booklet did not pretend to be exhaustive, so in order to further assist the public, the email address brexite@gibraltar.gov.gi was provided in order to handle any further queries. That email address was set up in October 2020 and a total of 170 emails have been received. These were all replied to in substance or the sender was referred to the correct Department for a substantive reply. The queries mainly related to passports, residency, health cover, customs requirements, road haulage, driving licences, pets and the registration of medical devices. Those questions and questions about other areas were answered in line with the guidelines included in technical notices or based on the advice provided by different Government Departments. Over 50 technical notices and two information booklets have been published to date.

Mr Speaker, United Kingdom experts have supported every aspect of the negotiations. The necessary resources and expertise have been made available to Gibraltar at every stage. This has been a cross-Whitehall effort. In that same way, we have also worked together on every step of our planning for an NNO. There has been, and continues to be, very positive and productive engagement between the two governments. The formal structure between the Gibraltar and UK governments remains the NNO Board. This is co-chaired by me and by the UK Minister for Europe. When in that role, Wendy Morton MP participated in a Board meeting here in Gibraltar, her

695 successor, Chris Heaton Harris Mr President, did so virtually, and I very much look forward to working with James Cleverly MP on the NNO Board going forward.

I want to place on record the thanks of the Government, on behalf of the people of Gibraltar, for the unwavering support that we continue to receive from the United Kingdom. The contribution from UK Ministers and officials from every department and in every area has been
700 second to none. I must single out for particular praise the support of officials from the FCDO. This has extended to the co-funding of NNO projects here in Gibraltar. The first of these was for the purchase of waste equipment. The shredder, wrapper and baler was put to good use at the beginning of the year when there was a delay in the processing of permits for the export of waste to Spain under a new system. This increased the resilience of Gibraltar by allowing us to shred,
705 wrap, compact and store a greater volume of waste.

The UK also co-funded the food ferry operation from Algeciras. The House will recall that the end of the transition period saw a change to the way in which goods of animal origin made their way from the UK to Gibraltar. That ferry operation is now entirely funded by those who choose to make use of it.

A third area where the UK has assisted financially is with works to the container terminal at the Port. Those works have involved repairs to the wharf, resurfacing and repaving the area as well as improvements to its electrical infrastructure. The outcome is that the number of electrical connection points for refrigerated containers will increase from just a handful to over 50. That project will be complete in the next few weeks. The Government cannot stress enough the
710 importance of this facility in an NNO context.

The UK has also assisted Gibraltar with financing a contingency to hold a number of hotel beds for key workers in the event of problems at the border when the transition period came to an end.

Mr Speaker, the governments of the UK and Gibraltar are now working together on a plan to extend the pedestrian entry facility at the land border with Spain. A planning application has now
720 been filed with the DPC. The objective is the expansion of the building in order to accommodate the installation of a number of e-gates on our side of the Frontier. These are already in place on the Spanish side. In the event of NNO, the automated technology would assist with the flow of persons into Gibraltar. The UK and Gibraltar governments had agreed to co-fund this programme as well. Indeed, as I speak, a team of officials from Gibraltar are in London to meet with the UK
725 Border Force precisely about the e-gate project. Hon. Members should bear in mind that even if there is a treaty, this contingency will be available to Gibraltar at any point in the future. It will arise at the four-year treaty review point, for example; it could follow the election of a more aggressive government next door; and it would also work when there is a need to reinstate controls with and within Schengen. This happened, for example, following the terror attacks in
730 France and again during the migrant crisis from the east.

I want to take this opportunity to thank the many officials of the Government of Gibraltar, too, who have also been active participants in this process, in particular the Civil Contingencies Co-ordinator, Ivor Lopez, the Director of Gibraltar House in Brussels, Daniel D'Amato, the CEO of the Ministry of the Environment, Dr Liesl Mesilio, and my Principal Secretary, Ernest Francis. They
735 have brought the many strands of this work together in an effective, organised and highly efficient manner. However, despite all this work, I must repeat the following. In certain areas there are simply no contingencies available, there is no mitigation and no plan can be formulated. In those areas, the default position of NNO will simply reflect what it means to be outside the European Union.

The details of NNO planning were set out in private to Members opposite and to others. The Leader of the Opposition and the Brexit Select Committee were each briefed separately. A similar presentation was delivered on a confidential basis to the Chamber of Commerce, the Gibraltar Federation of Small Businesses, the Gibraltar Betting and Gaming Association, the Finance Centre Council and the media. Gibraltar is, therefore, as prepared as we can be. It is impossible to have
745 done more.

The House will know that the full impact of a hard Brexit has been mitigated, so far, by a series of contingency measures unilaterally extended by Spain. Those unilateral measures were first enacted by them on 28th December 2020, a few days before the transition period came to an end. The last extension, under Spain's *Decreto Real*, came on 28th December 2021, so persons with a right of access to public healthcare in Gibraltar were allowed to continue to access public healthcare in Spain on terms equivalent to those which existed before we left the European Union. That measure was reciprocal and applies only between Gibraltar and Spain. This comes to an end this month, on 30th June, unless it is extended further. The equivalent provisions with regard to the rest of the European Union ended with the transition period some 18 months ago. There were other bridging measures applied at the time, in relation to the exchange of driving licences and education. Gibraltar has ensured reciprocal treatment, where relevant.

The single most important area has been the border. Gibraltar's departure from the European Union at the end of January 2020 meant that the legal status of our land border with Spain changed overnight. It ceased to be an internal EU border and switched from being an external border of the Schengen Area to an external border of the European Union as well.

Our departure also transformed our personal status. British citizens, including Gibraltarians, ceased to be EU nationals and became, instead, what the EU terms Third Country Nationals. Therefore, when crossing a Schengen border the rules that apply to us are no longer the same. Nonetheless, Spain maintained the position at the border from January 2020 until October 2021. However, at that point the United Kingdom introduced new immigration rules for EU nationals. Spain did the same for UK nationals at the border. This led to the stamping of their passports on entry to and exit from the Schengen Area.

In April 2022 there was another new departure. UK nationals, including those who hold blue civilian registration cards, started to be stopped and questioned by Spanish border guards; some were turned back. Although there is provision for questioning in the Schengen Border Code, the Government has made it clear that this state of affairs is not satisfactory. We have raised the matter both with the United Kingdom and with Spain, and we will continue to do so. Having said that, the Government is conscious that the default legal position at the Frontier is the Schengen Border Code. The full application of that Code would mean that everyone, including Gibraltarians, would be subject to the more stringent controls. No agreement would extend that same chaos to all. It is important to note that the proposed treaty, therefore, would unblock these mobility issues for all residents of Gibraltar.

Mr Speaker, I now turn to report on our office in Brussels. The expanded office is in its seventh year of operation. It has been a constant source of support throughout the tumultuous journey of our withdrawal from the EU and it continues to provide vital assistance to the Government as we conduct negotiations for a treaty to govern our future relationship.

The office has provided much more than simple technical support. Its footprint in Brussels, in the heart of the European Union, has also gone a long way to promote our interests and our reputation. The Government has always maintained that this physical presence in Brussels has provided a value to Gibraltar that goes far beyond its size. Our representation in Brussels has continued to engage on a regular basis with the EU institutions and with other stakeholders there. This includes officials from the European Parliament, from the European Commission and from different member states. This contact takes place both online and in bilateral meetings in person. Indeed, the Government hopes to be in a position to resume familiarisation visits to Gibraltar by relevant EU stakeholders. The value of this was evidenced by the European Commission technical visit to the Airport and the border, which took place in January. They left with a better understanding of the situation on the ground and with a willingness to explore practical solutions. The best way to understand Gibraltar is to see it.

Efforts continue to be made by Gibraltar House to remain centre stage of the British presence in Brussels. The office continues to have a central co-ordinating role in the activities of the network of UK interests there. This organisation has been newly rebranded and is now called UK Stakeholders Brussels (UKSB). It brings together governments, industry associations and

educational representatives from the wider British family of nations which are based there. This has become a forum in which to share perspectives and devise strategies to collectively promote British interests within the EU. Gibraltar maintains close contact with the offices of the devolved administrations – Scotland, Wales and Northern Ireland. We also work very well with the Channel Islands, the Isle of Man and with other UK Overseas Territories like Bermuda, all of whom maintain their own representation despite Brexit.

Gibraltar remains a vital British interest in Brussels. This is evidenced by the excellent working relationship the office and the Government maintains at all levels with the UK Mission to the EU, known as UKMIS. Indeed, the lead negotiator for the UK in our treaty negotiations is the UK Ambassador to the EU himself, Lindsay Appleby, a close friend of Gibraltar who understands better than most every nuance and every detail of our position. This, in itself, underlines the importance that the UK government attaches to these negotiations.

In the last year, the Brussels office has been instrumental in facilitating my participation in the European Committee of the Regions' UK Contact Group. The Group was formed in 2020. It brings together local and regional political representation from the UK and EU member states. The majority of meetings I have participated in have been virtual. However, the most recent meeting of the Contact Group took place in the Welsh Senedd, in Cardiff. I took the opportunity to attend that meeting in person. It was a useful occasion to engage with officials from the EU institutions as well as with politicians from different regions. The meeting was attended by the Chair of the UK-EU Parliamentary Partnership Assembly, Ms Nathalie Loiseau MEP, and the First Secretary of the Delegation of the EU to the UK, Mr Jan Tatum-Krauss, among others. I also used the visit to meet bilaterally with the First Minister of Wales, the Rt Hon. Mark Drakeford MS. It was very useful to be able to exchange notes with the First Minister on Brexit and on other matters. The next meeting is pencilled in for Brussels in September. It is important to be part of the efforts at continued UK-EU co-operation. This is key to ensure that Gibraltar's unique situation in the post-Brexit landscape is understood by the relevant actors both in the EU and indeed in the UK itself.

With regard to the actual treaty negotiations, the office in Brussels has been a bedrock of support. It has been involved at every stage of the preparation and conduct of these negotiations. Indeed, the Director of Gibraltar House, Daniel D'Amato, has participated in every negotiating round, in person, alongside the Attorney General, Michael Llamas. We anticipate that the office will also be vital in ensuring that any agreement, if reached, is effectively communicated in Brussels.

It is relevant to recall that, as with any other international treaty, a Gibraltar treaty will have to be ratified by MEPs in the European Parliament. It will also require ratification by the EU member states in the European Council before it can enter into effect. The UK and Gibraltar governments and Parliaments will have to do the same. Our point of view during any ratification process will be put forward by Gibraltar House.

The role of the office will be vital if a treaty is concluded, but it will be equally important if there is no agreement. In the case of a deal, this will mean another wholesale transformation in our relationship with the European Union. The office will need to cater for the increased workstreams which such agreements usually generate. There would, for example, be technical work and reporting requirements through working groups and joint committees established by the agreement itself. In addition to this, there would also be a need for day-to-day working relationships with the Commission to ensure that the anticipated treaty is implemented correctly and efficiently. On the other hand, if an agreement is not reached, the office will continue with our lobbying and promotion work. Therefore, Gibraltar House in Brussels stands ready to continue to serve Gibraltar's interests, whatever the future may bring. I take this opportunity to thank the Director of Gibraltar House in Brussels, Daniel D'Amato, and the team there.

Mr Speaker, I move on, now, to Gibraltar House in London. COVID restrictions gradually eased in London over 2021. Gibraltar House took the first opportunity under UK rules to have a full staff return to the building on 12th April, thereby ending working from home. It was a priority to get back to normal operations as soon as possible. This reopening of the office was in the context of

a London where many shops and businesses were still closed. Indeed, there was a very gradual return to in-person work on the part of many institutions and organisations. Whitehall itself was a prime example of this. By late May 2021, officials and Ministers from Gibraltar were once again travelling and making use of the office in the Strand for meetings and as a base for work. Commercial entities began using Gibraltar House two months later. In this period, it was also possible for the team at Gibraltar House to finally meet more parliamentarians and officials in person. However, both Houses of Parliament took a cautious approach. It was only some months later that meetings were allowed on the actual parliamentary estate. Nonetheless, lobbying and engagement in London continued both online and in person, where possible. Indeed, online meetings of the All-Party Gibraltar Group had one important advantage. This was simply that MPs working from home were more easily and readily available. It also meant that the Chief Minister and I were able to brief MPs remotely from Gibraltar. We did so on several occasions.

The House will recall that last September the traditional National Day celebrations were once again on pause due to the COVID-19 pandemic. Instead, Gibraltar House in London hosted 10 MPs and peers to a lunch, to mark Gibraltar Day on 10th September 2021. Before lunch, guests gathered at Gibraltar House for a viewing of the National Day rally, which included an address from Sir Bob Neill, the Chairman of the Group, all virtually.

Mr Speaker, the Government expects to have a presence at all main UK party conferences this year. In 2021, both the Conservative and Labour parties returned to in-person conferences. Gibraltar hosted a stand and a reception at both of these. The Prime Minister, Boris Johnson, addressed the 400-strong Gibraltar reception in Manchester. Then Shadow Europe Minister Catherine West did the same at the reception in Brighton, at which some 300 delegates were present. The Liberal Democrats chose to meet virtually, instead. This included a fringe meeting with speakers from the devolved regions and from Gibraltar.

In late October, Gibraltar House supported my colleague the Minister for the Environment, Prof. John Cortes, who led a delegation to COP26 in Glasgow. The office in London also co-ordinated our participation at the Joint Ministerial Council between the UK government and its Overseas Territories, which was hosted at Whitehall in November.

In January 2022, Gibraltar House London organised a visit to Gibraltar by Sir Bob Neill MP. He was briefed by the Chief Minister and I on the state of the negotiations with the EU. Sir Bob also attended a number of meetings and delivered an address to students at the University of Gibraltar. Two months later, in March 2022, Stephen Doughty MP, Shadow Europe Minister, and Stephen Morgan MP, Shadow Schools Minister, also visited Gibraltar. They too were updated on a number of issues, including the continued negotiations on the proposed UK-EU treaty.

March also saw the first in-person meeting of the All-Party Parliamentary Group. I would like, at this point, to pay tribute to Lord David Chidgey. He was both a close personal friend and a good friend of Gibraltar. In his early days, David represented the Liberal Democrats on the Foreign Affairs Committee of the House of Commons. He took a strong and determined stand at the time against the attempt to share the sovereignty of Gibraltar between the UK and Spain. Sadly, he passed away after having contracted COVID-19 in February of this year. I am sure that the whole House will join me in expressing our deepest condolences to his wife, April, and to their family.

Members will recall that in March the Royal Gibraltar Regiment was presented with new colours by HRH the Earl of Wessex at Windsor Castle. The Government hosted eight MPs and peers, as well as the UK representatives of the other Overseas Territories, to the parade and a reception to mark the occasion.

Finally, Gibraltar House has, of course, been subject to the same restrictions and controls on spending as other areas of Government. The Gibraltar Representative to the UK has reported back to me that there will be an inevitable impact on the office of the level of inflation there. This will cut across different areas. The cost of electricity, for example, projected from existing usage, is expected to rise by 86%. The telephone bill is expected to increase by 14%. Generally, a 9% rise for most items and services is anticipated. However, the expiry of some long-standing contracts at Gibraltar House has nonetheless allowed the opportunity to explore alternative providers for

some services. This may help to mitigate some of those projected costs. Hon. Members will have seen that both Gibraltar House in London and Gibraltar House in Brussels have come within the Estimates approved by this Parliament last year.

905 In the last financial year, Gibraltar's engagement and links with the Commonwealth continued to be an important part of the activity of Gibraltar House. There was plenty of direct contact with Commonwealth institutions and High Commissions, as well as general diplomatic contact with other countries. Gibraltar was invited to and represented at a number of royal and Commonwealth events. The Gibraltar Representative, Dominique Searle, attended regular
910 sessions of the advisory group of the Commonwealth Enterprise and Investment Council. He also participated in meetings of the Commonwealth Foundation, as well as FCDO meetings on the Commonwealth Games.

Along with the other UK Overseas Territories, Gibraltar was represented at key events in the United Kingdom. These included Remembrance Day, the Commonwealth Day service and the
915 memorial for Prince Philip, the Duke of Edinburgh. On Commonwealth Day, Lyndsay Hoyle invited all the Overseas Territory representatives to the raising of the Commonwealth flag at the Houses of Parliament in Westminster. Gibraltar was there, too, along with Commonwealth High Commissioners, at a number of events in London to mark Her Majesty the Queen's Platinum Jubilee. This included the Trooping of the Colour ceremony, the service of thanksgiving at St Paul's
920 Cathedral and the Platinum Jubilee pageant.

Now that restrictions have eased, a number of Commonwealth High Commissioners have expressed an interest in visiting Gibraltar. We hope to be able to make arrangements for this to happen soon.

Part of my role as the Minister with responsibility for relations with the Commonwealth is to
925 bring together the different strands of Commonwealth activity. The Estimates before the House reflect the continued support of the Government for different organisations and institutions of the Commonwealth. These comprise the Commonwealth Enterprise and Investment Council, the Commonwealth Foundation and the Commonwealth Local Government Forum. Separately, the House will see reflected in the Estimates the estimated expenditure in relation to the
930 Commonwealth Parliamentary Association, which this year meets in plenary session, in person, in Canada.

I want to take this opportunity to thank my hon. and learned Friend the Minister for Justice for her sterling work during her term as chair of the regional Commonwealth Women
Parliamentarians.

935 This year, Gibraltar was represented at some of the events taking place in the margins of the Commonwealth Heads of Government meeting in Kigali, the capital of Rwanda. There was a business forum, a women's forum, a citizen's forum and a youth forum. These meetings were a case of third time lucky for Kigali. On the previous two occasions, in 2020 and 2021, everything was postponed as a result of the COVID-19 pandemic. The Commonwealth Youth Association
940 selected Chris Cardona and Adriana Lopez to represent them and Gibraltar in the youth forum. Sadly, Chris was unable to attend for health reasons but was replaced, just in time, by Aaron Santos. My friend and colleague the Minister for Tourism and Business delivered an address to the business forum. He was joined there by the Country Director of the Commonwealth Enterprise and Investment Council, Jared Peralta.

945 This year, the Commonwealth Games will take place in Birmingham. The opening ceremony on 28th July will once again see the Gibraltar flag flying proudly with those of over 70 countries and territories that make up the wider Commonwealth family. I know that the House will join me in wishing all the very best to Team Gibraltar.

Mr Speaker, I move on, now, to our work in Washington and in New York. This is an area of
950 Government in-person work which has suffered as a result of the pandemic. Given the restrictions on travel to the United States at different points, coupled with the risk of enforced quarantine or isolation, the Government has exercised some caution in this respect, although some of that work did move virtually. In this context, it was very helpful that Gibraltar's representative in the United

States, David Liston, lives and works in New York. He was only too pleased to deliver our annual address to the Committee of 24 in June 2021, and later to the Fourth Committee, in October. The Government is very grateful to him for this.

The work in New York has often gone beyond the set speeches to the United Nations. There is a significant amount of activity behind the scenes. This year, the Chief Minister and I were able to continue where we had left off. The House knows that there was also a private meeting with the Chair of the Committee of 24, the Ambassador of Grenada, to the United Nations. In addition to this, my friend and colleague Sir Joe Bossano participated in the annual regional seminar in St Lucia.

There has been no work in Washington in person over the last financial year. This was brought to an abrupt halt by the pandemic, so my last visit to the US Congress was in May 2019 and the last visit by a group of US Congressmen to Gibraltar was in July of that same year. I have, however, met virtually with Congressman Ron Kind, who is a Democrat. The Congressman is now the lead sponsor on the annual resolution which is tabled in support of Gibraltar. This followed the retirement of Congressman George Holding, who was himself a great friend of Gibraltar. Indeed, the House unanimously approved the award to Congressman Holding of the Gibraltar Medallion of Honour in 2017. Congressman Kind has himself been a supporter of the Gibraltar resolution since 2014. The House will recall that we started with only five sponsors. There are currently 25 other co-sponsors, in addition to Representative Kind.

However, Gibraltar has continued its interaction with the United States of America in different ways. The Gibraltar branch of the American Chamber of Commerce (AMCHAM) continues to develop commercial ties. Under their auspices, a sister cities agreement was concluded with Raleigh in North Carolina, the capital of George Holding's former congressional state. I know that there are plans for a trade exchange in the pipeline. I was also very pleased to receive the Commercial Attaché to the US Embassy in London, here in Gibraltar, in March.

This year marks the 80th anniversary of Operation Torch. This was the Allied offensive against the Nazis in North Africa. It was planned and executed from Gibraltar under Gen. Dwight Eisenhower, who became the 34th President of the United States after the War. Indeed, Gen. Eisenhower then became the first non-British person to command Gibraltar for over 200 years. There are plans to celebrate our links with the United States through a permanent memorial to Operation Torch in the vicinity of the American War Memorial in Line Wall Road. The concept is that that will mark the start of the Walk the Wall project.

Mr Speaker, I move on, now, to civil aviation. The Airport has managed to continue to grow its traffic, albeit now concentrated on British Airways and easyJet flights. The 2022 scheduled programme of summer flights is not far short of the pre-COVID levels of 2019. I have to congratulate my hon. Friend and colleague the Minister for Tourism for this. It has been a difficult operating environment for the airline industry all over the world. The number of non-scheduled flights visiting the Airport also set new records in 2021. The figures for the first quarter of 2022 show a significant increase in numbers, even over that same period last year. While domestic routes between Gibraltar and the UK continue to develop, Brexit limitations mean there are no scheduled flights from Gibraltar to EU airports. In the event that a UK-EU treaty regarding Gibraltar is concluded, and if that treaty covers aviation, it will set the legal basis for flights to and from the EU.

Work on aviation legislation continues. Over the past 12 months, a law improving the enforcement of the control of drones has come into effect. This is important as it allows a number of agencies, in addition to the RGP, to impose penalty notices on those persons using a drone without the correct authorisation.

The Government has recently published a Bill to cater for the policing of Winston Churchill Avenue between the police posts at the Airport. This has come about as a result of an incident last year which occurred as the function of Winston Churchill Avenue changed from a road to a runway. The consequence of the incident was that an aircraft was forced to break off its approach to land.

Gibraltar has followed the western world in imposing restrictions on Russia after the illegal invasion of Ukraine. In common with the United Kingdom and the European Union, Gibraltar issued instructions to the Airport and the wider aviation community that we would not permit aircraft owned, chartered or operated by persons connected with Russia at Gibraltar Airport.

1010 Post-COVID, the Director of Civil Aviation (DCA) has reintroduced the ongoing audit programme. This is necessary in order to demonstrate continued compliance with stringent international civil aviation requirements. The audits, which are undertaken by UK CAA inspectors, have provided the DCA with confidence that standards have not dropped despite the impact of COVID on operations. In compliance with international aviation requirements, the DCA has
1015 informed the Civil Airport that it will face a cyber-compliance audit before the end of this year.

Drone activity has reduced slightly in 2022. Nonetheless, there remain a significant number of local commercial and recreational operators registered with the DCA. In addition, there is an increasing number of requests from persons visiting Gibraltar with their drones. The majority of drone flights continue to be undertaken within the authorisation system run by the DCA. However,
1020 there continues to be evidence on social media of flight activity being undertaken by unregistered operators. Given the very small size of drones and their limited endurance, it is exceedingly difficult for the law enforcement authorities to counter this unlawful activity. For this reason, the DCA, in conjunction with the MoD, law enforcement agencies and a local software company, will be trialling an electronic surveillance system designed to detect drones in flight. Once a drone
1025 datalink is activated, the system should be able to pinpoint the location of the drone, but more importantly the location of the operator. If the trials are successful, consideration will be given to seeking funding for a permanent solution to protect not only the Airport but also local wildlife and persons in the urban environment.

On another matter, after a short competitive tender process, the DCA has renewed the
1030 contract of Redline Assured Security Ltd to provide unannounced covert and overt testing of security at the Airport. I want to take this opportunity to thank the Director of Civil Aviation, Chris Purkiss, for all this.

Mr Speaker, I now want to update the House on the workings of the Freedom of Information Act. The House will recall that when the Command Paper on Freedom of Information was
1035 published, there were no representations received from anyone within the period allowed. The Freedom of Information Act was commenced in June 2021. In that time there have been a total of nine requests made. Four of those requests came through the online portal. All of these were in respect of the Human Resources Department. Two of those requests were subject access requests, which do not carry a fee and are dealt with directly by the Department. The applicants
1040 were informed to contact Human Resources directly. A further five requests were received by email. Request 1 was for information from the Gibraltar Health Authority, which is not currently in the schedule. Request 2 was for information from the Gibraltar National Archives, for which a Freedom of Information request was not necessary; the applicant was advised to contact the archives directly. Requests 3, 4 and 5 were from persons who were not resident in Gibraltar and
1045 therefore did not meet the criteria. The Government looks forward to the annual report from the Information Commissioner, after which it will consider the next steps.

Mr Speaker, the Gibraltar National Archives continues to do a sterling job in promoting our history. This is due in large measure to the energy, enthusiasm and commitment of the Archivist, Anthony Pitaluga, with the assistance of his dedicated staff. Much of this promotion is carried out
1050 online through their website, which has become a portal for the world. In the financial year 2021-22 there were 22,434 hits on the website from 135 different countries. There were also 2,427 registered visitors who consulted analogue and digital material directly at the premises. In addition to this, there were 59 enquiries received by email and one by post from a total of 30 different countries.

1055 On 1st January 2016, the Archives implemented the issuing of history cards for registered users. This allows them to log the number of enquiries received per member and to build up a

profile of the interests of each one of them. There are now 1,254 registered members of the Archives, of whom 143 are new users who joined in the financial year to 31st March 2022.

1060 In April 2021, the Archivist attended, via Zoom, online digital preservation workshops run by Preservica UK. In August, he also took part in the Zoom conference of the Archives and Records Association of the United Kingdom and Ireland after the in-person event was cancelled.

1065 In November and December 2021, the Gibraltar National Archives organised an exhibition which marked 100 years of the establishment of the City Council in 1921. Another exhibition was organised on 25th April 2022, outside that financial year, to mark the 40th anniversary of the Falklands conflict. These exhibitions were both expertly curated by Anthony Pitaluga to the high standard that he has us accustomed to. Hon. Members will be aware that an exhibition to mark the Platinum Jubilee of Her Majesty the Queen opened at the Gustavo Bacarisas Gallery in Casemates earlier this month. It will run until 22nd July. I must specifically thank the Archivist, the staff and their helpers for this commendable achievement.

1070 The Government remains fully committed to the development of the Gibraltar National Archives. Hon. Members will recall that Duke of Kent House has now been earmarked as the building that will be home to the public face of the Archives. There is a nominal entry for this in the Improvement and Development Fund Head 102 Projects, Subhead 4 Other Projects (zzu). The House will also note that the I&DF also provides for funding to be made available for the
1075 installation of a specialist fire suppression system at the Gibraltar National Archives. This is shown under Head 102 Projects, Subhead 4 Other Projects (zzc).

Mr Speaker, work at the Northern Defences continues to progress well. The Government remains committed to continue the transformation of the site into a new heritage, tourist and community park. In March this year, outline planning permission was received for a strategic
1080 master plan. This will gradually see that vision come to reality. An application for full planning permission for an access staircase from Casemates Square was also supported by the Development and Planning Commission. It was gratifying to witness such overwhelming support from every member of the Commission, both for the work done so far and for the holistic proposals presented to them for the future.

1085 In addition to the clearing and restoration work, the area has also witnessed major improvements to our infrastructure. This year, I wish to particularly praise the work carried out by Aquagib. They have co-ordinated that work tirelessly with representatives of my office. Providing and upgrading infrastructure is an essential component of a thriving community. However, those responsible for delivering such a service are rarely acknowledged or praised for the work they
1090 carry out. We too often take for granted the presence of our Wi-Fi signal, the provision of electricity or the supply of water.

Last year, the Western Water Mains Relief Project, designed to supply the needs of the Eastside reclamation site, progressed smoothly and quietly along the western slopes and tunnels at the Northern Defences. This infrastructure project was born out of the need to provide redundancy
1095 in water supply due to the ageing infrastructure on the west side. It was also designed to cope with increased demand due to the rapid expansion rate of construction and demographics in the building sector. The logistical challenge of supplying these relatively remote sites has been overcome through close co-operation between AquaGib and the project director, Carl Viagas. The combination of knowledge about the Northern Defences coupled with a dedicated management
1100 team has enabled the identification of a route away from congested sites. The outcome has reduced costs and avoided considerable inconvenience to the public. The extent of the works, once completed, will involve the laying of some 1,650 m of twin pipes, 1.6 km. This will make this project one of the most significant of its kind in the last decade.

1105 I have to congratulate the team at AquaGib for the sensitive way in which this infrastructure has been dealt with. For instance, hundreds of metres of pipes have been laid and then buried in tunnels, and a viewing platform below the Tower of Homage now conceals a previously exposed network of pipes. The speed and nature of this intervention will hopefully be adopted in sensitive sites elsewhere in Gibraltar in the future.

The pandemic wreaked havoc with our lives. The challenge of isolation and of adapting to this was a strain on many of us. However, our people have always been resourceful. The Government responded to this new stressful environment by adapting our programme of works at the Northern Defences. The work was redirected to infrastructure, as I have just explained, but we also isolated those works to allow for the rest of the site to remain partially open for leisure activities. The public was able to make use of this new park within the Nature Reserve. There is still, obviously, plenty more to be done, though the benefits were immediately obvious. Families have been able to enjoy a stroll or a picnic in what is one of Gibraltar's most picturesque landscapes. I have been extremely pleased to see members of our community practising yoga there or attending some of the popular tours on offer, but perhaps the best use of the site has been for educational purposes. Several schools have visited the area, which now features as part of our local history curriculum. Walking through fortifications which date back to the late 18th century and witnessing the impact damage of cannon-shot upon our historic walls often has a greater effect on a student than the most relevant book or classroom presentation will ever be able to accomplish.

The most notable use of the site for educational purposes came last year. I reported to the House then on the use that the Gibraltar College made of the area. The House may recall that the College chose this site as a destination as part of its Business and Travel module. In the past they had opted for locations outside Gibraltar. Organising events such as rock climbing and abseiling, the College tapped into a resource that until now was only available elsewhere. Building on such an event, the College will be announcing its new educational programme starting this September, and I am very grateful to my colleague the Minister for Education, Prof. John Cortes, for this. The concept is to use the Northern Defences as a wall-less classroom. This is a revolutionary vision which the Government is very keen to support. The use of this site and access by specialists will allow students to play an active role as part of an educational enrichment programme. This programme will consist of modules such as event organising, health and safety, local history, rock climbing and conservation, and will be part of the education provided.

The investment at the Northern Defences will therefore go beyond the physical elements of the site. It is also an investment in our younger generation. The Northern Defences will become a key area that will provide the opportunity for us to create a qualified team of youngsters who may well end up running this or other similar sites in the future. This will be a unique experience for our learners to redefine learning in real-life local projects. It will connect students to the real world with a vision of enhancing creativity and purpose in a range of vocational fields. So, works will continue this financial year. They will see interpretation signs and access stairs as well as lighting and improvements to the designated activity areas at Queen's Lines. The House is aware that the Government has received a number of expressions of interest for the commercial running of activities on the site. However, no firm decision has yet been taken and multiple options are being studied.

The Government warmly welcomed the fact that the Earl of Wessex, Prince Edward, chose to visit the Northern Defences earlier this month. He did so, together with His Excellency the Governor and I, under the expert direction of the project director, Carl Viagas. My impression is that His Royal Highness was very interested in everything that he saw and valued the restoration and rehabilitation of this historic site. I wish to thank Carl Viagas, whose energy and enthusiasm have been a driving force behind this project.

I now move on to update the House on progress at the Mount. Two planning applications for the Mount and its associated grounds received planning approval in March this year. The first was a master plan, which provided a holistic approach and strategy to the site and its grounds. The second was a detailed application for the refurbishment of the Porter's Lodge and the hall, which are to be used as a registry office and an events venue respectively. The two applications received overwhelming support from the Development and Planning Commission and works are expected to commence after the summer.

1160 The policy approach here has been similar to that adopted at the Northern Defences. The Mount is a large, complex and historically significant site. Hon. Members will recall that the Government embarked on a clearing-out exercise two years ago. The grounds have now been cleared of undergrowth and many paths and steps have been exposed as a result. This work has respected the wildlife and has been carried out in consultation with GONHS, the Heritage Trust
 1165 and the Environmental Safety Group. The removal of vegetation has allowed us to identify an original set of steps which connect from the Mount's main service road all the way up to Engineer Road. This will become a new direct walking or hiking route to the Upper Rock Nature Reserve, away from our busy roads.

This first exercise has allowed for the true scale and nature of the project to be appreciated.
 1170 Even though the task may seem overwhelming, the team has eagerly accepted the challenge and defined the type and sequence of works which now need to be carried out. This will be based on the phased approach that was presented and approved at the Development and Planning Commission. Whilst clearing-out works will continue, works to the Porter's Lodge will commence as phase 1. The refurbishment of this charming building, the events hall and associated gardens
 1175 will be an initial step towards the renaissance of the Mount. This will provide the perfect venue both to register and host weddings. Running parallel to the refurbishment of the Porter's Lodge will be works to the slopes behind the main residence. These beautiful spaces and magnificent views of the bay will be used for outdoor educational experiences.

This part of the project is being funded directed by the Parasol Foundation, for which the Government is extremely grateful. Their generous donation of £1 million towards this vision is what makes us special as a community. Their contribution will see the creation of a children's play area, paths, nature areas, tree-hopping activities and an adventure park which seeks inspiration from the property's history. Future phases will see the creation of paddle tennis courts. The centrepiece will be the sensitive restoration of the main building, which is our ultimate goal. The
 1180 recommissioning of disused water tanks and the use of sustainable technology could make this project a truly remarkable one to be enjoyed by our people and by visitors.

Mr Speaker, planning permission for the refurbishment of Parliament House and a change of use for the ground floor was received on 22nd March. It therefore gives me great pleasure to announce today that the installation of the lift at Parliament House is finally scheduled to
 1190 commence during this financial year. The preliminary funding for this can be found at Head 102 Projects, Subhead 4 (zzv). This is the outcome of the work of several years on a number of different options. In the end, following the availability of the premises on the ground floor, it will now be possible to provide an internal lift. The proposed solution will address the concerns of those persons with reduced mobility who want to access the Parliament Chamber, but it will do so in a manner which respects and is sensitive to our proud heritage, too. This new planning application,
 1195 as with the previous two, received overwhelming support at the Development and Planning Commission. Hon. Members will recall the wider proposal which I presented to them privately last year and of which they have copies. The next phase, in the future, will see the creation of meeting rooms, enhanced security and offices for Members and staff. The roof will also be refurbished and will allow for a series of uses, whether ceremonial or simply as an external space for staff and Members. Once again, the appreciation of the Government must go to the Parasol Foundation. Their generosity has not been limited to the Mount and to its grounds, it will also go towards the external refurbishment of this handsome but currently tired building.

In order to satisfy the requirements for an internal lift and much-needed extra office space,
 1205 the ground floor cafeterias have been lost. However, we do acknowledge that these provided an element of vibrancy to this part of town. In order to minimise this loss, the Government has awarded a tender for the use of the kiosk as a coffee-serving facility with a limited number of tables and chairs. Such a proposal has already received planning permission. We look forward to providing a modern Parliament which allows the public to enjoy that special morning coffee
 1210 downstairs in its forecourt.

This building is not just bricks and mortar; it is and has been the bedrock of our democracy. It has witnessed our evolution and our development as a people. It is, therefore, only fitting that there be some investment and restoration. The first phase will focus on the external refurbishment and the internal lift. This is expected to commence after the summer. The rest of the restoration will have to wait and will be carried out in phases over slower time as this House approves the funding.

Mr Speaker, the last expression of interest for Road to the Lines closed on 7th March. The Government has since engaged in detailed discussions with the most attractive proposal from the highest bidder. The discussions have involved a number of Government Departments, agencies and utilities who have put in a considerable amount of time and effort to push matters forward. The result is that the Government is on the verge of concluding an agreement that will completely transform the Upper Town. I will give the House a flavour of the submission on the table.

This proposal will see considerable private sector investment which will run into millions of pounds. Hon. Members will know that the site has been neglected and dilapidated for decades. Road to the Lines is a quaint area consisting of narrow streets and steps visible from Casemates Square. Nestled below our castle, it is the backdrop to many of the events held in our most popular public space. Yet it has been the victim of neglect and sadly witnessed the loss of its residents. Many old housing properties lie empty and abandoned beyond economical repair. Different factors have contributed to this, including anti-social behaviour, the lack of accessibility, and poor infrastructure. These issues are not easy to resolve. The Government has regarded this as a challenge, a challenge that we have a duty to meet if we wish to drive a meaningful urban regeneration programme that is truly meaningful. In dealing with such projects, we have to understand and accept the causes of this kind of urban decline. Refurbishing individual properties without addressing the core issues, while certainly very useful in certain areas, is only an important first step. The current situation requires a fully co-ordinated, multi-disciplinary approach if we are to succeed in bringing life back into this quarter of town. In order to do so, we aim to address those main core issues head on.

Road to the Lines is adjacent to the Northern Defences, an area once colourfully described as 'the jungle'. Anti-social behaviour plagued Road to the Lines for decades. No urban renewal attempt would ever have a chance of succeeding if the Northern Defences had remained ignored. We are now on the road to tackling this matter. The Northern Defences is slowly becoming a family-friendly area, even before it has been officially opened. It will become our most prized jewel as a recreational space, once works have been completed, and it will provide the perfect outdoor walking and picnic area for residents and visitors.

There are two other remaining costly issues. The first is failing infrastructure and the second difficulty of access. The negotiations that the Government is conducting aim for improvements to infrastructure to be provided at no cost to the taxpayer within the site. That is the objective. It is painful to see cables and pipes fixed on to historic walls and facades, and collapsed drains in different places. All this needs to be tackled. A significant cash premium has been offered for the land. The details will be announced when the agreement has been signed. In addition to this, private investment estimated at over £2 million will be made in infrastructure for the area. This will see the provision and re-routing of essential services. It will also involve the introduction of high-speed telecommunications. New drainage will be provided. The proposed development will involve the use of sustainable technologies. The creation of a revitalised public square, landscaping, stone paving, cafés, public artwork, up-lighting of historic walls and green walls are also proposed as part of this scheme. This will be directly in line with our manifesto, where we pledged to create a child-friendly city by upgrading properties and public spaces.

The above improvements will be pointless if we do not address the issue of access. This will affect not only residents and visitors but also the developer himself, who will need to transfer tonnes of material to and from the site. It is a logistical challenge that very few have been willing to accept and an impossibility for individual property owners. Once completed, and as part of the scheme, the intention is to provide lift access to Road to the Lines. This will not only serve

residents but will also become a vital connection to the Northern Defences. I am very grateful to my friends and colleagues, Minister for Urban Renewal Prof. John Cortes and Minister for Housing Steven Linares, for their invaluable and continued support. The Housing Department has been instrumental in decanting residents over many years. A small number of tenants who remain are being offered alternative accommodation so that they are not inconvenienced during these intensive and intrusive works.

Having said all that, I must stress that this proposal is still under negotiation. The House may, nonetheless, be interested to know that the redevelopment is aimed at attracting a diverse market and that the properties are intended to be rented and not sold. This was an important consideration for the Government. The objective is to create a vibrant new quarter in Gibraltar. There will be, needless to say, a full public consultation exercise with all interested parties when the plans are presented to the Development and Planning Commission, hopefully later this year. The outcome will deliver an improvement not only in the constructed fabric of the area but, in so doing, to its social environment. This project will deliver an exceptional residential product, but it will also attract visitors to appreciate the history of the area as well as its unique environment. The combination of the Northern Defences with Road to the Lines will provide a springboard from which to push forward with a new high-quality visitor offering. I must, once more, thank Carl Viagas, who has advised the Government on the merits of the different proposals received, as well as Kevin de los Santos, the senior director at Land Property Services Ltd, for his advice.

The House is already aware that the different expressions of interest for the Victualling Yard and the former GBC premises have yet to progress. The Government is, however, in discussion with preferred bidders in respect of the vaults at Ragged Staff and, separately, the relocation of the College of Further Education to the Cross of Sacrifice site. We also continue in discussion with preferred bidders for the Rooke site and for the old air terminal site following two separate invitations to expressions of interest. I want to thank the staff at the Lands Office in Convent Place and the management and staff of Land Property Services Ltd for their assistance and their professional advice.

Mr Speaker, the last six years, since the Brexit referendum, have been difficult years for Gibraltar, not least because of the consequences of the global pandemic, which was thrown into the mix for good measure. The combined effect of these two events has been that the Government has had less time to deal with other matters. This is not an excuse, it is a reason. It is the plain truth and the hard reality we have lived over the last few years. Were there things we could have done that we have not been able to do? Yes, there were. Were there also things we could have done differently? Yes, there were. But the financial and time constraints imposed upon us have meant that we had to do what needed to be done. The people put us in office in 2011, in 2015 and in 2019 for a reason, precisely to take those difficult decisions, to tackle and overcome whatever challenges fate may throw in our path, and we are fully confident in the knowledge that nobody else in the same circumstances, faced with the same challenges, would have done any better.

So, for now, we are where we are. Gibraltar is not an economic island. We are not insulated and protected from what happens in the wider world outside. Whether it is Brexit or COVID or the new monkey pox virus, or even the war in Ukraine, everything, however distant it may seem, will have an impact here, and when we look at the Estimates of Revenue and Expenditure before the House that is precisely what they reflect: the localised impact of international crises on our own unique situation.

I close by thanking my personal staff at No. 6 Convent Place. I thank you, Mr Speaker, and the staff of the Parliament for their assistance and support throughout the year.

Thank you. *(Banging on desks)*

Chief Minister (Hon. F R Picardo): Mr Speaker, with great thanks to the Deputy Chief Minister, with whom I work so closely, I wonder whether now might be a good opportunity to take 15 minutes before we return?

1315 **Mr Speaker:** The House will now recess for 15 minutes and return at twenty to six.

The House recessed at 5.25 p.m. and resumed at 5.44 p.m.

**Appropriation Bill 2022 –
Second Reading –
Debate continued**

Mr Speaker: The Hon. Prof. John Cortes.

1320 **Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes):** Mr Speaker, last year I started my Budget speech with the words ‘The world is in crisis.’ Little did we suspect then how the crisis would worsen and on so many fronts: COVID still with us, the cost-of-living conundrum, war in Europe. And yet, the crisis that the Earth’s climate continues to experience, and which some media and some decision makers seem to want to forget, is still, by far, the worst. Much reference will be made during this Budget debate to the economy and the tightness of our budgets – I will do so, too – but these issues will pale into insignificance as the world heats up by 2°, or more. Parts of the tropics will become uninhabitable by our species, there will be massive migration to the temperate regions with all the social, political and economic crises that will bring, with us on the front line of rising temperatures and desertification, severe storms and immigration. So we have to be careful, globally, that we do not allow short-term concerns to cloud our vision and we must guard against thinking that the danger to the planet will simply wait for us to get our act together.

1330 Many of the decisions being taken now by some countries to step back on low-carbon measures and reverse other environmental progress, to try to stave off those other crises, are short sighted and opportunistic, and the world will regret them sooner than they think. However, as we have seen this morning, despite all else, this Government is standing firm on its commitments. I also have to express disappointment that, due to the necessary investment in a robust COVID response, we have had to pull back on some of our plans, manifesto and otherwise, and will not be able to deliver all those wonderful – and, to my mind, necessary – things we planned, but we have to carry on, and carry on we will.

1335 Mr Speaker, 2021 saw the publication of the Climate Change Strategy, a plan which was due to have been published just before we entered the first COVID lockdown. Despite the delays, this document is an important step in the development of Gibraltar’s climate policy and further work on its implementation is already being undertaken across Government.

1340 We have formed a cross-governmental group, soon to be formally established in statute as the Net Zero Delivery Body, which will be responsible for establishing yearly programmes of work to ensure the targets set out in the Climate Change Act are reached. I am tremendously pleased that this body will be chaired by my hon. Friend the Deputy Chief Minister and includes the Minister for Transport and myself, as well as senior officials from across Government Departments, agencies and authorities. It will be supported by a Secretariat which will sit within the Department of the Environment and Climate Change. We have also appointed the independent Climate Change Committee, made up of individuals with expertise across various areas of climate policy who are already providing independent and impartial advice to the Government as we progress on the journey to net zero. The setting up of the Climate Action Fund will be significant as it will release resources for climate action and, as the Chief Minister has announced this morning, we are taking practical steps to populate this fund. Our first climate change and vulnerability risk assessment consultation has been carried out in collaboration with UK consultants Ricardo Energy and Environment and has helped to build a more complete picture of Gibraltar’s potential climate

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hazards and impacts, identifying strengths and weaknesses, as well as solutions and areas for action.

I was fortunate to attend the COP26 conference in Glasgow as part of the official UK delegation. I participated in a number of events at which I was able to highlight the important work being done in Gibraltar. I was also able to make our pledge at the Environment and Education event, in which we committed to ensuring that learning about the climate emergency becomes a fundamental principle of education policy, and to providing teachers with the training, support and resources they require in order to deliver this. We have already begun work on this in collaboration with the Department of Education and the University of Gibraltar.

I would like to take a moment to commend the many private sector companies that are working on their environmental sustainability agendas. We have noticed a significant increase in their engagement with Environment from in-house training and awareness to setting their own net-zero targets within their own company goals. We are increasingly seeing how the business community is stepping up to the climate challenge. It makes economic sense, too. The most recent one to highlight is NatWest, who launched their new Green Mortgage product right here in Gibraltar just a couple of weeks ago.

Mr Speaker, we live as though we have emerged from the scourge of COVID, although really we know that we have not. Public Health worked its guts out throughout the last year – more than the last few years. It is easy to forget that just three months ago we had a Contact Tracing Bureau working seven days a week, as well as a drive-in test centre and, recently, a dedicated lab at the University. I thank all those who worked directly in Public Health in COVID response; indeed, we had an award ceremony for them recently in recognition of this. It is important that we learn the lessons that the pandemic has taught us about the importance of all the functions of Public Health, not just in the monitoring of communicable diseases, but also in disease prevention, lifestyle improvement and health advice. I am working with the new Director of Public Health, Dr Helen Carter, in developing an assessment of Public Health strategic needs in order to ensure that in the future the Public Health team and function are well able to work for the good of the community and for its good health.

Mr Speaker, leading on from my Budget speech last year, I am delighted to confirm that our programme to develop culture and its appreciation, both in Gibraltar and abroad, remains at the heart of my agenda, as is evident with the daily cultural activity and the increased cultural services that are provided by my team whilst sticking within our budget. My commitment to develop our arts at an international level is also a priority, and art programmes, residencies and exchanges have already been put in place for this forthcoming year by Gibraltar Cultural Services, working, as ever, on behalf of the Ministry of Culture as our executive and operational arm. We are achieving this, despite a tighter budget, thanks to hard work, sponsorship from philanthropists and the private sector, and through the support of volunteers. And so our cultural service is thriving in events, development, cultural facilities and premises, cultural education, promoting our art galleries, our public library and more, together with all the stakeholders. It is imperative that we continue to produce these programmes, as we need to make sure we invest in the cultural leaders of the future, who will promote Gibraltar outside our shores. What gives a community more celebrity status than a world-class actor, singer, musician, author or artist? That is just one reason why we must invest in culture. We have to develop and promote our own. Events with international artists are welcome and important for recreation and enjoyment, and inspire us, but it is much more important, significant and less expensive to promote the development of the arts within our community.

Despite all the doom and gloom, life goes on and I will do all I can to ensure that we continue to live it to the full, enjoying all that this blessed community in which we have the privilege to reside has to offer. That is what culture does. To this end, there have, this past year, been myriad events organised, including the third Cultural Awards; an extraordinary and successful Literature Week, mainly dedicated to local authors but which saw the participation of renowned international authors Lord Jeffrey Archer and Christopher Lloyd. The Christmas Fair attractions

returned at John Mackintosh Square. February 2022 saw the return of the ever-popular GibTalks. The 2022 Youth Arts Jamboree, as part of our cultural development initiatives, was carried out with projects in poetry and creative writing and musical composition workshops delivered by our musician Gabriel Moreno. Live drawing sessions for young people were organised by the Fine Arts Association and workshops were provided in collaboration with the Gibraltar Youth Service. The programme also included the Gibraltar International Dance Festival, the Festival for Young Musicians, the Drama Festival, the Young Art Competitive Exhibition and the ever-popular World Book Day celebrations. The street art mural walk was a new addition which proved popular this year, with fun and educational tours of the Mario Finlayson National Art Gallery, and City Hall and the GEMA Gallery also part of the programme. The Young Shakespeare Company returned to the Rock in May after a two-year gap. We supported three Gibraltarian artists to take part in the Rock Retreat Residency in May 2022. This international initiative, spearheaded by artist and illustrator Eleanor Dobbs, was aimed at aspiring writers and artists, with the focus on creating work for children and young adults. There was a programme of events in celebration of the Platinum Jubilee of Her Majesty the Queen, including the return of the popular local food festival, for this year renamed 'Jubilita' and the completion of a John Lennon Street art mural at Landport tunnel. Our video archive, culturetv.gi, continues to provide local entertainment to our community.

In our continued efforts to promote the art galleries and local art and artists, school groups continue to visit as part of tours to the City Hall through the Mayor's Office, the Heritage Trust and other collaborators. A rededication of the National Art Gallery will be held in September to coincide with the 150th anniversary of the birth of Gustavo Bacarisas. We have also opened one of the vaults at GEMA to local artists and groups, with several successful exhibitions and other events taking place in this cultural heritage space over the last year.

We continue to support the Ministry for Sport in its summer and mid-term sports and leisure programmes, providing cultural initiatives.

I am delighted to confirm that 2022 will see many events returning to our social and cultural calendar. These include the Gibraltar Fair, National Day celebrations at Casemates Square, the Christmas Festival of Lights and the Three Kings Cavalcade among others. We also had the usual annual programme of events and festivals, this including the Autumn and Spring Festival programme, New Year's celebrations online, art competitions, literary events and other events throughout last year. GCS has absorbed other cultural programmes, events and administrative duties that used to be co-ordinated by the Ministry. This includes the running of the Mayor's Office and organising events on behalf of the Ministry. This avoids duplication and allows experts to support the many groups and associations and better co-ordinate and develop cultural activities.

The Cultural Organisations Register has been updated, keeping in line with child protection policy as directed by the Child Protection Committee and policies, ensuring that new cultural entity applications are properly vetted. In the last year we have ensured that most of the groups and individuals required have completed the safeguarding children courses. We will shortly be launching a Register of the Arts, which will contain data of individuals working within the cultural world in Gibraltar. The Safety Advisory Group continues to bring together key agencies, to ensure the safety of all events in our community. SAG provides support, guidance and advice to all event organisers whilst ensuring that they maintain a high standard of safety when considering or planning a specific event. I am currently engaged in a review of legislation appertaining to entertainment and entertainment licences, as the current regime is confusing to users and members of the public. The aim is to provide a new, more efficient process which will both encourage musical and other entertainment and at the same time protect the well-being of residents close to venues.

Last year, on behalf of Government, GCS acquired 41 new artworks for the Government's art collection. This included purchases at auction and from private collections. Some special purchases that form part of Gibraltar's cultural heritage are a Gustavo Bacarisas portrait of his brother Horacio Bacarisas, a collection of nine works by Mario Finlayson and a work called *The Kiss* by Christian Hook.

The John Mackintosh Hall Library social media platform continues to generate and oversee content promoting related initiatives, storytelling sessions, school visits and literature. The Government has invested nearly £10,000 in the last year in the purchase of new books and the introduction of Borrowbox, a popular platform for the loaning of e-books and audiobooks. Storytelling sessions for young children at the John Mackintosh Hall Library continue, thanks to a group of volunteers who deliver these sessions. After tracking the use of the library by the public, we have introduced new opening hours, from 9 a.m. to 7 p.m., Monday to Friday. The reference room continues to be a popular resource for young professionals and students studying during term times in the afternoons. There is a great deal of collaboration, including exchange of books, with the Garrison Library and the Parasol Library of the University, as the three libraries work together to provide a better, more streamlined service overall, better providing for their own specific niches. The Mackintosh Hall Library makes it a point to have an extensive collection of books written by Gibraltarian authors, or books written on themes and subjects related to Gibraltar, to include military, history, social history, wildlife, flora and so on. This complete collection has been reviewed and catalogued to allow for ease of use.

The refurbishment and maintenance of all our current cultural facilities plays an important role in allowing us to support all cultural entities, groups and individuals, increasing their potential and striving towards the best possible standard of artistic practice. We continue with the refurbishment and maintenance programme for all our facilities to ensure we extend public participation in the arts. The Central Hall has been fully and extensively refurbished, restoring much of its heritage value, and fitted with a new stained-glass window. The Ince's Hall Theatre has had its air-conditioning upgraded, sewer system repaired and a lift installed. The John Mackintosh Hall has had its galleries upgraded, new equipment purchased, a hearing loop installed in a new area and general improvements made to a building that is now feeling its age. Works have also been carried out to the Gustavo Bacarisas Gallery and our historic City Hall, which I very happily share with His Worship the Mayor. These works have allowed us to display some of the original façades and ceilings which had been hidden for decades, while at the same time dealing with issues of water ingress and the like. We have also contributed towards lighting equipment for the Alameda Open-Air Theatre and a gallery hanging system at the secondary schools, which will allow them to exhibit works of art by students or visiting artists.

We must not forget the board and staff of the Retreat Centre, which has, over the past few years, been vital in our COVID response and is now looking after families seeking refuge from the war in Ukraine.

The Premises Unit continues, on behalf of the Ministry, to oversee cultural premises and estates. Works have been carried out in many of the estates, including the Retrenchment Block, Recreational Rooms, Wellington Front, Jumpers Bastion, Town Range and others. Many do not realise quite the extent of the work carried out by GCS on behalf of the very small team at the Ministry of Culture. Barely a day goes by without one, two or often more articles or stories in the media related to their vast amount of work, and much more goes unreported. I thank each and every one of them and was very proud to see their CEO, Seamus Byrne, receive a Governor's Award in recognition of his work and that of his team, especially during the pandemic, when they kept hard at work in keeping us entertained and ensuring that our rich and diverse cultural community continued to thrive.

In the coming year, the Budget will, of course, be tighter, and I am disappointed that I will not be able to fulfil all our plans, but we will not be stopped by this, and here I must once again acknowledge businesses, organisations and others who are making contributions to our culture through sponsorship or other means. Already planned for this year is a new international gourmet food festival that will provide a new and exciting event for Gibraltar. In September, as an addition to National Week celebrations, we will be holding a cultural event in London. This day will see a gathering of Gibraltarians who are placing our country on the map, working in the arts and the cultural scene in the UK. We will also, at the same time, be holding an art exhibition by Gibraltarian artists at the Bermondsey Project Space, organised jointly with the Lloyds Art Group in London.

The JM Memorial Foundation, together with GCS, are overseeing the second part of a cultural exchange with Tangiers, with artists, musicians and performers from both cities taking part. These are superb opportunities to export our art and culture abroad. Much of this will be achieved through sponsorship, and once again I thank all those contributing.

I cannot end my section on culture without paying tribute to our writers. Gibraltarian literature is an evolving reality. It is growing faster than ever and gaining ever more recognition on the international scene. Our poetry and short story competitions aim to support and encourage writers new and old, and this year will see new ways of encouraging and consolidating recognition of our literature, and not just through Literature Week.

The Gibraltar Academy of Music and Performing Arts continues to develop and contribute to culture in Gibraltar, as do the many dance academies and schools, drama groups and musicians and their collectives, and we have the organisations such as the Fine Arts Association and Kitchen Studios in respect of the visual arts. Between them, hundreds of young and not so young are active in culture – thousands, if their families and friends are added. It is a huge lobby that deserves the support of this House, which brings me to what is, to me, the most exciting and most important project for Gibraltarian culture that we have seen for generations: the Gibraltar National Theatre and Cultural Hub at the John Mackintosh Hall. The way that culture has excelled in Gibraltar in recent decades, with internationally acclaimed artists and performers at the world's best stages, the way that culture has captured the imagination of our young, makes it evident that they deserve a bigger and better performance space and a much bigger audience. Sadly, for the moment, and due to the COVID response, the Government will, itself, not be able to proceed with the project, but a group of supporters of the arts have formed the Gibraltar National Theatre Foundation, independent of Government, and with the support and participation of the John Mackintosh Educational Trust are working hard and successfully to make this a reality. Only last week, that great supporter of Gibraltar, Ruth Parasol, announced that the Parasol Foundation would contribute £1.5 million towards one of the four main elements of the project, the Gallery of Art. Kishin Alwani OBE of the Alwani Foundation has also contributed, and the very proactive Musicians' Association of Gibraltar is actively fundraising for the project, too. The project will comprise a 1,000-seat theatre, a smaller 230-seat studio theatre, the Parasol Art Gallery and an expanded lending library, as well as the meeting rooms, cafeteria and other facilities that we have got used to at our beloved Mack Hall. It will be a revolution in culture and will be a centre for other activities as well, such as conferences, West End style productions, e-sports and even the much more mundane general election count and results. Most importantly, it will give our community the opportunity to perform in a real theatre such as we have not had in Gibraltar before. I want to thank His Excellency the Governor for his leadership in his work as patron of the Foundation, and the councillors and trustees of the John Mackintosh Educational Trust for their vision in being part of this landmark project. I wish it every success and look forward to opening night.

Mr Speaker, if the year 2020 was the year when everything changed, 2021 and 2022 have been the years when humanity has been trying to understand what on earth is happening. I am not convinced that we have learnt the lessons that we should have learnt, and I fear that there are those in positions of influence elsewhere, as I said earlier, who are trying to use COVID and our reaction to it as a cover for their own agendas. Indeed, I referred earlier to some of the pressure elsewhere to reverse environmental progress. This, fortunately, is not happening in Gibraltar.

The Department of Environment continues to be active in marine surveillance. In keeping with our policy of dynamic alignment with EU environmental directives, officers from the Department of the Environment continue to collect data on a wide range of marine descriptors. New monitoring programmes are also being developed, particularly in relation to micro-plastics, underwater noise and cetacean surveys using drones, to help better assess the state of the marine environment in British Gibraltar Territorial Waters. Further work into marine invasive species, such as the brown alga that is affecting our shores, will also be carried out, starting in July, as part of a UK Darwin Plus funded project aimed at enhancing, monitoring and prevention of invasive non-native species across UK Overseas Territories. Collaborative work being done by the

1565 Department of the Environment and the University of Gibraltar's Marine Science Masters
Programme will feed into our Marine Spatial Plan, which I intend to publish as a consultation
document later this year. Once again, the exceptional marine awareness and education work of
the Nautilus Project has to be recognised in this context, along with the yearly marine clean-up
1570 efforts co-ordinated by the Environmental Safety Group and monitoring of seabird migration by
GONHS. I thank the NGOs for their tremendous contribution overall.

Mr Speaker, as most of us are aware and the Deputy Chief Minister referred to earlier, this
year was a difficult one in terms of waste management. Changes to the export process, as a result
of the end of the Brexit transition period, caused transitional administrative delays that meant
Gibraltar was unable to export its municipal waste for a number of weeks. I would like to thank
1575 my team at the Department of the Environment, as well as those at the Environmental Agency
and Technical Services, who worked tirelessly for many weeks to ensure that we were able to
continue to collect and store our waste while they worked to resolve issues with their UK and
Spanish counterparts. They averted a crisis and the system is now working smoothly again. At a
different scale, we will be increasing provision of bin space for refuse and recycling in Town with
1580 a view to improving the state of these areas, and we are working with businesses, the Chamber,
the GFSB and the BID and with tenant bodies and others to improve the cleanliness of our urban
areas.

The issue of sewage treatment is one which should finally see resolution this year. I have clearly
stated the reasons outside our control for the delays, but I do understand that, justified as they
1585 are, there will be criticism. I can confirm that the legal process of closing the former sewage
treatment plant tender is now under way, a process which became necessary as a result of
Modern Water going into liquidation. Government is engaged in providing technical information
to a number of potential bidders and the competitive process for finding a new operator is about
to begin.

On air quality, the monitoring network recently experienced data losses due to ageing
instrumentation. This was due to inability of the UK providers to service the equipment during
COVID and the consequent backlog in their work. I am pleased to say that this is now virtually
resolved. New analysers will replace the existing ones, which have been operational for more than
17 years. Within this replacement programme Gibraltar will now report reference standard
1595 measurements for PM10 and PM2.5 at both Rosia Road and Bleak House. This represents an
increase in PM monitoring, providing data on both fine and coarse fractions of particulate matter
at both roadside and background locations for the first time. The new instruments are also capable
of near real-time data provision, which will enhance the public information service provided via
the Gibraltar air quality website. The monitor at Witham's Road will be moved to Devil's Tower
1600 Road and two additional air quality mesh pods have been procured, which will supplement the
three existing pods in providing indicative monitoring data at near real time. The North Mole
power station is now also reporting emissions online. Nitrogen-dioxide concentrations remained
consistent with the previous year. Annual means of 27 $\mu\text{g m}^{-3}$ at Rosia Road, 18 $\mu\text{g m}^{-3}$ at Bleak
House and 20 $\mu\text{g m}^{-3}$ at Witham's Road were all well below the European limit value of 40 $\mu\text{g m}^{-3}$.
1605 All other pollutants also met European directive limit values.

We finally achieved World Health Organization standards for particulates when new WHO
guidelines were published in 2021 with more stringent targets. These will be exceeded in the next
few years, as they will be across the world, and we have to continue to work hard to achieve them.
Continued effort elsewhere towards net-zero carbon emissions will have co-benefits for air quality
1610 also, particularly if these include measures on road traffic abatement and green shipping,
including the safeguards included in the new agreement with the future operators of GibDock.
We will also be seeing more progress on solar power, as both private initiatives and Government
projects progress.

The electrification of the vehicle fleet is an important part of the Climate Change Strategy and
the move to better air quality. We are already seeing an increase in the number of EVs being
1615 purchased and there is strong pressure from the industry, which is moving in this direction

globally. We are responding to this with an increase in the number of publicly available charging points. In December, the charge points on floor 6 in Midtown car park were replaced by Plug-N-Go, a Gibraltar-based company who own and operate the hardware and location under agreement with the Government. Next, the old charge points in the park and ride in Devil's Tower Road will be replaced and operational under the same platform, and both of these locations are future-proofed to match the growth of EV adoption in Gibraltar. In July, they will be adding charging points at Europa Point. They are also liaising with the Taxi Association and Government to start adding further charge points for taxi use, which in turn will assist the rollout of taxis to meet the EV-only taxi purchase requirement from January 2024. The usage of all these points will be monitored to ensure that we can continue to provide new locations to meet increasing demand. Other EV initiatives are also on the way.

Mr Speaker, the Environmental Agency continues to advise me in many areas and continues to operate a 24-hour on-call service, which saw environmental health officers engage in 229 callouts in 2021, and to date for 2022 there have been a total of 110 callouts.

The Department continues to work very closely with colleagues across Government under the direction of the Deputy Chief Minister on all issues related to Brexit, such as contingency planning on food imports, and exports of waste in the event of a no-deal scenario.

The Agency also continues to make a significant contribution to the Government's anti-dog fouling campaign. In 2021, 156 DNA samples were collected, with 16 fixed penalty notices issued to offenders. Thus far in 2022 they have collected 78 samples, with 12 FPNs being issued. Officers from the Agency and the Department also carry out patrols, during which they check that dogs being walked on the public highway are duly licensed and registered. During 2021, the Agency carried out 32 patrols and checked 95 dogs for registration. So far this year, the Agency has carried out 22 patrols, checked 66 dogs and issued 12 fines.

The Agency is also the competent authority for Control of Major Accident Hazards (COMAH). This year, the Agency will host the HSE inspector visit to carry out a mechanical integrity inspection as part of the bi-annual inspection regime of the North Mole power station.

The Environmental Agency continues to monitor the quality of our bathing waters, where standards have been improving over the past few years. Five of our bathing waters are now classed as excellent, with Western Beach improving and continuing to be classified as good rather than sufficient, which was the case in previous years. In the harbour we have, so far, not seen the problems of bacteria in the water that we had some years back. There are challenges in relation to turbidity from the Coaling Island site, and we are working hard to resolve these.

This year, the spring storms caused a great deal of damage throughout our beaches, considerably more than in previous years. This will become more regular, of course, as a result of climate change. Our beaches were ready for the summer, thanks to the great efforts of the pertinent sections of the Department of the Environment and Technical Services. After this year's storms, Camp Bay saw the removal of close to 250 tonnes of rocks and debris that had been washed ashore. Flotsam and detritus in large amounts had to be removed from Eastern Beach and Sandy Bay, while the entire car park and sections of the access road at Western Beach had to be cleared of accumulated seaweed. Most of this was carried out in record time, within a week, in time to have the beach available to the public for the Easter break.

Further to this, the storms caused structural damage to areas of flooring, railings, balustrades, concrete tables and bin pods at Camp Bay. Extensive remedial works involved structural works to affected areas of flooring, repairs to the boat-store garage doors, the replacing of damaged sections of railings and balustrades and the replacing of no fewer than 25 concrete tables. At Little Bay, the storms left a huge accumulation of rocks on the shoreline, requiring heavy machinery to re-profile the whole area and make it safe. Catalan Bay and Eastern and Western Beaches had their concrete walkways lifted by the wave action and shifted, leaving them in complete disarray and unsafe. These have been removed and re-laid once the beaches have been re-profiled. At Eastern Beach in particular, the re-profiling operation has been more laborious than ever before, with heavy plant involved in shifting hundreds of tonnes of accumulated excess sand from the

southern half of the beach to the northern end, where the beach had been practically eradicated by the storms. This exposed the wall foundations and the fenced perimeter of the Airport tunnel. Emergency works also had to be carried out to partially remove an old airfield storm drain that had been left exposed by the continuous loss of beach sand and posing a serious safety hazard. General yearly preparatory works at our beaches have, obviously, also been carried out. Improvements in the Lifeguard Service have been noticeable, thanks to a great deal of training and improved supervision.

The Cemetery Authority is undertaking a number of major initiatives aimed at improving the management and use of the cemetery. Cremation has grown over recent years and is now the preferred choice of three-quarters of the population. A columbarium for the interment of ashes is therefore considered a necessity for our community, and one will be provided.

I remain committed to planting trees and creating green, open spaces for the public. There have been 185 trees planted since autumn 2020, and in fact the challenge has been finding suitable new areas for new tree planting. Having said that, further new trees were planted at Red Sands Road, and of course in the now completed Campion Park. New green areas have been created at Europa Point and, with the added removal of alien invasive species, habitat for native plants has increased. We will continue to do our best to provide better green spaces that improve our urban environment and increase the quality of life of our residents.

The Gibraltar Botanic Gardens continue to develop and excel in their objectives. Current scientific projects include research on the cactus flora of the Caribbean and invasive species in other UK Overseas Territories. The Alameda's collection in its nursery of plants from throughout the world, with an ever-growing emphasis on water-wise succulent plants, increasingly attracts enthusiasts and experts from other parts of the world eager to see and study this well-documented and curated collection. The Gardens are indeed considered a centre of excellence for research on such plants, and Gardens staff continue to make discoveries and describe new species. These exciting scientific discoveries are in lockstep with the annual improvements that are made to the Gardens' aesthetics – as regular users keep remarking, the Alameda looks better with each passing year – even better than when I was in charge! Not least, this is due to the very hard and enthusiastic work of the grounds staff. What is more, some of these same plants that form the backbone of its research efforts are being used to develop planting beds afresh, and these will soon be accompanied by new interpretation, as part of the Botanic Gardens' mission to educate. Pride of place in the Gardens' education activities goes to its extremely popular children's education programme. Work on a bespoke education area will come to completion in the autumn of 2022, thanks entirely to the contribution of a number of very generous donors. Finally, the Gibraltar Botanic Gardens continue to propagate Gibraltar's special plants for conservation purposes. This year, the stock of the Gibraltar Campion originating from the Alameda Gardens has been planted in the Nature Reserve as part of a long-term plan that began in the 1990s, when the species, then thought extinct, was rediscovered and rescued from certain extinction when it was propagated at the Alameda. The Gibraltar Campion, which is virtually extinct in the wild, can only recover via a conservation programme such as this.

Mr Speaker, visitor numbers to the Upper Rock component of the Nature Reserve are once again on the rise following the hard times witnessed during the peak of the pandemic. In keeping with our commitment to increase revenue, the entrance fee for non-residents to the Upper Rock was increased earlier this year following a process of discussion with stakeholders. This was a reasonable step to take given the recent investment carried out in the Upper Rock. The Skywalk, Windsor Bridge and the Tovey Cottage Interpretation Centre, to name but some examples, are all helping attract and improve the visitor experience for locals and tourists alike. In parallel, work on the day-to-day management of the Nature Reserve continues in earnest and new measures are programmed to take place this year, such as the creation of open areas to favour biodiversity, improved picnic areas, and signage. I opened a new Marine Interpretation Centre at Europa Point just over a week ago, and plans are also in place for a new raptor reintroduction programme, as well as other exciting initiatives.

The yellow-legged gull is perhaps the most recognisable species of bird in Gibraltar. It is an opportunistic species that does exceptionally well around humans. Unfortunately, this also means that it causes problems for us. The population of gulls in Gibraltar needs to be controlled because they have an ecological impact on habitats and other species, can be a public health problem and, most importantly, they constitute a risk for aircraft. I highlighted last year that the long-term trend of yellow-legged gulls in Gibraltar is one of decline. Further to this, the excellent work done by the Avian Control Unit ensures that these gulls will never again be as abundant as they were during the 1990s and early 2000s. Moreover, parent gulls are aggressive when they are nesting and can be a nuisance when nesting on or around people's homes in the urban environment. Again, the Avian Control Unit provides an excellent service removing this nuisance for people. I know of no other place in the world with such a service.

The GONHS Bird of Prey Unit continues its excellent work in rescue, rehabilitation, release and tracking of injured and exhausted birds of prey. They do excellent conservation work and are also very involved in education on migrating birds and their preservation. Their wider conservation work includes the breeding and release of Barbary partridges in conjunction with the Department of the Environment. The fruits that this incredibly successful programme have borne are plain to see: Barbary partridges are more common in Gibraltar than at any other time in recent memory and members of the public frequently have very close encounters with them in the Nature Reserve. This surely serves as a model for conservation programmes in Gibraltar and beyond.

This year, as the tourists returned, the Macaque Management Team has been having to deal with problems of old, with heavy concentrations of tourists resulting in negative changes in behaviour of the macaques. In order to help deal with this, we now have a full-time wildlife warden to help with issues of interaction between tour operators, tourists and macaques. Incursions of monkeys into urban areas remains controlled, albeit slightly higher since tourism started to increase and resulted in increased disturbance of the macaques. This is not due to population growth, as macaque numbers remain static thanks to extensive contraception carried out by the Gibraltar Veterinary Clinic. Blood testing of the macaques this year has shown that they do not carry any zoonotic diseases that can be transmitted to humans. However, this is always a possibility, as macaques can catch human diseases and then pass them back, so that the now legal provision to not touch the macaques remains as relevant as ever.

Mr Speaker, I will now turn to heritage matters. The last year brought with it financial constraints, and the coming year will again see reduced funds available. Despite this, the Ministry for Heritage, together with all other heritage stakeholders, has continued and will continue to work diligently to protect and enhance our heritage.

The Heritage and Antiquities Advisory Council continues to advise me on all matters relating to heritage and is proving to be an invaluable asset. Last year, a subcommittee of the Council was established in order to produce a heritage vision for Gibraltar. The draft vision is now almost complete and will be presented shortly. Parliamentary reports on the Council's activities will also be laid, soon, in this place. Heritage-sensitive private properties will soon be listed in the schedules.

After 50 years of neglect, the 9.2-inch gun barrel, carriage and pedestal that was once at Levant Battery has been removed from the Metalrok Eco Park in Flint Road and transported to a holding and restoration area at Brewery Crusher for future display at Europa Point. The Ministry for Heritage also completed the restoration and transfer of the last two 25-pounder QF field guns in Gibraltar from the Gibraltar Regiment, which is now on display at the 100-Ton Gun visitor facility. While on this theme, the Ministry for Heritage, the Gibraltar Heritage Trust and Alabare – a UK-based charity – have been involved in the restoration of Lord Airey's Battery, an iconic asset located at the top of the Rock.

I am also pleased to announce that the Ministry for Heritage website, which we launched last year, has proved very useful and successful due to the large amount of information available. Heritage enthusiasts and professionals locally and from heritage institutions abroad request information regularly. An entire new section, with guidance notes aimed at applicants who need

to provide information with any planning applications and its implications for cultural heritage, has been added. The key message to all potential applicants is to seek advice at the earliest opportunity, as safeguarding our cultural heritage does not mean preventing development or sustainable change. It means managing that change in order to retain and protect significant heritage places, sites or objects which are important to our community.

The Ministry for Heritage, in collaboration with the Upper Rock Team, have placed 11 new interpretation panels at the City Under Siege exhibition, which contains new content and design that will enhance the visitor experience. I would like to remind Members of the House that in another collaborative effort between the Ministry for Heritage, the Gibraltar National Museum, Technical Services and GJBS, we have started restoring the Convent façade. Works are progressing rapidly under the guidance of the Gibraltar National Museum Conservator. I am also happy to report that the restoration of Southport Gates, the Tower of Homage and the façade of the future St Mary's Lower Primary School will also commence in the foreseeable future. Phase I of the restoration of the Town Range bakery ovens has now been completed.

Another unseen but fundamental part of the work undertaken by the Ministry for Heritage is its archaeological supervision through watching briefs. All developments are regularly supervised by the Government Archaeologist. These include Orange Bastion, North Gorge and the former Casino development among many others. The former TOC-H site immediately adjacent to Southport Gates will also be supervised in this way. It is, therefore, important to note that expert advice on all heritage-sensitive matters relating to developments through the planning system continues, as well as educational outreach via schools and youth organisations. The close working relationship the Ministry for Heritage has with other heritage stakeholders such as the National Museum, the Heritage Trust and the Garrison Library, as well as with other departments such as Town Planning and Technical Services, ensures that heritage-sensitive work is undertaken to the highest standards.

The close working relationship specifically with the Gibraltar Heritage Trust continues and is, indeed, going from strength to strength. The mutual support that now exists between the Trust and the Ministry on day-to-day work allows projects to continue unimpeded. Rolling projects such as the tampion project, the Artillery Park, and other ad hoc repair and renewal projects are a few examples. The Witham's Cemetery was formally presented just a few weeks ago and proves the Trust's commitment to practical conservation, and the Fortress of Gibraltar Group continues to give support in the form of historical knowledge and resources for works related to Gibraltar's fortifications.

In the Gibraltar Garrison Library we have seen that the determination of the small library team has shone throughout. Not only did they keep their day to day going, through the establishment of online services, during lockdown, but have continued to do so, engaging with international research enquiries, those from Gibraltar and, indeed, direct footfall enquiries, which are increasing. The Garrison Library has continued to build capacity over this last year and I feel sure that part of this is due to the fact that they have a dynamic social media presence now reaching almost 11,000 people. By way of offering an example of how this has worked out, the Garrison Library team has been approached by CILIP, the library and information association in the UK, to present a virtual tour of the Library, which is the among the most popular offered by that organisation. (A Member: Hear, hear.) The reinvigorated board of the Library, which I have the honour to chair, has most certainly ensured that the Garrison Library more and more becomes an integral part of our community.

Mr Speaker, I am delighted to report that the activities at the Gibraltar National Museum are now back to normal. In fact, this May, we were all able to enjoy the Museum's open day, the first since 2019.

The Calpe Conference programme continues its natural process of recovery. This conference will be, once again, a truly international one. This one is going to be particularly significant for me personally, as it commemorates the work of one of the most inspirational characters of my own formative years. Reginald Moreau at Oxford University was the leading light in the study of bird

1825 migration between Europe and Africa and he wrote a seminal book on the subject 50 years ago.
 So, Calpe is bringing together some of the world's leading specialists to discuss progress in this
 field in the last 50 years. It is highly appropriate that this should happen in Gibraltar, where Europe
 meets Africa, and I have to say that my inaugural speech at the event is something I am particularly
 looking forward to, as I will make reference to the importance of the work of Gibraltar-based
 1830 naturalists and scientists in the study of bird migration.

The work at Gorham's Cave also continues to return to normality. This year we will have two
 visiting teams, from Leiden University in the Netherlands and Liverpool John Moores University in
 the UK. Excavations have commenced and will continue until mid-August. One of the main targets
 will be the exciting new chamber that was revealed in Vanguard Cave last year, a space that had
 1835 been sealed for over 40,000 years.

I am pleased to report that last month I officially launched a new gallery dedicated to the Pillars
 of Hercules, a wonderful display of our heritage from the classical period and a testament to the
 richness of the material that we have from that period.

Mr Speaker, I move, now, to education. Our children have emerged from the depths of the
 1840 pandemic affected but resilient and their teachers advise me that educationally they have, by and
 large, made up for lost time, but clearly there will be residual effects. The isolating effect of the
 lockdowns has had an impact on children's socialisation, in particular. This, together with the
 trauma experienced by families, has had and continues to have long-lasting repercussions in the
 lives of the children and young people in our community. Although children and young people are
 1845 remarkably resilient, school staff have been extra mindful of all learners' needs as we continue to
 emerge from the grasp of the pandemic, and all in our schools have been working hard to restore
 normality in teaching and learning – whatever normality is.

One of the most important areas under my responsibility is, of course, that of special
 educational needs and disabilities. I am pleased to say that one notable project that we have been
 1850 able to complete is the new home for St Martin's School. After the delays caused by the difficulties
 the construction industry faced during COVID, the start of this academic year saw St Martin's
 pupils and staff move into their new school building. This fantastic purpose-built school has
 enabled us to offer a wider range of learning experiences for our pupils. In addition to a larger and
 more bespoke learning environment, the new school building has a greater range of therapeutic
 1855 opportunities to support our pupils' skill development, including rebound therapy and
 hydrotherapy. All staff at St Martin's have recently received training on manual handling. A
 number of GHA therapists and key St Martin's School staff were also trained in hydrotherapy. This
 provision will be up and running in the school very shortly, following extensive planning with other
 agencies including the GHA and GSLA. Hydrotherapy utilises the properties of warm water to
 1860 provide an effective mode of treatment and exercise for people with physical and sensory
 disabilities. The children who use this facility will benefit from the many significant, evidence-
 based benefits of this type of therapy.

The trend we have noticed over the past few years, of an increase in the number of pupils with
 special educational needs, is continuing. In fact, the number of pupils in St Martin's School and in
 1865 our learning support facilities (LSF) has increased significantly in comparison with previous years.
 This current academic year, we had a greater number of pupils starting in our Early Birds nursery
 than we had ever seen previously, and this coming September we will have a higher number of
 pupils moving from Early Birds into reception at St Martin's School than we have ever had. We
 will, of course, be ready to meet their needs. The outreach programme from St Martin's School
 1870 into our LSFs continues across all sectors. We also have a small number of pupils who are on an
 in-reach programme from our LSFs into St Martin's School. All these pupils benefit from
 opportunities to further develop on their learning journey. By the end of this year, all schools will
 have received dyslexia training following the Made By Dyslexia pledge signed by the Chief Minister
 in September 2019. Moreover, electronic dyslexia screening for all our current year 3 pupils will
 1875 have been completed. Our commitment to a larger complement of special needs learning support
 assistants (SNLSA) will help our schools to support pupils with additional needs. Both SNLSAs and

teaching staff continue to show great levels of care, dedication and commitment to ensure the provision we offer our pupils is of the highest possible level.

The Department of Education continues to focus on pupil well-being, a hugely important and core area of a child's educational journey. There is recognition of the importance of early intervention to prevent the escalation of mental health concerns and help build happy, healthy young people ready to learn, who can achieve their potential in all areas of their lives, not just the academic. The Department works closely with numerous other agencies, NGOs and charities to enhance this vital area. The School Counselling Service continues to support our learners with their emotional well-being. The team constitutes four people giving one-to-one support to learners in all sectors, primary through to secondary, including the College. The team also plays an important role in liaising with and supporting parents of their clients. Likewise, they advise the teachers, giving them tools to better support the children and young people in their care. Counsellors have also played an important role in staff training, including bereavement training. Our manifesto commitment to increase the complement of counsellors and, indeed, educational psychologists, has been set back but remains a commitment which, as has been said in answers to questions here, we intend to fulfil during the lifetime of this Parliament. Schools have been proactive in continuing to develop children and young people's emotional well-being. They have engaged in a large number of initiatives which aim to develop a child's emotional well-being – resilience through sport, buddy benches and friendship corners, and well-being days, to name just a few. Continued professional development has also focused on training to develop skills and knowledge to continue enhancing children and young people's emotional well-being.

There continues to be a growing number of children in our education system who have been impacted by trauma, children who have a high number of adverse childhood experiences. Some of these children are in residential care, some are still living at home, and others spend time in and out of prison. The school environment can be a challenging place for these children, causing high levels of anxiety in the pupils themselves, staff and other pupils as well. Education has endeavoured to address this in a number of ways. The TLC continues to provide additional support for our most vulnerable who are unable to engage in mainstream education. It also provides a base for a bereavement group and a youth group for children with additional needs. One-to-one support for young people in the prison system identifies pupils to help them re-engage with mainstream schooling. Approximately 400 members of staff across disciplines will have received safeguarding training this academic year alone. Over 1,100 members of staff have received training since September 2018. Education continues to work closely with the Care Agency, the RGP and the GHA to engage processes to support vulnerable pupils and families, as well as collaborative work to devise strategy and work towards improvement of services for our most vulnerable pupils. Numerous school-based projects initiated by teachers, and those involving NGOs, charities and outside agencies, have aimed to support our most vulnerable, to increase their focus, address self-esteem, motivation and emotional regulation.

Educators need to be the best versions of themselves in order to support learners and work to their best ability, at times in very stressful circumstances, both personal and professional. School-led initiatives have taken place, sometimes with the engagement of NGOs. Education staff in schools and the advisory team continue to liaise with the Government Well-being Team to support staff well-being, so that they are able to deliver the best education possible to our children and young people.

In keeping with my commitment at COP26, schools continue to promote sustainable practices in school and work towards encompassing all priority climate change objectives within the curriculum. They continue to employ educational initiatives in schools, to develop understanding and awareness around climate change. ClimACT Schools Gibraltar, an Education staff action group, works to promote and share good practice across all schools. We are confident that our children and young people will act as change agents within their own families and communities, encouraging more mindful choices which help reduce the impact of climate change.

Mr Speaker, scholarship numbers in the 2021-22 academic year were 804 mandatory undergraduate scholarships, 176 postgraduate scholarships and 85 discretionary scholarships. We currently have 1,065 students in higher education despite the challenges that the pandemic has thrown at our economy – something to make the community proud. We will, this year, continue to provide for all the mandatory scholarships, which will likely mean we will have more students in higher education than ever. We will need to continue to be selective in those under 18 and others going through the discretionary route. This is, of course, no reflection on the students, and I ask young people and families to be patient, to look at alternative sources of funds and constructive ways of using the time available should they not be successful.

On learning with digital technologies, all our upper and lower primary schools have now embarked on our digital teaching and learning initiative. The rollout to secondary schools which began prior to the disruption caused by COVID has now also been completed. We are targeting the next academic year to bring the Gibraltar College into the initiative while continuing to support our colleagues at St Martin's. This financial year we have rolled out an additional 700 devices in support of this initiative. Each primary school now has access to a cart of iPads in each year group, vastly increasing the usage of these devices to support learning and teaching in our schools.

The September 2021 Year 10 cohort was significant. It was the first one ever in Gibraltar to benefit from the equalisation of the Key Stage 4 curriculum. This was so overdue, and I am very pleased that all our young people will now have equal opportunities at this stage. Our first mixed-gender cohort in Bayside and Westside were both offered the same range of courses for their GCSE/Level 2 journey, and our Year 10 learners commenced on the courses of their choice in September of this academic year. September 2021 also saw the first cohort of learners undertaking a Level 3 BTEC in Music Performance. This course is being offered by the Gibraltar College, in partnership with GAMP, and is a model that we will be following in order to be able to offer more vocational courses.

Our teaching and learning initiative continues to develop digital skills in young learners, and some of the learning that is being demonstrated by our young learners is breathtaking. Other developments in this area will be announced soon. The Deputy Chief Minister has already mentioned one, which in fact cuts across two of my areas of responsibility, heritage and education: the Northern Defences and the Mount, two remarkable sites from a historical and environmental point of view, but tantalising in their potential to engage our younger generations. As the Deputy Chief Minister has said, from September we are aiming to create a whole new educational programme which unleashes the creativity and ability of our students. The Department, together with the College School of Business, have been developing this concept during the last year.

This academic year, the Government significantly increased the complement of teachers by 97 new members of staff and the complement of SNLSAs by 122, recognising the importance of investing in the education of our children and young people. The commitment to the increase in staffing has been made further to recent developments in our educational system, such as the opening of morning nursery placements, the provision of LSFs in two additional schools, the introduction of new vocational pathways and the equalisation of curriculum opportunities in both secondary schools further to the realignment of the key stages, not to mention co-education from Year 7, something which we now take so much for granted. The impact of these systemic developments, together with larger pupil cohorts and the growth in the number of pupils overall and in those with additional needs, were carefully considered and directly informed the commitment to increasing the teacher and SNLSA staffing complements.

The Department of Education, including its senior staff in all schools, together with colleagues in other Departments, agencies and authorities, have worked hard over the course of this academic year to establish a more robust and meaningful CPD programme for teachers. In addition to a wide range of individual, school-specific INSET foci which have taken place throughout the course of the year, the Department gathered together en masse on 29th April for an Education-wide INSET day which saw over 750 staff from all Gibraltar Government Education

1980 establishments gathered at the Bayside-Westside complex for the first full interschool INSET
training day ever organised. The Department has a very large team of staff and I value the
professional contributions of all of the roles within each school. It was a fantastic day which will
have planted many seeds to be developed further in the future and which benefited tremendously
1985 from the wealth of knowledge, experience, insight and enthusiasm of all Education staff members,
and will be built on in the next academic year.

The Department of Education has reviewed and revised the catchment areas for Government
schools, with a view to ensuring that these are as geographically appropriate as possible. This
exercise has also been conducted to ensure that pupil distributions across schools provide the
best possible pupil-staff ratios. A powerful and versatile geographic information system,
1990 developed and managed by the Department of Environment, has been used to inform this process
for all nursery enrolments for September this year, and, moving forward, will allow the
Department to manage catchment areas in a more dynamic manner ahead of each new academic
year. Although the changes this year are not too extensive, the amendments made will have
lasting significant impact. The move to more geographically appropriate catchment areas will help
1995 to further define and distinguish each school's community in a manner that makes more sense
physically. This will help the children and young people from a social perspective as well as
facilitate closer links between each school's location and the catchment area. The changes will,
hopefully, also help make school drop-offs easier and encourage families to walk to school. This
further supports the Government's move towards a more child-friendly city and reducing the use
2000 of motor vehicles. Gibraltar has changed a great deal in the last decade and centres of population
are changing. We have been considering these changes for some years now, but the trauma that
we suffered through the pandemic delayed the process. The new catchment areas better reflect
the current situation and should also have benefits for our environmental agenda.

We continue to develop the Education website and online services via education.gov.gi. The
2005 Department has now fully digitised and streamlined the pupil enrolment and scholarship
processes in order to better serve the public. The website also includes information on accessing
the educational psychologists and other support mechanisms offered by the Department.

We are currently overseeing the construction of three new schools, with the bespoke buildings
for St Mary's, Governor's Meadow and Bishop Fitzgerald all due to be completed in time for
2010 opening in September 2023. Plans are proceeding also towards a new Gibraltar College and
Hebrew Primary School, with improvements planned for those schools which will stay at their
current sites, namely both St Joseph's schools and St Paul's, where we have recently opened a
new wing and forest zone. We are close to having achieved something that no one could have
imagined, the virtually complete renewal of almost the whole of our education real estate.

2015 There are many other plans aimed at diversifying and widening the opportunities available to
our young and ensuring that education helps make them fulfil their dreams, take their place in the
community here or in the wider world, and so I look forward to taking on more and more
challenges and working with all in Education to continue to progress on things that have needed
fixing for a long time, but more importantly to achieve new and better ways of helping our young
2020 people to be better than us.

And so to the University of Gibraltar. There is quite a lot to say this year, precisely because this
creation of this Government is doing so incredibly well. To date, the University has enrolled over
500 students during the academic year ending 31st July 2022 into a combination of academic
programmes, professional and continuing education courses, training certificates and language
2025 courses. The University's portfolio of academic programmes continues to grow. This past year saw
the University offering undergraduate degrees in business, nursing and maritime science,
complemented by a range of access courses and postgraduate degrees in research in education,
business and marine science. Students enrolled on these core academic programmes have
increased from 30 in the year 2018-19 and 134 in 2020-21 to 189 in 2021-22. The latter are from
2030 28 nationalities. There is now a diverse student community residing at the Europa Suites
accommodation. Graduates of the University are also increasing, with 21 graduating in December

2020, 38 in 2021 and an anticipated 78, including three local PhD students, graduating in December this year.

2035 Following extensive consultation with industry and completion of a rigorous UK validation process during this past year, the University will offer a further two new degrees from September 2022: a BSc (Hons) in Computing and Entrepreneurship, which is carried out through a collaborative arrangement with the Gibraltar Digital Skills Academy, itself doing excellent work; and a Masters in Education developed in consultation with the Department of Education. During the upcoming academic year, the University will be working with industry to develop a number of other new academic programmes, including an MSc in Advanced Health Practice, an MSc in Contemporary Healthcare, one in Environmental Science and Climate Change, a BSc Adult Nursing International Top-up and an MSc in Psychology.

2040 In addition to its academic programmes, the University has provided a range of professional continuing education and short courses. In March 2022 the Professional Development department launched its Remote Gambling online course which replaced the Responsible Gambling online course. This was in response to industry feedback and relevant updates in the industry. In May this year, a Professional Diploma of Competence in Financial Services was launched. The first of its kind, this cross-sector qualification, which was developed in direct consultation with the Regulator and each industry sector, will serve as an industry standard.

2050 During the past year, the University Maritime Academy launched its first two technical courses, including one for Customs and another for Police, Environment and Customs. In May this year, the Academy, in spite of a post-COVID critical global shortage of maritime cadet sea placements, was able to source sea time placements for all the University's maritime cadets.

2055 The Centre of Excellence in Responsible Gaming, a multidisciplinary and interdisciplinary research institute that aims to study the etiological factors of addictive disorders and contribute to their effective prevention and treatment, was officially opened in March by my hon. Friend Albert Isola and myself. In addition to publishing almost 40 academic research papers this past year, the Centre has also assisted with the redesign of the University Responsible Gaming course.

2060 In November 2021, the University underwent an international quality review by the UK Quality Assurance Agency (QAA) and was subsequently found to have met all 10 higher education quality standards. As a result, the University was awarded global accreditation by the QAA. Achieving this milestone only six years after its creation through the work of the then Minister for Education, the Hon. Gilbert Licudi, is a testament to the sheer hard work and commitment shown by the entire University team, as well as the ongoing support of the University Board of Governors and the Academic Board and the Government.

2065 The current University strategic plan ends on 31st July this year with the accompanying final progress report anticipated to be published shortly thereafter. Development of a new strategic plan for the academic years ending 2023-26 is under way.

2070 In spite of extremely challenging targets and the constraints posed by the ability of international students to travel, the September 2021 recruitment campaign was successful, with tuition fee income increasing from £488,682 in the year ended 31st July 2019 to £1.3 million in the year ended July 2021. Moreover, tuition income is estimated to reach £1.8 million by July this year. This growth reflects the University's ability to recruit increasing numbers of local, regional and international students attracted by its quality student experience. As a result of increasing student numbers, the University continues to work towards a much greater degree of self-financing, with the proportion of income, excluding donations, provided by the Government subvention steadily decreasing from 86% in 2017 to a forecast 36% by the end of July this year. This positive progress towards much greater self-financing is expected to continue, with the current Government annual subvention again being significantly reduced by £250,000 to £1 million, representing a reduction of 20% compared with the previous year. The University has to be congratulated for its increasing financial stability.

The University is now also operating from its North Wing, the old St Christopher's School.

In December last year, the University held the formal ceremony to celebrate the installation of the Chancellor, Sir Lindsay Hoyle, and the Vice-Chancellor, Prof. Catherine Bachleda, together with two ceremonies to celebrate graduates from the BBA, MBA, PGCE and MSc marine.

With regard to my legislative agenda, I have on the Order Paper, to proceed later this year, a Bill for an Act to create the Gibraltar National Park and another to prohibit the fur trade. Work is proceeding so as to be able to commence the Medicinal Cannabis Act, as well as on subsidiary legislation to the Climate Change Act including the setting up of the Climate Action Fund and the Near Zero Delivery Body. The updated Education Act and the new Cultural Act and a revised Entertainment Act are in the final stages of stakeholder consultation. Improvements to the Heritage and Antiquities Act are being worked on and the Environmental Agency is advising me on the updating of the Food Hygiene Regulations, as well as the introduction of allergens legislation. An Environmental Governance Act, a revised Garrison Library Act and a number of Acts which subdivide and modernise the archaic and voluminous Public Health Act, including one on waste, are also in preparation.

As I conclude, Mr Speaker, I want to congratulate Mr Kishin Alwani, an outstanding contributor to the arts, for his OBE in the Queen's Birthday Honours, and also Lewis Stagnetto of the Nautilus Project for the award of the British Empire Medal in this year's New Year's Honours list for his environmental work, as well as Paulette Finlayson-Napoli for the Gibraltar Ward, and also, as mentioned earlier, Seamus Byrne for the Governor's Award, the latter two for their work in culture. I want to mention the retirement of Dr Terence Ocana as head teacher of St Joseph's Upper Primary School after many years' service to education; of Paul Origo – whom I have worked with very closely from well before I became a Minister – as Town Planner; as well as of Jessica Alecia, who retired this year after many years' service to successive Environment Ministers as PA; and Sue Davies of the World Heritage Office, who has been instrumental in the work related to our World Heritage Site.

Finally, Mr Speaker, as ever, I wish to express my thanks to my personal staff and, of course, to my heads of departments and CEOs and their staff for their hard work at all hours and every day, and for their continued support; to all the schools, who make me feel so welcome on all my visits; to all the staff in my Departments and the agencies and contractors that work to them, as well as to the GEA, LPS, GSLA and Technical Services, the many departments I work with day to day; to NASUWT, UNITE and GGCA for their constructive work; to all the NGOs, associations, schools and academies, environmental, cultural, educational, who are so committed to what they believe in, often working as volunteers, for being committed, honest and reasonable in pursuing their aims; to all those many citizens appointed to voluntary boards, working groups and committees for which I am responsible; and to those in other Departments with whom I have regular contact – such as the staff at No. 6, including the Offices of the Chief Minister, the Deputy Chief Minister, the Chief Secretary, the Financial Secretary, the Chief Technical Officer and Civil Contingencies, and at the Gibraltar Law Offices – for always being there when I need them. Thanks also to you, Mr Speaker, and your staff, and to the Chief Minister, Deputy Chief Minister and colleagues. And finally, to His Excellency the Governor, Sir David Steel, for the genuine interest he shows in the work of the different parts of my Ministry and for his constant encouragement.

Mr Speaker, we live in a blessed community. We have so much to enjoy, so much to be grateful for. Let us never forget that, and continue to live proud of our homeland and able to withstand any difficulties that may come our way. In doing all of this, I, too, commend the Bill to the House. *(Banging on desks)*

Mr Speaker: The Hon. Steven Linares.

Minister for Housing, Employment, Youth and Sport (Hon. S E Linares): Mr Speaker, this is my 22nd Budget speech and my 10th as a Government Minister. I will start by giving a synopsis of what has been achieved over the last year and explain some of the things we intend to do this

coming year in relation to my areas of responsibility, these being industrial relations, housing, employment, youth and sport.

I would first like to address developments in what is my newest ministerial responsibility, that of industrial relations. On 4th April this year, following a reshuffle of ministerial duties, my hon. Friend the Chief Minister transferred to me the responsibility for industrial relations. I was humbled by that decision. We all know how critical smooth industrial relations are to the functioning of the public sector. We also know how central such co-operation with the unions remains to the values of this Government that I am so proud to represent. As such, I am grateful and privileged to discharge this new role on behalf of HM Government of Gibraltar.

My own background should serve me well. I refer to my experience in tackling industrial relations matters from a union perspective as a former president of the Teachers' Association and of the Gibraltar Trades Council. The latter comprised the three local unions at the time. To this end I have already expressed to the trade unions my desire to work in partnership with them to tackle issues that concern the public sector. At times we will totally agree, and on other occasions less so. However, all our conversations will be held in an air of cordiality and fairness. The goal will be better terms and conditions within the budgetary resources available. The well-being of our workforce will be uppermost in my mind.

Although I have just assumed responsibility for this role, hon. Members may have seen that a number of issues have already been dealt with. In relation to the Customs dispute, my office has been involved in addressing concerns that the GGCA and Unite the Union have had in relation to the incorporation of the Marine section into existing rotation agreements. I am happy to say that the GGCA, who have negotiating rights for this department, agreed to the proposals developed by the acting Collector of Customs. This happened in close collaboration with my Industrial Relations officials and with me. It led to the lifting of industrial action within HM Customs and the resumption of wearing their uniform when performing their relevant duties. It is an example of the way in which my office will conduct business. We will support the respective heads of department where grievances or issues of concern are raised, and empower them to deliver solutions through negotiated outcomes with the unions. In this vein, my office is currently tackling issues raised in other departments. The working methodology is based on the agenda priority set by the respective trade unions. The approach is a sensible one based on collaboration and co-operation. New issues are raised as other issues are resolved. This means that the system is not overwhelmed, as this can cause issues to stagnate, which is not in the interests of any of the parties concerned.

The Government is conscious that on an industrial relations related legislative front a number of matters need resolution. This includes the implementation of the Trade Union Recognition Act and amendments on matters pertaining to zero-hour contracts. Both these matters are at an advanced stage and further developments will materialise soon. I will provide public updates accordingly.

On policy, I am currently tackling two initiatives within this portfolio. The first is the introduction and implementation of a comprehensive set of health and safety policies to be implemented throughout the public sector. This has already happened. Through this policy, a baseline of health and safety practice and regulation will be established within all Government Departments, agencies, owned companies and authorities. The policy will complement existing Health and Safety practice within specialist areas and provide a foundation in those that do not have specific guidelines. All this means that there is now a minimum set of health and safety standards, no matter the Department or the circumstances.

The second policy initiative that I would like to draw attention to is the implementation of a Public Service Code that will replace Government General Orders. Hon. Members will know that Government General Orders have underpinned public sector practices for many decades. Although over the years multiple circulars have been issued that updated elements within those rules, Government General Orders have remained largely unchanged. It is, therefore, necessary that those elements of Government General Orders that work remain, and those that do not are

changed. Modern employment issues that were not a concern at the time when Government General Orders were written have now been taken on board. I know that significant progress has already materialised on this front and I have instructed those tasked with developing the Public Service Code to work towards implementation within this calendar year. To this end, I have convened a working group consisting of the Human Resources Department, the Industrial Relations Department and the Department of Employment to tackle the outstanding elements of this document. The unions will be fully consulted on its content once the substantive body of the document is available. It is the view of the Government that a smooth transition to a more modern and effective Public Service Code will be advantageous to the public sector itself and welcomed by the Gibraltarian community as a whole.

I would like to take this opportunity to thank all those individuals within the trade union movement whom I have had the pleasure to work with in this short period of time. Union officials have clearly been made aware that my office is open to all of them with a view to resolving matters in partnership, in a positive, quick and efficient manner. Needless to say, I look forward to continuing to develop this exciting portfolio in the months ahead.

Mr Speaker, I will now move on to housing. Only last week, the Housing Department moved to new premises at the ICC. The Department is next to the Housing Works Agency, thus facilitating even more the work that they do together. The new premises are now more accessible to the public, right in the centre of town. Their previous premises have now been taken over by the DSS. The Housing Department staff have actively assisted their DSS colleagues during this difficult period. I would like to take this opportunity to thank the staff and management of the Housing Department for the positive manner in which they have co-operated with the DSS. They have stepped up to the mark and gone out of their way to assist.

The Housing Department has adapted quickly to new working practices in order to continue to provide its services to both applicants and tenants. This has happened despite the fact that staff had been deployed to the Contact Tracing Bureau during the pandemic. As from 1st April, the deployed staff have returned and they are quickly and efficiently dealing with the backlog that the deployment created; not only that, but dealing also with the physical move mentioned above. It needs to be said that the Housing Department staff did not stop offering services to clients during the COVID-19 pandemic. In addition to this, they have actively assisted Public Health and the Government in all matters relevant to housing and beyond.

The Housing Department counters are now open to the general public via an appointment system. This will assist cash payers who, despite continued efforts, are reluctant to pay electronically, by standing order, by telephone banking or otherwise, or those who simply do not have a bank account, thus ensuring house rent revenues do not fall into arrears. The Housing Department has been working closely with the digitalisation team in order to have all application forms available online on the e-government platform. This will offer the facility to complete, attach and submit documents electronically to the Housing Department, thereby avoiding foot traffic at our counter.

The Housing Department comprises four main sections. The Accounts section deals exclusively with the receipt of rental payments. The Housing Department has numerous methods available for rental payments, which can be carried out without attending in person. These are deduction at source from wages/salaries or occupational pensions, standing order from the client's bank account, online via the e-gov portal, or telephone payments. The Accounts section strives for customers to subscribe to these methods. The Department is working closely with the Treasury Department and with private banks in order to be able to accept payments via direct debit. This would expand even further the payment options for the collection of rent. The Accounts section has worked very closely with the DSS in order to assess rent relief more efficiently. An MoU has been signed in order to facilitate the process. The Department's vote book is also managed by the Accounts section.

The second section is Enforcement and Compliance. On 1st July last year the Housing Department introduced this section. It is tasked with litigation processes, anti-social behaviour, the in-house complaints procedure, claims, Ombudsman queries and the recovery of arrears – an unenviable task, Mr Speaker. Systems are in place that alert the Department to any tenant who commences to default in their rent payments. This process enables them to contact the tenant quicker than ever before and engage with them before any debt begins to build up and become a burden. The Department continues to assist tenants to arrange a repayment plan or adjust an existing repayment plan. The objective remains to meet the needs of the tenant as well as the needs of the Department. Since 1st April 2021 to date – the date being 18th May – there have been a total of 465 appointments, from which 150 arrears agreements have been concluded to the value of some £680,000. Those meetings have proved very useful as they allow our staff to identify tenants who have genuine hardship and are unable to pay their rent. All situations are looked at on a case-by-case basis. Careful consideration is given to those who may have social and/or medical issues that prevent them from paying their rent. This helps the Department differentiate between those who genuinely cannot pay and those who simply do not want to.

Mr Speaker, the continuation of the concerted effort to have rent payments deducted at source continues to be the Department's top priority. As I have stated in this House before, it is this Government's policy that all civil and public servants who are Housing Department tenants have their rent payments deducted from their salaries or wages automatically, thus ensuring that none of them default or fall behind in payments. Despite all the initiatives that this section has rolled out, and as they continue to engage with all those in arrears, there are, regrettably, still tenants who can pay but do not want to. These tenants have no social or economic hardship which would qualify them for rent relief, and yet they continue to default. There is no other option for this category of tenant than to commence legal action to recover the debt. The Department, together with the Central Arrears Unit, has engaged lawyers to commence litigation in such cases. As can be seen, the Housing Department has taken a very proactive approach, which is designed to ensure, as much as possible, that none of its tenants fall behind in their rent payments. As at 30th April 2022, the total arrears figure stands at nearly £4.4 million. More than £½ million has been written off as unrecoverable due to circumstances such as death.

Since the creation of this section on 1st April 2021, it has logged a total of 109 complaints in relation to anti-social behaviour. I have, in the past, outlined the procedure that the Department follows in such cases. This procedure is being implemented and all agencies continue to work to minimise the unacceptable behaviour of a few that causes misery to their neighbours. To this end we will continue to engage at joint agency meetings with the RGP, Social Services, the Care Agency, tenants' associations and even schools, if need be.

Mr Speaker, the Allocation Unit is the third section of the Housing Department. A total of 158 allocations have been made since 1st April 2021 to date, the date being 25th May when this data was collected. The Housing Department is working closely with the ERS, GHA and others in order to recover the properties of those tenants who have passed away, been admitted to the ERS, are long-stay patients in hospital or have chosen to move to private accommodation. These flats are immediately identified for applicants on the waiting list. A total of 412 applications have been received by the Housing Department since 1st April 2021. A review of all tenancies is under way so that all records are updated into our system in order to provide a more efficient service.

As announced by Government, all citizens, under the Register of Occupation Act 2021, have to register their occupation of property in Gibraltar. A lot of work has been undertaken by our IT provider and staff in order to be able to validate records of those persons who reside in a Government tenancy.

The Housing Allocation Committee continues to meet on a monthly basis. They provide valuable advice to the Housing Authority. I would like to thank them for the unremunerated and invaluable work that they do.

The fourth and final section of the Department is Senior Management. The Senior Management section undertakes financial assessment computations and assists the Minister,

together with the Ministry for Housing itself. They undertake secretarial duties for established committees under the Housing Act and liaise with the RGP, HM Customs and other enforcement agencies on delicate matters, which include anti-social behaviour. The section provides secretarial duties to the Housing Allocation Committee. They also co-ordinate with other Departments such as the GHA, ERS and the Care Agency in order to reallocate flats to those on the waiting list.

This section also leads on the issue of legal cases. A total of 27 cases have been referred for legal action since 1st April 2021. A breakdown of the 27 cases is as follows: 24 cases have been commenced for repossession under section 8 of the Housing Act, two cases have been for unauthorised occupation under section 14 of the Housing Act, and one case for decanting.

It is important to understand that, apart from all the work that the different sections do, the Housing Department also works closely with many other Government Departments. This has led to more efficient working practices. All entities, for example, have a designated contact person, and this minimises the time taken to undertake tasks. The senior management of the Department also work closely and attend multi-agency forums with the Department of Equality, the DSS, CSRO, the RGP, Social Services, the GHA, the Prison Service, the ETB, the Drugs Rehabilitation Service, the Gibraltar Fire and Rescue Service, the Central Arrears Unit and Car Parks Ltd. This shows the high degree of commitment that the Department enjoys towards working with others.

One other important aspect to the work that the senior housing officials and the Housing Works Agency officials do is meeting with the tenants' association representatives. Those meetings are used to identify issues relevant to individual estates, many of which are then expedited as a result of the contact with the tenants. The Housing Department encourages tenants residing on housing estates to organise themselves into a representative committee. The ultimate aim is to benefit and enhance the living environment of the estate in collaboration with Housing Department officials. In those estates that already have a tenants' association, I urge tenants to approach their association if they believe that any action needs to be taken there, or if they have any suggestion that would improve the lives of residents on the estate. The general feedback that I have received from the tenants' associations is generally very positive. By working together, we have been able to enhance the service provided. The Housing Department and the Housing Works Agency staff will continue to support the tenants' associations on the day-to-day issues that may occur.

Mr Speaker, I am also happy to report that the review that we have embarked on of the Housing Act will be concluded by the end of the year. This includes a reassessment of the Housing Allocation Scheme, the tenancy agreements and a review of all housing policies. All are at an advanced stage. This is a comprehensive review which will give clarity to all. It will set out how things will be done. The outcome will also better inform tenants as to what the Housing Department expects from them and what they can expect from us. The Principal Housing Officer has been able to establish a very good working relationship with Action for Housing and, with my ministerial blessing, meets them on a monthly basis.

I move on now to the Housing Works Agency. This agency has moved into premises in the ICC and released its temporary premises in the old Rooke area. The Housing Works Agency has dealt with a total of 9,444 works orders which have been paid during the last financial year. Despite this, the Housing Works Agency has processed and managed, during this year, in excess of 15,000 works orders. The difference between one figure and the other is in relation to works that are contracted by other official service providers such as the GEA, the Environmental Agency and the Department of the Environment, which do not have a direct cost implication for the Housing Works Agency itself. The Housing Works Agency also manages all capital works to Government housing stock.

Mr Speaker, I will now move to my responsibilities for employment, where, indeed, as I am sure all hon. Members will agree, we have not been idle. Despite the many challenges and obstacles encountered throughout these last few years, the Department of Employment has ensured that there has been no detriment to the provision of their services and they continue to deliver as effectively and efficiently as ever. Given the unavoidable impact of the pandemic on

employment within Gibraltar, it has still remained largely stable. I am pleased to inform the House that despite the adverse situations faced in recent years, we continue to see record low unemployment. In 2021, when the pandemic critically hit employment throughout the globe, the yearly average for Gibraltarians registered unemployed was 27, which is, as we all heard from the Chief Minister, a staggering 94% reduction in unemployment since 2011. In 2022, we have continued to maintain low unemployment levels. In the first quarter of 2022, the average of registered unemployed stood at 41, a 92% reduction in unemployment since the first quarter of 2012. Hon. Members should not forget that when the GSD were in government their view was that 300 unemployed was the norm and an acceptable number, and we inherited unemployment of 522 that year. It is, therefore, obvious that this Government's systems work and continue to work.

The highly successful mechanism that we have in place has taken many individuals out of unemployment and given them worthwhile, meaningful jobs. This has allowed and delivered a stable equilibrium in respect of the number of persons being unemployed and employed year-round. This employment stability has been achieved by creating long-term close working relationships with our employers and with the business community via employment outreach programmes and education. The objective behind these programmes is to fully comprehend and cater for the needs of the business community, as well as understanding and empathising with the specific individual needs of those persons seeking gainful employment, whether they are unemployed or in pursuit of progression and career development. In relation to understanding and empathising with the specific individual needs, the Employment Department provides guidance on interview skills and competences. It works very closely with individuals in order to train and provide support as a means of increasing the quality of their curriculum vitae, interview outcome and the possibility of their success at any given job application. This specific service has proved to be extremely beneficial, resulting in many successful individuals achieving gainful employment.

It is also important to note that the success of the Government's BEAT measures have resulted in a reduction in the number of redundancies. This has assisted in keeping the level of unemployment very low. Additionally, by way of continued support to Gibraltar's business community as it slowly begins to recover and emerge from the financial drawbacks of the pandemic, the fees payable to the Department of Employment continue to be waived.

Mr Speaker, the reform of the Employment Tribunal in recent years has delivered an effective, modern tribunal system. The rules have been enhanced further with the introduction of a lead chairperson, who will be appointed shortly and will also be carrying out the functions of the President of Chairpersons, as well as the appointment of additional chairpersons who wish to preside on an ad hoc basis. As recognition of the hard work and dedication in administering justice in employment disputes in accordance with Gibraltar's employment laws, payments made to chairpersons per judgment delivered will also be increased. The fee to be paid per judgment will be decided by the Director of Employment on a case-by-case basis, taking into consideration the urgency, intricacies and complexities of the Employment Tribunal proceedings. It is important to note that the Employment Tribunal Rules have also been amended to introduce a robust complaints procedure as a means of ensuring adequate investigations and resolution of complaints against mediators and chairpersons. This reform will also ensure that all cases are heard in a timely and judicious manner.

The Labour Inspectorate is tasked with the regulation and enforcement of our employment laws. The Labour Inspectorate's strategy and programme of inspections across the various industries, which had been delayed during the pandemic, now continues to operate conscientiously and effectively. This demonstrates our continued commitment to the eradication of illegal labour by ensuring that businesses are compliant with the Employment Regulations. The inspectors work hard in the field to ensure that all employers comply with employment legislation and that, amongst other matters, vacancies are registered with the Employment Service. The Department of Employment works closely with all sectors of the business community to ensure

that a level playing field is maintained. The Labour Inspectorate remains, as always, available to provide information and guidance to both employers and employees on all employment-related matters.

This Government is committed to ensuring the well-being and protection of staff. We continue to work, together with the Health and Safety Advisory Council, to develop and review safe systems and safety procedures. It is our unrelenting commitment to protect the rights of workers' terms and conditions of employment. The Health and Safety Inspectorate continues to remain available to anyone who requires best practice guidance and advice in respect of health and safety issues at work. Gibraltar is pleased not to have seen a fatality at work for over 11 years now. Additionally, we have effectively introduced the health and safety policy, which I mentioned before, in all Government Departments, agencies and authorities. Heads of Departments and senior staff have already been asked to familiarise themselves with the policy, and the relevant arrangements are being conducted by the Human Resources Department to ensure all training requirements are identified and fulfilled.

The Employment Department has not rested and has, undoubtedly, stepped up to the demands and challenges placed on it. They will continue to work tirelessly towards the demands of the Brexit negotiations and related contingency preparations, specifically in the area of employment and workers' rights. This is inclusive of the continuous assistance we provide to the Ministry for Digital and Financial Services as they continue to develop digitalised interactive Government e-services for corporate and service users, as well as providing the high-quality employment-related support our community deserves. Finally, as this House knows, our commitment has always been, and will continue to be, to ever increase employment opportunities in Gibraltar, and at this we have been successful.

Mr Speaker, I move on, now, to the Youth Service. The Gibraltar Youth Service continues to open its doors and has further created and developed programmes that have reached more of our young people. It is pleasing to see how many youngsters turn up to participate in all sorts of activities which are educational and also fun at the same time. Membership across the youth clubs has grown, with an increase in attendance since they reopened after the lockdown. COVID-19 travel restrictions had an obvious impact. However, after the lifting of restrictions, the Youth Service has been working with other agencies towards creating new safe travel policies for young people to enjoy new experiences abroad.

The Mingle Project, which is now in its third year, continues to support young people from the ages of 18 to 30. It develops skills for people who have mild learning needs to be able to increase their friendship with others and build a support network. This is done by participating in activities such as cooking, baking and karaoke. Through targeted activities and workshops they are able to develop their independence, confidence and further their life skills.

The Youth Café is an open club environment for young people from the age of 15 onwards to relax and enjoy a safe space. The Youth Café opens twice a week, every Wednesday and Friday. They have engaged members in a variety of creative activities and recently, in a cooking competition, they have been able to practise their skills and develop their confidence.

The environment and climate change are at the heart of the work that the Youth Service does with young people. To this end they participate in Clean up the World, they support the Nautilus Project presentations and attend the Alameda Wildlife Conservation Park, amongst other activities. Getting involved with charity work is yet another aspect of the work that the Youth Service encourages. The group Rock Thrifters' upcycling fashion project looked at opportunities to showcase clothes from the Clubhouse charity shop. The Dolphin Youth Club has been focusing its efforts on a 'giving back' project to the community, learning about families and vulnerable people in our community. They have welcomed various charities to talk about the work that they do in the community. This Youth Club is now planning a community fundraiser to support charities. The Laguna Youth Club has been involved in team-building and offsite activities. This includes board paddling in Sandy Bay as well as Army outdoor activities. The Plater Youth Club has focused on projects that have centred on its immediate environment. This has developed their

understanding of green spaces, which led to the creation of their own urban garden where they built their own patio furniture. The Plater Youth Club also focused on giving its members learning opportunities and the ability to experience outdoor activities in Spain.

Apart from organising, preparing and delivering all the said programmes, the Youth Service is involved in other areas. It organises and delivers Understanding Youth Work training courses to potential volunteers, as well as first-aid refresher courses. It participates in many multi-agency forums, such as the Child Protection Committee. The Voice of Young People continue to meet with me and report on issues that affect their lives. Those discussions have included employment and mental health issues.

This year, the Youth Service has embarked on a new pilot project that specialises in providing engagement with young people under 25 who are currently in prison and at risk of reoffending on their release. The Youth Service will provide these young people with an opportunity to talk to full-time youth workers, who will offer an objective, positive role model and can provide them with a non-judgemental ear and offer support and guidance with their transition back into the community. I intend to follow this project closely, since I think it will go a long way in breaking the cycle of reoffending.

The Youth Service, as always, will continue to work with both comprehensives and the College to see how they assist in giving additional support with pupil's self-esteem, confidence building, communication skills and social development programmes. Working in groups, they try to identify issues which pupils are experiencing within the school environment. This includes exploring ways in which pupils can address and manage their anger, morals and emotions with a view to developing coping strategies.

Many people sometimes tend to undervalue the important work that the Youth Services does throughout the year. I would like to thank them for this work and for the positive impact they have had on so many of our youngsters.

I will now continue with my last but definitely not the least area of responsibility as Minister for Sport and Leisure. The House knows that in a sporting context, league seasons tend to overlap between financial years. The 2020-21 season for most sports was challenging, to say the least. Most competitions were disrupted at one point or another as a result of COVID-19. These were only completed, with very strict restrictions, when stringent protocols became the norm. It is because of this that I will take the opportunity to thank all the registered sports associations and their armies of volunteers who ploughed through these obstacles to keep their sports alive during that time.

Thankfully, the 2021-22 season that has recently come to its conclusion was held under near-normal conditions. Leagues and development programmes had to deal with few or no disruptions whatsoever. Unfortunately, the same cannot be said for international competitions away from Gibraltar. More critical COVID-19 scenarios in other countries resulted in many competitions being postponed or cancelled. Many associations also adopted an understandably cautious approach and decided not to travel. Those who have done so have received financial support under the Gibraltar Sports Advisory Council process.

Many sports development projects, including coach training and mentoring, were also supported. A total of £142,592.38 was allocated to international competition and sports development. This year, a marked increase in participation at international events is expected and Government will try to support this as best it can. Competing in these events is not only important as it provides exposure to a higher level of competition, but it also means that Gibraltar continues to stand on its own two feet as a full member or as an affiliate of 23 international governing bodies of sport.

Gibraltar's reputation as a top-class host has not been affected by the pandemic. Whilst many countries cancelled competitions, our response to COVID-19 meant that we were able to resume hosting such events sooner, rather than later. To this end, the first post-pandemic Europe Netball event was held locally during October 2021. The success of the competition opened the door for

others to follow suit, and this signalled a return to hosting. We continue to be the standard bearer for such initiatives.

Other events were also held locally. Whilst spectator numbers might have been low, it was felt that continuity was the key to maintain the momentum that had been created in terms of event-led tourism prior to the lockdowns. The main events this year have included chess, bowling, darts, pool, snooker, squash, cricket and netball. This financial year we are looking at cutting down on those events that have taken a toll on our finances. We are streamlining events so that our budget can stretch further and yet retain the same positive impact on events-led tourism. It is important to note at this point that these events equate to a total of just over 3,000 bed nights, meaning that there is a significant amount of economic activity that is generated as a result.

We have finally managed to host all these events with a marked reduction in disruption to our local sporting community. This would not have been possible without the investment made in new sports infrastructure over recent years. It is a pity that the Leader of the Opposition is not listening to this part when he said that the legacy of the three – (*Interjection*) No, there are hon. Members here who are not here, but I am directing it at him because he mentioned it before. The hon. Member, from a sedentary position, is saying that there are other Members missing; I am just saying that he is not here, and it is a pity that he is not here to listen because of the comments that he made. I must say that these new sporting facilities ... And he was completely wrong – and the Hon. Mr Reyes knows this as well – in saying that no sports are being played on these facilities. Many sports have been using these facilities. This would not have been possible without the investment made in new facilities infrastructure over recent years.

The use of the new facilities includes the sports halls at both secondary schools, which has not been mentioned either. It has meant that when either the Tercentenary Sports Hall or the Europa Sports Hall were used, all users were decanted to other facilities with minimal disruption to their programmes. In terms of the new facilities, the Europa Sports Park is in full use with the area a daily hive of activity. It has, for the first time, formed part of the community use scheme with badminton, rhythmic gymnastics and futsal, amongst others, benefitting from use of the hall. The Squash Association has had its first full season up at the new squash facility, with darts players from both the junior and senior categories competing in the aptly named George Federico Darts Hall. The indoor cricket nets have seen a resurgence of junior players with the facility serving as a springboard for Gibraltar cricket's first senior league in over four years. The Gibraltar Premier League, in its 20-overs format, comes on the back of the highly successful European Cricket Network T10 event held at Europa. Livestreaming figures peaked at 1.5 million during the week of the event, with a repeat event on a larger scale already planned for next season. The Gibraltar Rugby Football Union have also continued use of Europa with their local league and junior development programmes. They also host the now annual Royal Engineers visit, as well as several other tour groups. In the next few weeks we will have the management of this world-class venue complete. The Government envisages it will become a place where entities from abroad come to our shores to train and play with the ensuing benefit to our economy.

The Lathbury Sports Complex should be completed – I admit it has taken a long time – very early this summer. All the logistical issues with subcontractors have now been solved. Completion of the minor items that remain will allow many other members of Gibraltar's sporting fraternity to make use of these amazing facilities. Whilst the swimming pool is currently in its testing and commissioning phase, our swimmers have been able to continue training in the GSLA swimming pool complex. However, members of the Athletics Association have had their training and competitive seasons affected by what is now an old track at the Victoria Stadium. That track is now subject to extended periods of non-availability, as UEFA requirements when hosting matches mean that the Gibraltar Football Association have to render it out of bounds for longer periods. With all this in mind, I would like to go on record and thank the Gibraltar Amateur Athletics Association and all its members for their patience and understanding. They have conducted themselves admirably and have understood the issues to a very large degree. I share their frustration, but their attitude could have been very different and for that I am extremely grateful.

In relation to the Victoria Stadium, last February saw the complete handover of the area that was originally covered by a development licence over to the Gibraltar Football Association. The area that includes the main pitch, pitch 2, the running track and the Victoria sports hall now falls completely under the responsibility and management of the GFA, with GSLA staff no longer operationally involved. This move, which was inevitable in terms of moving forward, was not immune to delays incurred by COVID-19 and other matters but has provided both parties with the clarity that was required for a while now. The GSLA staff will move to manage the Lathbury Sports Complex as soon as this is completed. In fact, work has already started to make this transition as smooth as possible. However, until the national stadium is constructed, both the GFA and GSLA will continue to work together at various levels. I fully appreciate that the ambiguity caused by what was originally a short-term agreement has not been easy to manage on the ground, but I am very pleased to report that both parties have worked through the issues. I thank the GFA for their role, but I will take the liberty of placing on record my thanks also to the staff of the GSLA who have been receptive to all the changes that have come and are coming their way and approached these with a view to offering the best service possible.

On the subject of facilities, I remind the House that parks and playgrounds also fall under the remit of the GSLA. In the last financial year, we have been able to carry out a couple of major refurbishments. In addition to those, snagging issues were finally overcome at the new Laguna estate playground and this has been available to the general public for a while now. The crucial part of keeping these parks and playgrounds safe and in good running order is having a robust maintenance programme. In the last financial year, we spent a total of £116,487.84 on this. However, we have realised that the previous arrangements were found not to be adequate, with this leading to a review of the service. I am glad to report that, moving forward, the GSLA has engaged the services of GJBS, who now has a team fully dedicated to the maintenance and upkeep of the playgrounds. The increased monitoring of these amenities should result in savings in the long term. The improvements are already evident to see. These should become more noticeable as the months progress and as members of the public pack away their beach umbrellas and return to use these facilities.

The summer months used to be some of the quieter periods from a GSLA viewpoint. However, given that competitive sport has become a year-round reality, there is now no respite. The inclusion of the GSLA bathing pavilion and the Europa pool as amenities available to the general public has added to this. Last summer was extremely successful and the first since restrictions on gatherings had been lifted. The bathing pavilion and Europa pool returned to their pre-COVID-19 usage levels. The extensive use of both meant that maintenance was ramped up, but I am glad to report that there were no major issues. The overall cost of maintenance was as follows: the GSLA bathing pavilion £116,986.51, and the Europa pool £147,435.95. These figures account for chemicals, cleaning – including the services of divers – and other minor maintenance matters that are required before, during and after the summer season. Whilst the summer season lasts approximately 14 weeks, it is imperative to maintain these facilities all year round.

Mr Speaker, we cannot look back at any summer considering sport and leisure and not refer to the GSLA's Summer Sports and Stay and Play programmes. Whilst the Stay and Play programme was organised during the summer of 2020, the Summer Sports programme took an enforced hiatus. Thankfully, summer 2021 saw it return with a highly successful and well-attended eight weeks of activities. Absence makes the heart fonder and it was particularly warming to see our sports facilities buzzing every morning, ending with the now traditional water day, which is a fantastic end to the programme. Four hundred and thirty seven children, ranging from the ages of five to 13, registered and participated during the summer months. The importance of this cannot be underestimated, as unfortunately children are becoming increasingly sedentary and lured away from physical activity by electronic devices. The Summer Sports programme provides continuity of sorts whilst our registered sports associations and their volunteers take a well-deserved break.

Summer 2021 also saw an increase in the number of children registered and attending the Stay and Play programme. The programme, which deals with children with learning disabilities, catered for 35 children. The programme was, once again, a major success, offering an extremely varied range of sports and leisure activities at different venues around Gibraltar. This coming summer numbers are, once again, up with 43 registering already. All preparations have been done in order for this programme to commence on 11th and 13th July. Today, the leaders will be commencing their induction courses and I am happy to say that, this summer, the schemes will run for longer than ever, both ending on 25th and 26th August. As we all know, the value of having an induction course is that it will cover a whole range of items such as the delivery of generic and sport-specific sessions, leadership training and first aid, amongst others.

One very important aspect which has been introduced since we came into government is that of protecting our children. It is for this reason that all employees are required to undertake safeguarding training. They are also RGP vetted initially during the recruitment stage. This is in keeping with the requirements which are now imposed on any coach who is responsible for, or delivers sessions to children or young adults in any facilities managed directly or controlled by the GSLA. Since attendance at safeguarding workshops and adherence to relevant child protection protocols were changed from guidelines to registration criteria under the GSAC process, a total of 707 coaches have now undergone such training. Two hundred and thirty one of these became qualified during the last financial year. The numbers would have been much higher had the enforcement of COVID-19 restrictions not hindered the delivery of the sessions. However, the time was used profitably by the GSLA team, who have now developed protocols to not only be able to deal with the constant flow of new coaches but also address those requiring refreshers. Whilst updates are required bi-annually, an online refresher course will now be available so that face-to-face workshops are only required every four years. This will streamline the process for the volunteers involved and make it less onerous on staff, who will be able to deal with a greater number of new volunteers.

Mr Speaker, safeguarding has taken on a new level of importance in recent years, and rightly so. During the last financial year, the GSLA became a signatory to the Multi-Agency Public Protection Arrangements (MAPPA) process. This allows the GSLA to have access to confidential information, if and when required, in order to safeguard individuals who are using facilities under their management. Staff awareness training has been delivered given the importance of the role that each individual member of staff plays in ensuring that users are provided with a safe environment. GSLA facilities are, I dare say, the most utilised public facilities after our schools and health services, so it is imperative that all possible steps are taken to ensure the safety of all concerned, including staff.

Mr Speaker, I now move on to my part as Minister for Leisure and I will talk about the King's Bastion Leisure Centre. The King's Bastion Leisure Centre gradually got back on track after the lockdown with its doors opening for the new Rock Boulder Park on 1st July 2021. This replaced the ice-skating rink, which was very expensive to manage because of the high electricity costs and which had to be discontinued as the coolant gas to run it was no longer being produced. This facility boasts top specifications and will, no doubt, attract many more users to the Centre – that is the Rock Boulder Park. The cost of converting the ice rink to the boulder park was recovered from the savings on electricity, which meant that the Government did not have to provide any funds for this project. Other innovations included the purchase of 10 new training machines for the fitness gym to replace some of the old equipment which became worn out, and the addition of three of the latest game machines for the amusement arcade. LMS also invested in the purchase of the Santa's Sleigh Ride experience and a wall-mounted trio of singing reindeer, which were the star attraction at Santa's Grotto during the month of December. The ride will continue to be used as a jungle adventure throughout the year and as a Halloween special in October. Revenue since the start of 2022 is now on par with what it was in the first quarter of 2020, prior to the pandemic. It is expected that with the creation of new income streams from the Boulder Park and the Cannonball Store, which opened in July 2020, plus the other attractions, the total revenue for the

year will most likely be the highest to date since the centre opened. This will greatly assist in reducing the ongoing cost of running the facilities. The plans for the year ahead include the expansion of the Cannonball Store to cater for increased demands, including the sale of comics, and the purchase of at least six arcade machines aimed at toddlers and small children.

The King's Bastion Leisure Centre is always exploring ways of generating revenue and they are currently looking at some more new games and rides that will give children many enjoyable experiences. I must congratulate the management of the King's Bastion Leisure Centre for having great vision in not only finding ways of making the centre attractive to our young people but also for looking all the time at ways of making the Centre economically viable. The House should not forget the disaster area that the King's Bastion Leisure Centre was in 2011 and the economic black hole it represented. Just as a reminder, the King's Bastion Leisure Centre used to cost £2.6 million in expenditure whilst only bringing in approximately £50,000 in revenue. Now, the cost has been reduced to £1.4 million and it is reaching new heights of approximately £600,000 in revenue during COVID, but before that it was averaging £800,000.

Mr Speaker, in conclusion I would like to take this opportunity to thank all the staff who work under the different portfolios which I am responsible for. I would like to thank you and your staff here in Parliament for the help and assistance given to fulfil my parliamentary obligations.

I could not end my Budget speech without specifically mentioning my staff at the Ministry. Without them, I could not run the sometimes complex and difficult portfolios that I lead on and those that I have been honoured to hold in the past. They are the ones who guide me daily in all that I do and are also there whatever time of day. I am forever grateful, so a wholehearted thank you goes to them all.

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

Mr Speaker: The Hon. Edwin Reyes.

Hon. E J Reyes: Mr Speaker, the coming months of July and August will see, as every year, a change in daily routines for most families in Gibraltar. These two summer months are a longish period of time when children are not in schools, and therefore families make different plans, each catering for their own individual circumstances.

The Budget this year caters for a substantial expenditure of almost £63 million in respect of education-related expenses. This is made up of over £39 million in respect of payroll expenditure alone, and the remainder comes under the heading of other charges. The expenses on the payroll subheads estimated for 2022-23 actually have a predicted small saving when compared with the forecast outturn for 2021-22. The good news that as from September the number of teachers employed on a substantive basis will increase is welcome indeed, but subsequently the provision for temporary cover, from where supply teachers are normally paid, has been proportionally reduced.

Despite these justified adjusted estimated expenditures for 2022-23, I cannot understand how the Education Department estimates that only £1,000 will be required for maternity/paternity leave. We have a relatively high number of young teachers who are still within the child bearing ages, so I wonder what realistically the actual expenditure will be once the financial year 2022-23 is over. Likewise, temporary cover is also reduced to £1,000 despite the logical reality that the more teachers you have employed the higher the expenses for temporary cover will probably be, because these teachers need to stay home when contracting seasonal influenza or similar illnesses. Because of their close contact in classrooms with pupils, mostly in enclosed areas, it would be highly irresponsible for teachers to attend their respective workplaces if and when they unfortunately contract some virus or another.

There is a subhead provision in the Estimates, Head 16, subhead 2(34) which provides £8,000 for compulsory professional supervision. I believe the Minister for Education has not expanded upon this provision and I would therefore be grateful for an explanation in respect of what compulsory professional supervision is. Likewise, the provision of £78,000 catered for in

subhead 2(35) under 'Cyclical Maintenance – Primary Schools' seems, to me, to be a new item of expenditure and any light shone upon this would also be appreciated.

There is a huge increase of almost £400,000 in respect of facilities management, and I suppose this will be geared towards expenses in connection with improvement works within our school buildings. Again, further information would also be welcome, but improvements and repairs of facilities are mainly carried out during the eight weeks or so that schools are closed for pupils during the summer holiday break. I have heard from teachers that there is a certain discontent in respect of provisions and facilities made in some of our new schools. There is a difference between what contracted architects design, influenced by what they feel would look nice and pleasing to the eye in the new schools, and the reality of what teachers would really like as the most practical things for them in the delivery of their day-to-day lessons. I therefore urge that new-builds and improvement works in schools are planned and executed in close consultation with classroom teachers, who, after all, are the professionals entrusted with providing the best education possible for our pupils.

Details provided through the Estimates Book show an increase in the teacher complement from 370 to 471, therefore I make it 101 more teachers to be employed on a substantive basis. The Minister, in his speech, referred to an extra 97 teachers, so although it is a small discrepancy of only four teachers, perhaps these figures need to be checked out, in case we can actually employ four extra.

Welcome as the increase in teachers is, we are left now with the problem of around 90 to 100 teachers who, in the past, have been employed on supply contracts and are now left, technically, unemployed. These unfortunate – and I am told there are 94 – supply teachers have had employment opportunities in the past, for up to six years in some cases, but now they face an insecure future in respect of their employment opportunities and teaching careers. Concerns have been expressed by these teachers that there does not seem to be a clear criterion of how those lucky enough to now enjoy substantive contracts have been selected. Teachers who were unsuccessful in the recent selection process are disappointed at the lack of feedback as to why they did not get the teaching job they applied for. May I respectfully and strongly recommend that feedback is always offered to those who are unsuccessful in their applications, so that, in turn, they may improve their employment prospects and become better professionals?

During the second and third weeks in August we traditionally suffer a few days of nervousness and anxiety. This is because this is the time of year when our students officially receive their long-awaited A-Level and GCSE results. We all know from past experiences that examination results will have a great influence a youngster's future. I sincerely hope that this year's public examination results will see repetitions of past successes for all candidates. I equally hope that students will be wise in choosing their career paths for the future.

The Department of Education is strongly urged to develop a well-structured careers advice programme within our secondary schools system. As a teacher, I cannot recommend enough the value of pursuing higher education studies, possibly leading towards a degree, in an area where our students have the academic ability to achieve this. However, a strong influencing factor as to what subject areas should be followed at university should be encouraged by what our community's future professional skills requirements will be. There are already some professions which are well oversubscribed, whilst on the other hand there seems to be a continued need to import professional labour in other areas. Would it not be great if all Ministries provided the Education Authority with feedback as to their vision of Gibraltar's future professional skills needs? If this were to happen, then our students, who are Gibraltar's future workforce, would certainly be the winners.

Although we rightly invest heavily in scholarships, to the tune of some £17 million for this coming year, we owe a strong commitment to our pupils who are not necessarily of higher education calibre. There are provisions to invest £130,000 towards vocational courses – but, I ask, what qualifications do these vocational courses actually offer? Is there any provision for vocational

courses for those who are post compulsory school age who may be better suited to pursue this path?

A deep study should be undertaken in respect of courses offered and qualifications to be obtained through our training centres. There is a lot of construction taking place in Gibraltar, but is the labour market in this area employing from the local workforce? With an ever-increasing number of homes in Gibraltar, both within the public and private sectors, do we have adequately qualified craftsmen to ensure the best possible maintenance service is available for these homes from our local workforce? The Government's housing stock needs to be adequately maintained to ensure tenants enjoy homes of an acceptable standard. However, Government has an ever-decreasing workforce in respect of home maintenance teams at the Housing Works Agency. What, then, is the future for housing maintenance? The expenditure head at Appendix D, Housing Works Agency, subhead 26 actually has a decrease when compared with the 2021-22 estimate and forecast outturn. I have to ask: how can this be so, if our housing buildings are getting older and therefore might require higher maintenance? Would it not be a more efficient service if our own Housing Works Agency had an adequate team of suitably trained craftsmen to undertake maintenance tasks of our housing stock? Would this not be a sensible way to provide stable employment for our youngsters who have not undertaken degree courses but have attained qualified craftsman status at NVQ Level 2 and some even at Level 3, each of them specialising in different disciplines?

What I am saying is that in the same way we rejoice about the successes of our university students, are we not equally bound to invest in and subsequently eventually rejoice about the successes which are achievable by those who choose not to go to university? We must not forget the ultimate aim of providing education for our future generations. It is our duty to ensure all pupils always achieve their maximum potential. The school leaving age in the United Kingdom, upon which we also base our educational models, is set at 16, but it is set at age 16 if students embark upon an apprenticeship or training type of employment until at least attaining the age of 18. I believe it is high time we reviewed our own local school leaving age. For a pupil to leave schooling in Gibraltar at age 15 and not embark or have opportunities to embark upon an approved training programme is certainly not an investment in respect of the future employability prospects of that youngster. We are now in the third decade of the 21st century and decisive action is, therefore, long overdue.

Whilst desiring only all the very best in respect of whatever educational reforms may be introduced over the next few years, I cannot stress enough that the views of the professionals in this field must be heard and acted upon. There is no better formula for success than to cultivate a sense of ownership amongst all professionals tasked with the education of our children. Furthermore, the GSD believes that schoolteachers are a priority that is both needed and from which society will receive huge benefits. The job that they do benefits everyone. Teachers are not a group who are prone to industrial action or making a fuss. However, they are an essential and key contributory factor towards the success of our future adults and their aspirations in the adult world. To all those teachers who go the extra mile, I thank you on behalf of parents for assisting and, thus, enabling our youngsters to attain even greater successes than past generations have done.

Touching upon sports-related matters, Mr Speaker, the new facilities at Lathbury Barracks and Europa which were constructed in connection with the 2019 Island Games should have been completed three years ago now. Besides the need to meet the Games' requirements themselves, they are meant to enable Gibraltarian sports participants to continue to produce as best results as possible with an increase of facilities which develops their wide-ranging sporting talents and abilities. We have heard in this House a range of excuses as to why our new facilities are still not fully completed. The latest update in respect of the delays is that their completion is now imminent. Well, I sincerely hope so because it is embarrassing to be without facilities for so long despite this project being hailed as a sporting showcase of facilities. It is totally unacceptable that whilst the President of the Gibraltar Amateur Athletics Association holds the prestigious office of

President of the Athletics Association of Small States, he cannot go to meetings and boast about Gibraltar having any suitable venues across any of the wide range of track and/or field events in this traditional sport. This sporting example in respect of athletics is but only one, because it applies, unfortunately, to many other sports. The lack of approved sporting facilities has resulted in many associations not being able to take full advantage of recruiting new youngsters into their sports. It would have been an opportune moment for many local associations to welcome new participants – who were, at the time of the Island Games, enthusiastic to participate in certain sports thanks to the successes they witnessed from local athletes.

In the past we have quite often obtained results in numerous sporting disciplines which make our neighbours and sporting opponents in official competitions envious of our rather good and consistent performances. I sincerely hope that the new sports facilities, when eventually completed, will meet local requirements not only for today's needs but for generations to come. I am sure I speak for the whole House as we offer our collective best wishes to all forthcoming participants who, through their committed efforts, will hopefully, yet again, make Gibraltar proud of our sporting achievements in the season which is about to commence and those who, in just a few weeks' time, will be able to represent us at the forthcoming Commonwealth Games. May the best of Gibraltarian luck accompany all our representatives and may they, through their sporting efforts, prove their best results in the challenges that lie ahead.

Mr Speaker, once again, this year I wish to reaffirm my personal conviction that, through the collective celebration of social events, participating Gibraltarians contribute to reinforcing our identity, culture and history as a people and a community. Both the performing and fine arts fraternities have always proved themselves to be very proactive within their own specialised areas, and I take this opportunity to congratulate all the groups and individuals who have done Gibraltar extremely proud through their international participations and, in many cases, gaining awards. It is always a personal and collective pleasure to be able to say how proud we are of the international achievements of our fellow Gibraltarians.

This year's Estimates show a token provision of £1,000 under the Improvement and Development Fund expenditure set aside under Head 102 Other Projects, subhead 4 I (India) entitled 'Theatre'. Through public announcements a new project will be embarked upon which will see an enlarged theatre created within the John Mackintosh Hall complex. This theatre will be built with funds provided for by public subscriptions, and therefore it does not say much for Government's personal commitment to see through their original plans pertaining to theatrical facilities which they pledged were going to be provided and with the old Queen's Cinema site having been publicly announced as the preferred location. The new theatre will replace the existing John Mackintosh Hall facility, which currently has a little over 200-250 seating capacity and which is always in great demand for use by local schools and dance groups for their productions. It now leaves the question of where traditional users of the existing hall will be able to stage their shows during the works period. With the programmed refurbishment of the John Mackintosh Hall facilities we are actually not providing much-needed additional facilities; it boils down to an exchange of a small facility for a much larger one, which will not necessarily cater for our ever-increasing demands for theatre use. The new, larger theatre might be good news for some but it has also resulted in sad news for others, like local educational schools and dance groups for whom the size and seating capacity was just right. I wish the traditional users of the hereto existing Mackintosh Hall the best of luck in finding alternative venues which cater for their specific needs whilst we go through the transition period.

Government has, indeed, been very lucky in securing an extremely generous donation of £1.5 million towards making the new Mackintosh Hall theatre a reality. Given the ever-increasing cost of living, which seems to surpass any increase in income for the average working person, I feel that finding the additional funds for a new theatre from public contributions will be tough to achieve. I sincerely hope that our economy is handled prudently by this Government during the remaining tenure of their mandate, so that in the not-too-distant future the new theatre will actually see the light of day. Our local performers, entertainers and audiences are entitled to ask

for a theatre which is fit for purpose and available throughout the year without them having to exclusively raise the funds themselves.

Mr Speaker, I was first elected into this House in 2007, thus I have now tried to serve our electorate for 15 years. This House will soon enter into the final year of its mandate and, given that we live in a free and democratic country, nobody knows for sure what the future holds. Therefore, before I sit down, I must take this opportunity to once again thank you and all your staff at Parliament for the patient and professional manner in which you have all, both collectively and individually, dealt with us Members. I know that you personally have always strived to lead by example when dealing with Members on both sides of the House. I would like to assure you that you can give yourself full credit for the guidance and advice you have, so far, offered to our current Clerk at the table. I had the privilege of forming part of the Gibraltar Parliament delegation that attended the Regional Commonwealth Parliamentary Association meeting hosted by the Isle of Man in March this year, and I am certain the other Gibraltar delegates will also attest that our Parliament's Clerk proved to be equally as efficient as you personally proved yourself to be many years ago when I headed the Gibraltar delegation at the CPA regional meeting, also held in the Isle of Man. With these words, Mr Speaker, I wish you and all your members of staff at Parliament an enjoyable forthcoming summer recess. *(Banging on desks)*

Adjournment

Hon. Chief Minister: Mr Speaker, on that convivial note – and, in respect of the comments relating to the Clerk and yourself, I am sure with the support of the whole House – I invite that we now adjourn to tomorrow at 10 a.m.

2135 **Mr Speaker:** I now propose a question, which is that this House do now adjourn to Wednesday, 29th June at 10 a.m.

I now put the question, which is that this House do now adjourn to Wednesday, 29th June at 10 a.m. Those in favour? **(Members: Aye.)** Those against? Passed.

This House will now adjourn to Wednesday, 29th June at 10 a.m.

The House adjourned at 7.40 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.00 a.m. – 12.24 p.m.

Gibraltar, Wednesday, 29th June 2022

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The Gibraltar Parliament

The Parliament met at 10.00 a.m.

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

[ACTING CLERK TO THE PARLIAMENT: S Galliano Esq *in attendance*]

Appropriation Bill 2022 – Second Reading – Debate continued

Clerk: Meeting of Parliament – Wednesday, 29th June 2022.
We continue with the Appropriation Bill 2022.

5 **Mr Speaker:** The Hon. Albert Isola.

Hon. A J Isola: Mr Speaker, I would like to start by making a point of clarification in respect of one of the matters the Chief Minister detailed yesterday in respect of the COVID recovery charge. We have had representations overnight from the industry and we have agreed to engage with them on how we can address the COVID recovery charge in a way that does not harm their businesses. As Members of Parliament will know, this is a sector that supported us during COVID, took no money from us during COVID and worked with us during COVID to deliver business as usual, and for that we have expressed our thanks and appreciation over the past years. In the circumstances, what we are considering is limiting the charge to those companies that are actively trading in Gibraltar, but we will have the discussion with them. Members opposite should be aware that we will have those engagements with them to ensure that we are able to preserve what is an important part of our financial services sector and one that I look forward to engaging with, as we always have done, in talking through all the issues with them. They have always been supportive, not just in respect of the COVID period but in respect of all the directives that we had to implement whilst in the European Union. They have always been very responsive and helpful, and I look forward to continuing, with the Chief Minister, those discussions in the coming days.

 Mr Speaker, anybody listening to the intervention from Members opposite would believe that Brexit and COVID were two things that we had made up and that, in fact, they had had no impact on our economy and the numbers should be looked at in the cold light of day as if those events had never happened. These are not excuses, these are unprecedented events that have impacted the entire planet, and so for Members to come to this Parliament and tell us, 'Your spending in the GHA last year was over budget' ... Oh, my God! If there was one year when that should be looked at kindly by this House, it should be during the COVID pandemic because that is exactly what has happened to every single country on this planet. And so I would ask Members to think carefully about the responses they make, because although, yes, this is a political Chamber and, yes, we are all in politics, it has to come with some responsibility and I do not feel that to brush aside COVID, to brush aside Brexit – which, six years on, we are still working on – is realistic or responsible.

 Every single country is suffering from debt. The consequences of that debt and the monetary measures implemented to deal with that debt now give us inflation and the war in Ukraine. The world is upside down. In most countries around the world, unemployment is a problem. In other parts of the world, there is a problem with not having enough people to put into employment. In

Gibraltar, I think the Chief Minister told us yesterday, we have a level of unemployment of 35. That is remarkable: after COVID, after Brexit, 35 unemployed. So I think putting things in context is what this House should do when we talk to our people in what is, in effect, the one time in the year ... the State of the Union message. The Opposition would have you believe that Gibraltar is the only country that has been impacted negatively by COVID, we are the only country that has debt, we are the only country that has to take these draconian measures, which neither this Government nor especially the Chief Minister wanted to take. But being in government is about making tough decisions, ones that are going to be unpopular, and the sign of a good leader is one who does not shirk away from that responsibility. You take them because you have to.

Why would the Opposition have us believe that we are the only country in the world that has these issues because of COVID? Politics? Convenience? No, because last year the Opposition said specifically, in relation to the issue of COVID ... I will quote, from *Hansard*, the Hon. Roy Clinton, who, at the beginning of his intervention in respect of the Budget last year, said:

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

The hon. Member quite rightly acknowledge the work that had taken place between the Opposition and the Government in how we placed the response to COVID in the Estimates Book, but listening to the Leader of the Opposition yesterday, that did not seem to matter. It was just dropped in to the numbers as if COVID and the COVID Response Fund were not relevant. Surely the hon. Members are not suggesting to the people of Gibraltar that the last 12 months is where the problem has arisen – surely not, especially, since they themselves have accepted repeatedly ... In fact, the Hon. the Chief Minister quoted the words of my hon. Friend Mr Feetham that the problem has arisen since COVID. It does not take an economist and it does not take a banker – even a simple lawyer like me can understand that when your revenue is down taxes are down, Import Duty is down, business is down, productivity is down and your spending is up: more in the Health Service, furlough schemes, BEAT schemes. Paying almost the entire private sector salaries when they were not producing is going to have a pretty significant impact on your numbers. This has happened everywhere, not just Gibraltar, so let's deal with it and let's accept it, and let's not try to throw all these numbers into the air and hope they land in a position where you can say, 'It's their fault.' No, it is nobody's fault and we are all trying to fix it.

Let's just say that the Members opposite are right and let's just say that we are in financial ruin – we have problems, yes, but let's just say that we were in financial ruin. If we were, I would expect the Opposition to be the first people, if that is what they believe, to come to this Parliament and vote in favour of any measures that increase revenue. Surely you should be supporting any measure that increases money, because we are in financial ruin – but no, the Leader of the Opposition yesterday complained of the increase in the prescription charge from £2.50 to £5. For goodness' sake, it is £9.60 in the United Kingdom! It has not been touched in years – £2.50 to £5; we are in financial ruin but he complains. It is not credible. It is just not credible. He says we have no plan, we have no direction, we have no policy, that Mr Picardo has slipped his hands into their pockets. Ah, he has just joined us. (*Interjection*) Surely, if we were in the crisis that they described, they would welcome that we actually raise revenue, raise income and begin to deal with the problem that they believe we have. But no, they do not support that, which to me brings into question the veracity of the message they are delivering, which is that we are in financial difficulty. Yes, we are in debt, yes we need to raise money, yes we need to repay the COVID moneys; we know that. We have been telling the people of Gibraltar repeatedly that this was the position that we would end up in. It is predicted.

The Hon. the Leader of the Opposition then goes on to chastise us for what he calls our Brexit plan or lack of plan, and he refers to the 1,000-page treaty that the UK has – nothing in Gibraltar.

Well, my gosh! (*Interjection*) He said ‘a 1,000-page treaty for the UK, nothing for Gibraltar’. I wrote it down. (*Interjection*) ‘We have missed the boat’, ‘We have missed the boat’. What boat have we missed? The boat I want to be in is one that gives Gibraltar access to the UK financial services market, to the UK gambling market, where all our jobs are, and gives us mobility across the Frontier, which is the treaty that we are working to deliver – the best of both worlds. We have not missed any boat. We have made a boat for ourselves which is far better than the one that is contained in the 1,000-page treaty that the hon. Member refers to.

Mr Speaker, who remembers what the GSD policy was on Brexit? I do not think anybody does, because they have not got one. Who remembers what the GSD policy was on the treaty? I do not remember and nobody else will, because they have not got one.

Chief Minister (Hon. F R Picardo): Their policy is that they will have a policy.

Hon. A J Isola: They will come up with something at the appropriate time. God help us, because they are against the Tax Treaty, they are against a treaty with Spain, they are against the Brexit deal, they are against everything. But what the heck do they believe in? What do they propose as a solution for the people of Gibraltar? Nothing. They come here with nothing. This is an Opposition that has two primary roles: checks and balances, and an alternative to Government. The role of any opposition anywhere in the world is to provide a credible alternative to government. Where are their ideas? Where is their thinking? What do they propose? Who knows? I certainly do not and I do not think they know, themselves. (*Interjection by Hon. Chief Minister*)

He talks about the blue card holders’ difficulties crossing the Frontier. It is a testament to the negotiating ability of this Government and this Chief Minister and Deputy Chief Minister that Gibraltarians are the only British nationals who can cross into Schengen without having their passports stamped. Or hasn’t he noticed? But no, they focus on the blue card holders. Well, let’s get real: when the blue card holder lands in Malaga, or anywhere else in the European Union, it is exactly the same, and what this Government is working towards is delivering a treaty on mobility that will benefit the whole of Gibraltar, those who live here, those who reside here and those who work here. That is what the business industry is calling for. That is what the entire business community needs – mobility – because without it they cannot survive. I am staggered that the Hon. the Leader of the Opposition comes and tells this House that we have missed the boat. I wonder if he has read this fabulous 1,000-page treaty that the UK had with the EU. I have yet to come across a non-Cabinet politician who describes it as a good deal for the United Kingdom, yet the hon. Member suggests that we should have been a part of that deal. I, for one, am absolutely thrilled and delighted, and I know that the entire business community is also, that we are working on a mobility deal, that we have access to UK financial services and that we have access to the UK online gaming market, because that is what delivers business to Gibraltar and employment for Gibraltar. The UK treaty that the hon. Member says we missed the boat on does not give you access to the single market, does not give you any movement at all that we will have and does not give you movement of goods either. Our deal, when it is delivered by the Chief Minister – I am confident that he will – does exactly that. So, before we criticise and before we say no to anything and everything, I believe we have to accept the quite incredible progress we have made and the time period we have been able to do it.

He says that Brexit was x years ago. Again, does he not wake up in the morning and realise we have been through COVID? Two years of the entire system shut down? I just cannot understand how Members opposite are able to come to this House and describe things in the way they do, as if we were living on a different planet. We live in reality, we take the difficult decisions that we have to in this reality and we will come out of this at the other end in a much stronger position than we have gone in.

Mr Speaker, as I mentioned before, in my view the Opposition should support the revenue-raising measures if they honestly believe that we are in the position they tell us we are in. The truth of the matter is that whatever we do on this side of the House, whether we increase taxes

massively or whether we abolish taxes altogether, they are still going to vote against this Bill. That is incredible. That is incredible. We know before we start that they have all prepared speeches which say no before even listening to us, before even understanding the rationale or the reasoning. This is meant to be a debating Chamber – not come with your prepared text and
140 ‘Whatever the Chief Minister says, whatever announcements he makes, I am going to make the same speech’.

The decision to vote against the Appropriation Bill started in 2017 and I believe the Hon. Mr Clinton persuaded the Hon. then Leader, Mr Feetham, that they should vote against – a political stunt (*Interjection*) by which they are now hoisted by their own petard and have to follow every
145 year in order not to make that initial decision look as stupid as it was.

Hon. Chief Minister: And you are easily persuaded by anyone who suggests you might become a little bit more popular as a result, and obviously – (*Interjections*)

Mr Speaker: Let’s all pipe down and just listen to the speech.

Hon. A J Isola: Mr Speaker, why have they voted against the Budget? Well, again I go to *Hansard* because it is always quite a useful tool to understand why things happen, and I quote again from my friend Mr Clinton’s intervention last year:

We still have no visibility of the state of Government-owned companies, indirect debt is not recognised, we now have three years’ Supplementary Appropriation Bills outstanding, we have no proper Finance Bill – more of which I will say later, and the last report of the Principal Auditor was for financial year 2015-16. We have no Public Accounts Committee and the cumulative result is that this Parliament cannot exercise any effective financial scrutiny over the executive or the Government, and so I still cannot support a half-view Budget and will not vote for it, no matter what screams – and no doubt there will be screams – of the need for solidarity, the new word that we hear again and again, that will come from the Government benches.

The reason he votes against the Appropriation Bill is because the system of parliament that we have had since the year dot ... I go back to 1990-96 when the hon. Members were in power: they did exactly the same thing. We tell them every year; they do not listen. Every single year we demonstrate, and the Chief Minister took hours last year explaining to them why it was the same, but for no reason because they are saying the same message that they come with, with their
160 prepared text, before they come to this House. Since the year dot, this Appropriation Bill has been prepared. The Estimates Book has been prepared today with much more clarity, with much more information than ever before, but it is not enough, and because of that they are voting against: ‘No matter whether you abolish taxes or triple taxes, our position is going to be the same – we don’t like it, so we don’t want to play.’ I consider that to be irresponsible, Mr Speaker. Oppositions
165 from time immemorial have made their points about the Budget but supported it because of the impact of the Budget. (**A Member:** Why?) Why? Very simple: because we used to have sensible people in the Opposition and we don’t anymore. (*Laughter*)

Mr Speaker, last years was the Budget of beg, borrow or scrape. Well, I am delighted to tell the Hon. Mr Clinton that this year we have continued to beg, borrow and scrape, which will result in
170 significant savings to the taxpayer, including, as the Chief Minister mentioned yesterday, the undoing of that wonderful financing deal that the Members opposite entered into all those years ago in respect of the Hospital: £3 million of savings to the taxpayer. So the scraping is working and we continue to try to scrape as much as we possibly can.

The interesting thing again, going back to the principle that if things are as bad as they say they are, how should we be acting, I am going to point again to *Hansard* and again from my hon. Friend
175 Mr Clinton’s intervention last year, and I do so in the belief and on the basis that his intervention this year will be similar to what it was last year, because that is what it has always been since we started – (*Interjection*) Yes, consistent, indeed, unfortunately; we were hoping for change.

I was delighted to read the Government's press release on 22nd June this year announcing plans for the building of a National Theatre.

Again, Mr Speaker, I pause to remind people that this is against a financial crisis.

180 The performing arts, compared to sports, have long been overlooked by this Government despite its repeated manifesto promises. This delight was short lived because I then found out that the cost of this theatre was to be met by begging from the general public and generous private donors.

185 I will just pause there for a minute. I want to thank those sponsors, some of whom have been announced recently, who are supporting the endeavour – which delights the Hon. Mr Clinton – in delivering the National Theatre, and we *will* get there. We will get there because the community of Gibraltar supports good projects, but when we are in financial crisis, when we are with our backs against the wall, as Mr Clinton says we are, how could his delight be short lived when he realised that the Government is not going to pay for it? Surely, if the Government has no money, how could he possibly want us to spend money on a National Theatre? I just do not understand it. He goes on:

Yes, Mr Speaker, begging. To announce the creation of a foundation to spearhead the fundraising campaign as some great event was truly Orwellian given the way this Government has spent on previous capital projects with no regard to affordability or balance.

195 I walked here, this morning, through the quite beautiful Commonwealth Park. The money that we spent we spent on things like the Commonwealth Park, our schools and our sports facilities. We have invested money which will be here forever for the people of Gibraltar and the community that lives here to enjoy. That is good investment, not spending like they would have done in digging a hole in the Theatre Royal or lending money to OEM to lose on houses that were never built. The contrast between telling Gibraltar that we are at death's door and then telling us that we should be spending more money on things like the National Theatre – which we do not believe we should, at this moment in time, do, and that is exactly what we are not doing, which is, I believe, prudent, responsible and appropriate ... The hon. Member goes on:

205 It is worth quoting directly from the glossy project plan – a very nice, glossy prospectus which the Government has produced, no doubt to send to all those donors who will dish out the millions to produce the project that they said they were going to do. It is really quite remarkable.

210 Well, it is not remarkable. If the hon. Member wants a National Theatre, he should not want the taxpayer to have to pay for it if others are willing to stomp up their hard-earned, taxed income to support Gibraltar in more of its projects, like they did with Campion Gardens. That should be welcomed. Surely the hon. shadow Member for Economy would welcome that, not be upset and angry and call it begging. I find it really quite remarkable.

215 Mr Speaker, we increased electricity by 8%: that is 'terrible'. Does the hon. Member not realise the extent of the subvention that Government makes on electricity? What we are doing is continuing to subsidise electricity but less so, in the hope that we will catch up. The hon. Member opposite and his party, when in government, had a plan – or has he forgotten? – to increase electricity by 5% every year. In a time of what they call crisis we increase it by 8% and he says it is terrible. Flipping heck! What are we meant to do? Five per cent per year for 20 years, I think it was.

220 **Hon. Chief Minister:** Yes. It would have been about 50% already.

Hon. A J Isola: Mr Speaker, we have raised it by 8% and it is terrible. What would he have said to the people if he had been in government for five or six years and he had raised it by 30%? He

was going to do that and he committed to it whilst in government, and now he tells the people of Gibraltar that 8% is terrible. Come on!

225 What does it take to get the hon. Members to support an Appropriation Bill, which would pay the salaries of our frontline workers, our police and our firemen? It seems nothing. It seems that it is simply not possible. As a matter of political opportunism they will continue to vote no to the Budget whatever we do. I think it is unfortunate and it is sad, and I know that the people of Gibraltar will take that deeply into consideration when they listen to the presentations before this House.

230 Mr Speaker, in dealing with the first of the responsibilities that I have I would like to start by saying some words on the recent decision of the Financial Action Task Force (FATF) in respect of Moneyval. I have to thank the Hon. Mr Clinton for his responsible approach in dealing with this, unlike the spokesman for Together Gibraltar, who seems to think that I have the power to force the Police to arrest and confiscate and who seems to think I have the power to force our regulators to make fines and carry out regulatory sanctions at my whim. I suggest he reads up a little more before he ventures on to the television. But that contracts significantly with the position adopted by my friend Mr Clinton and I would start off, before I go through the statement, by saying that I would be very happy to engage with the hon. Member behind the Speaker's Chair and have 235 briefing sessions with him so that I can fill in some of the detail. Obviously we have been through a very (*Interjection*) confidential process, much of which we are not able to discuss, but I would be happy to give him a more detailed background in person as and when he pleases. So my thanks to him for that.

240 Moneyval is a permanent body of the Council of Europe entrusted with the task of assessing compliance with the principal international standards to counter money laundering and the financing of terrorism and the effectiveness of their implementation, as well as with the task of making recommendations to national authorities in respect of necessary improvements to their own systems. Moneyval's role is as one of the eight FATF-style regional bodies (FSRBs) and, as such, is autonomous and independent from the FATF but closely co-operates with it, as well as 245 with other FSRBs. The FATF is the global money laundering and terrorist financing watchdog. It has developed the recommendations which ensure a co-ordinated global response to prevent organised crime, corruption and terrorism. The FATF also monitors countries to ensure they implement the standards fully and effectively.

250 In 2015 the Council of Europe adopted a resolution which allowed Gibraltar to be evaluated by Moneyval for the first time. In April 2019, the first Mutual Evaluation Report (MER) process on Gibraltar commenced when an evaluation team of the Moneyval Secretariat and peer jurisdiction assessors came to Gibraltar and drafted a report. The MER was considered at the December 2019 plenary of Moneyval and subsequently published. The MER consists of two parts: the technical compliance against the 40 FATF recommendations and the effectiveness compliance. The 255 technical compliance element of the MER consists of ensuring that legislation, policies and procedures exist in a jurisdiction that would enable the application of preventative measures. The effectiveness compliance evaluation focuses on the attainment of the 11 so-called immediate outcomes. All MERs carried out on all jurisdictions are conducted using the same methodology of the FATF. All these recommendations that are marked as partially or non-compliant have to be 260 addressed by the jurisdiction in time for its first follow-up report. Note that this is only in respect of technical compliance issues.

265 The submission of evidence for the follow-up report was made by Gibraltar in time for the December 2021 plenary and the follow-up report was published in November 2021. In order to achieve the results that Gibraltar did, a substantial number of legislative changes were made, and this follow-up demonstrated a very material improvement in the technical compliance of our 270 jurisdiction. The hon. Members will be aware, because they have supported all of those measures that we have implemented in order to make Gibraltar technically compliant with the FATF requirements, and for that I am grateful. I should also say that our score on the technical compliance at the end of last year was almost 100%; it was extraordinarily good.

275 A subsequent review on effectiveness was not strictly necessary if the measure of broad money
in Gibraltar did not exceed the threshold of €5 billion. In late 2021, Gibraltar surpassed, after
COVID, the €5 billion mark and was, naturally, obliged to inform Moneyval of this, and we did. This
then led to a full review of Gibraltar's effectiveness in practice, with 10 of the 11 immediate
outcomes being assessed. The FATF's International Co-operation Review Group (ICRG) oversees
280 this process. The ICRG process submits a jurisdiction to scrutiny on how, since the MER was
published, it has made positive and tangible progress in attaining the recommended actions on
effectiveness. In May 2022, Gibraltar submitted its report on the progress made against all of the
recommended actions in the MER to the ICRG. This report was followed up by a face-to-face
meeting which was held in Paris and to which all stakeholder authorities of Gibraltar were present
285 to answer questions from the Joint Group (JG) of the ICRG. The end product of the Gibraltar
submission and the face-to-face meeting is the Post Observation Period Report, which is produced
by the JG to the ICRG committee. The ICRG committee then presents the findings of the JG to the
plenary for adoption. Gibraltar had a total of 78 recommended actions in the MER of 2019.

I would like just to pause there, Mr Speaker, to express my thanks to each of those stakeholders
290 who came with me to Paris. They were questioned by the working group for five hours. The detail
and the extent of the scrutiny was comprehensive, to put it mildly, and I have to tell this House
that I was immensely proud of each and every one of those stakeholders for the manner in which
they defended their respective organisations and the manner in which they put forward the
Gibraltar position in respect of the areas they are responsible for. It was quite incredible to see
295 the professionalism of each of them and the manner in which we dealt with the quite intrusive
questioning that we faced from the entire working group of the ICRG, so my thanks and
congratulations to David Parody, who led that team in respect of the whole of the money
laundering process, Jimmy Tipping and each of the stakeholders who was with us at that time and
has worked on this process for some years now.

300 On 17th June the FATF identified Gibraltar as a jurisdiction under increased monitoring in
respect of only two recommended actions relating to the pursuit of regulatory sanctions and the
pursuit of final confiscation judgments. A colossal amount of work by all the supervisory
authorities and others went into achieving the reduction to just two recommended actions in the
action plan. We were, naturally, disappointed but fully accept the action plan as identified by the
305 FATF and are committed at the highest political level to show full compliance within the timescale
given. Gibraltar's action plan is the shortest of any country or jurisdiction that has been identified
as under the increased monitoring process, informally known as 'grey listing'.

The FATF does not call for the application of enhanced due diligence, and this is an important
point because they themselves do not call for enhanced due diligence measures to be applied to
310 jurisdictions under increased monitoring but encourage their members and all jurisdictions to take
into account the information presented below in their risk analysis. In respect of Gibraltar, what
that would mean is the two singular points that are relevant on our action plan, not everything
else that we have been successful in dealing with. So, what the FATF is basically saying is focus on
the action plan and measure that against the risk-based approach that you have with that
315 particular jurisdiction. Some countries will require enhanced due diligence measures as regards
Gibraltar, but we would expect these to be proportionate to the brevity of the action plan.

Needless to say, the Government of Gibraltar has been in very close contact with HM Treasury
for a significant period of time on the subject of our review and they have been and continue to
be extremely supportive. Likewise, Government has been liaising closely with all the relevant
320 sectors in Gibraltar. I met, on the morning of the announcement, with representatives of the
Finance Sector Council and also with representatives of the GBGA, and we had other discussions
with different groups, and I have to say I was hugely impressed by their professionalism and can-
do approach. Many – for example, in the gaming sector – have had previous experience with their
licences in Malta, which has just come off the grey list, and so they have a good understanding of
325 what it means to work within the action plan and its implications.

The Government continues to work in partnership with the FATF and is proud of the relationship that it has with this international standard-setting body. Lastly, we look forward to being removed from the list of countries under increased monitoring in as short a timeframe as possible.

330 Mr Speaker, moving on to financial services, the financial services sector continues to grow, as does the wider business support community. Firms are busier than ever before and employment opportunities continue to outstrip those available in the market place, in both financial services and gaming.

335 The Gibraltar insurance market continues to grow. By far, the largest sector, as you will know, is motor insurance and we estimate that Gibraltar's share of the UK motor insurance market is close to 30%. As a jurisdiction, we have seen tremendous growth over the last years. In my time in Parliament since 2013, as an illustration, I have watched Gibraltar's share of the UK motor insurance market grow from some 12% to the 30% it is currently at. All this despite Brexit, despite COVID and the many other challenges we have faced and continue to face. It is a real testament to the professionalism and entrepreneurial skill of this sector. Today, we have over 40 insurance companies writing new business, and collectively the gross premiums of all of these insurance companies is well in excess of £5 billion.

340 In the DLT/blockchain space we continue to thrive and innovate. Presently, the regulator accounts for the following regulated entities in this space: 15 DLT permissions, 17 initial coin offerings registered under the Proceeds of Crime Act, three firms permissioned as virtual asset arrangement providers and one full bank permission.

345 There are a growing number of crypto hedge funds domiciled in Gibraltar. In 2020 the market was estimated as having US\$3.8 billion of assets under management with some 9% of these funds domiciled in Gibraltar. There is also a strong pipeline of new applicants at different stages of the regulatory process. I must thank Mr William Gracia, who deals with these and with this sector in particular at the FSC, as I know, despite the strains on staffing levels that I will refer to later, he is continuing to deliver a professional and timely service to our licensees. It goes without saying that all of the aforementioned create fees, employment, taxation and a general contribution to GDP, as well as a deserved reputation internationally for supporting innovation and leading-edge multinational technology firms.

355 We have continued to work closely with GFIA, the Association and the sector generally. They are professional, energetic and innovative and it has been a real pleasure to work with them this year, as it has been every other year. We meet regularly, and as a result of their work we have introduced significant new and exciting legislation for the industry, with more to come. My sincere thanks to Jay Gomez, James Lasry and Jonathan Garcia.

360 We continue to work with HM Treasury on the delivery of the GAR regime, which is on course to be implemented in Q1 of 2024. This will, as Parliament knows, confirm our market access to the United Kingdom financial services market, which is so critical to our community. I am grateful to the team at Treasury with whom we are working on this, as well as Jimmy Tipping and Julian Sacarello from the GFSC, who lead on this important work.

365 Mr Speaker, over the last financial year we have, in April, published new regulations setting the standard for market integrity in the virtual asset space. This 10th core principle is the first time that any jurisdiction in the world has established market integrity standards mirroring those in traditional markets. My thanks to the many individuals, both in Gibraltar and abroad, who have contributed to this working group alongside private sector firms, the regulator and Gibraltar Finance.

370 In December 2021, a working group was established to review the Central Securities Depository Regulations, which has now reported back to me with its recommendations. The working group included industry and legal experts in this field, together with the regulator and Gibraltar Finance.

375 In December we also announced that we will begin a process by which we will integrate blockchain technology to complement our e-government systems. The technology builds upon

and enhances the functionality provided by e-services, with the focus of the initial phase being to enable users to store Government-issued and certified credentials in a digital wallet. We are grateful to our partners, IOV Labs and Bitso. As Parliament knows, this is at zero cost to the taxpayer.

GANT, in Q3 of 2021, has established a working group which includes industry representatives and Gibraltar Finance, which will, in due course, provide guidance and recommendations on the decentralised space, DeFi, and how Gibraltar can safely engage further in this industry.

On 26th November 2021 we announced, after a rigorous review and consultation process with GFIA, the Limited Partnerships Act and the Protected Cell Limited Partnerships Act. This new framework keeps our legislation up to date, competitive and able to attract business globally. In March 2022, after a long but beneficial engagement with GFIA, we also announced new legislation to allow for a dual funds regime for experienced investor funds (EIFs). My thanks to GFIA, who were patient as we trawled through all the consequences to ensure there were no unintended consequences of the work that we did to enable them to have these EIFs opting out of the EU regime, which we still have on our books for accessing the UK market. They are now able to compete globally, as Cayman and other international jurisdictions do.

In June 2022 Gibraltar was recognised in the PwC Fourth Annual Global Crypto Hedge Fund Report as the third best jurisdiction in the world to set up your crypto hedge fund. That is an important report and I think it sends a signal on the credibility of the work that we have done and the success we have enjoyed. It is the second consecutive year we are ranked third in the world in respect of crypto hedge fund domiciliation. My congratulations to the sector.

The public/private sector partnership is critical to everything we do, and I must thank the Gibraltar Finance Centre Council for their work and support this past year, outgoing Chair and Vice-Chair Nick Cruz and Marc Ellul for their sterling work over the past 24 months, and incoming Chair and Vice-Chair Shaun Cawdery and Emma Lejeune – I look forward to working closely with them for the benefit of the industry. I must also thank the member associations with whom we have worked closely and who have proven themselves to be a valued and important part of our partnership with the private sector.

In April of this year, Government set up a working policy group on financial services to advise Government on all aspects of the sector, including our product range, new areas of business and how we can improve our offering more generally. The group has done a huge amount of work and has met with all areas of the industry and engaged in detailed discussion on all these areas. I am much looking forward to engaging with them and working to deliver their thinking. The members of the group are Reshma Bhambhwani, Charles Bottaro, Louise Cruz, Nigel Feetham QC, Jonathan Garcia and Jay Gomez.

The GFSC, under the leadership of Kerry Blight, its CEO, have emerged from the COVID period with a rapid return to business as usual. Their work on the GAR is worthy of particular mention, as is their work in managing their day-to-day business against significant staffing challenges. My thanks to Kerry and the senior management team, as well as the chair and members of the board of the GFSC for their continued good work.

I must also thank my team at Gibraltar Finance, including Jimmy Tipping, our CEO, and our senior executives Mike Ashton, Paul Astengo and Tim Haynes for their work this year. As we emerge from COVID they will be at the forefront of our efforts to once more bang the 'Think Gibraltar' drum.

The transition back to normality for the Gibraltar International Bank following the peak of the COVID pandemic has been seamless, and the bank is now servicing the needs of the local community once again. Economic activity has reverted to pre-COVID levels, with the bank continuing to perform well and maintaining a stable deposit base over the last 12 months, currently standing at £1.173 billion – a remarkable deposit figure. The bank currently has over 19,000 clients, who hold over 32,000 accounts. With regard to loans and mortgages, the book currently stands at some £321 million. The bank has forecasted a profit for this year to March 2022 – and I say forecasted – of £3.2 million.

430 The bank has worked hard this year to deal with a large number of attempted scams. The bank has responded well to this challenge, altering its policies to combat fraud and continuing to communicate with its clients on the risks of disclosing personal information to anyone.

Finally, Mr Speaker, I am grateful to the CEO, Mr Lawrence Podesta, who has, unfortunately, announced his intention to retire. Lawrence was there on day one of the creation of the bank and was the architect of everything we have done. The unquestionable success that this bank has been in no small measure due to his professionalism and expertise, for which I will always be grateful. I must also thank his excellent senior management team and staff, and indeed the board, who under the chair of Albert Langston continue to drive the bank forward. My sincere thanks to them all.

440 Interest in our jurisdiction as a place for people to operate internationally as a gambling business remains strong, albeit this creates pressure on the local employment market. The gambling sector in 2021-22 has remained vibrant with employee numbers remaining stable at around 3,500, reflected in stable PAYE revenues. Hon. Members will recall that in 2011, when this Government was elected, the number stood at around 2,000. I think despite Brexit, when all of these businesses restructured to provide for their EU business – out of Malta, primarily – that we have continued to hold strong, stable numbers is a testament to this jurisdiction, and I think that deserves to be mentioned.

445 Merger and acquisition in the sector was a strong feature before the downturn in financial markets, but this has not caused pressure on overall licence numbers. The Government introduced change of control fees in anticipation of the merger and acquisition activity, which has allowed cost recovery for the detailed due diligence work that is conducted on these companies.

From April 2021 to March 2022 there were three new B2C licences issued and one B2B. There is a pipeline of eight new licences in train – five of those are B2B and three of those are B2C – and we have seen two new licences granted to a company that has repatriated an element of its business to Gibraltar.

455 There has been some reduction this year in Corporation Tax receipts, but we expect the yield to recover by 2023. The overall sector contribution to Government revenues is well in excess of £65 million.

460 Because of well-known factors, there has been some delay to the introduction of the Gambling Bill. A Command Paper has now been drafted and we expect consultation with the industry and wider stakeholders to take place before and during the summer months with a view to the Bill coming before Parliament in the autumn. We have already started the process of one-to-one consultation with our stakeholders and will work through their comments and contributions to our work. The hon. Member opposite is welcome to engage with us in respect of the Bill and I would be very happy to arrange for him to meet with us and the regulator to deal with any questions he may have in respect of what we are proposing.

465 Additional but proportionate resources have been granted to the Gambling Division to enable it to cope with a new licensing regime, including the personal licensing of key individuals. There will be extensive consultation and an increased amount of policy work to embed this new framework. The framework aims to maintain high regulatory standards, including international best practice in social responsibility, whilst maintaining Gibraltar's attractiveness as a business hub.

470 I am also pleased to report the opening of the Centre for Excellence in Responsible Gaming. The Centre is now engaged in active research and cementing its international standing. I am grateful to the team at the University of Gibraltar, Catherine and Dean in particular, who have helped us put this together, and, of course, Prof. Zsolt, who has already commenced the work and is making fantastic progress. I must also thank our gaming firms who have agreed to participate with us in making a real contribution to better understanding responsible gambling and how best we can each work to identify, arrest and support problem gambling.

480 The Gambling Division have done extremely well this year under their quiet but eminently professional head, Andrew Lyman. They manage their significant business workload with no fuss,

delivering efficient licensing and regulatory oversight, and enjoy my full confidence. They have been instrumental in the preparation of the new Gambling Bill, together with the drafting team of the three Peters.

485 The Liaison department – and I talk about them as if they were some huge department: Lizanne Ochello and Tania Pereira – since its inception in 2013 has continued to be instrumental in providing support to the gaming and finance sectors. In November 2021, the Liaison department created a one-stop shop to offer support to persons referred by the Special Needs and Disability Unit. The department helps some of the most vulnerable people in our society access all
490 Government services. The department has also been given the responsibility to deliver and assist the public in accessing support from the Customer Services Hub at 323 Main Street, which will service anyone seeking assistance in any interaction with the Government.

Mr Speaker, moving on to GBC, the new Broadcasting House was inaugurated on Tuesday, 19th October 2021 by the Chief Minister. I am happy to say that the operation has resulted in a
495 seamless transition without interruption to service. That in itself is a phenomenal achievement. Production teams have worked hard to raise the quality of programmes during the last 12 months. A major effort has been made to improve studio-based television shows, all of which have benefitted from new sets and branding.

On Wednesday, 15th December the GBC Open Day was held, raising a record-breaking
500 £185,000 for local worthy causes. This will enable the Open Day Charitable Trust to support a variety of projects nominated by locally registered charities throughout this year.

On 8th May, Gerard Teuma, our CEO, retired after 38 years of service, the last 10 as CEO. During his tenure, Gerard oversaw the transition to digital technology in 2013 and many other changes – too many to mention today, but perhaps his legacy will be the huge task in successfully relocating
505 Broadcasting House to its new home. I thank Gerard and wish him a very healthy and long retirement. I would also like to congratulate Mr James Neish on his appointment as the new CEO of GBC. He will take up his appointment in October and I look forward to seeing his work as we now take GBC to its next level of development. The community expects, and I am sure James will deliver.

510 I must thank Pepe Caruana, the chair of the board and its members for their work throughout the year, and especially for having managed so successfully the selection process for the next CEO and for their work on developing a strategy for the future of GBC. My thanks to them all.

Mr Speaker, AquaGib continues to successfully service contracts in respect of potable, seawater and sewerage services in Gibraltar. As the Chief Minister has already announced, the
515 Government intends to acquire the shares in AquaGib currently held by our partners and take full ownership of the company. The negotiations have been driven by the Financial Secretary with my full support. We will, of course, continue to invest in capital projects as part of the asset replacement plan, including the replacement of potable and saltwater mains across all areas in Gibraltar and the new potable and seawater infrastructure for the Eastside development and OHL
520 tunnel project. Additionally, this year AquaGib will make a significant investment in additional production capability for the first time since 2011, to ensure that our potable water requirements are met for years to come. This will be an exciting time for AquaGib and I look forward to continuing to work with them.

With respect to the Gibraltar Electricity Authority, there has been significant progress in the
525 fine-tuning of the new North Mole power station. As one can imagine ... Mr Speaker, my apologies, my eyesight with this light is causing me a bit of an issue. The North Mole power station generated approximately 182 million units during the last financial year. Regarding emissions, this again saw a decrease in CO₂ emissions of about 4% from 123,000 tonnes to 119,000 tonnes in 2021.

Mr Speaker, may I have a five-minute break?

530 **Mr Speaker:** The House will recess for five minutes.

*The House recessed at 10.55 a.m.
and resumed at 10.58 a.m.*

**Appropriation Bill 2022 –
Second Reading –
Debate continued**

Hon. A J Isola: Mr Speaker, I am grateful. I have moved a bit to the right, with your leave, so I do not have this light running on top of this very white paper.

535 The North Mole power station generated approximately 182 million units during the last financial year, 2021-22. In respect of emissions, we saw a decrease of about 4%. It is expected that upon the release of the North Mole temporary rental plant there will be a further drop to under 90,000 tonnes per annum, which will be close to 50% of what our emissions were in 2016 when all power generation was derived from diesel. That is a significant reduction in a short period of time.

540 The GEA is actively pursuing the installation of a battery energy storage system. This will effectively make our power generation solution a hybrid one. This initiative will serve to mitigate any potential power outages and it will contribute to fewer emissions by minimising spinning reserve and enabling the more efficient use of the integrated renewable energy sources within our grid. I hope to have this tender published in the coming months. It could also result in a
545 significant financial saving.

Mr Speaker, turning to ITLD, as we move out of the global pandemic and return to the office environment the ITLD team has responded to these challenges by implementing measures to reduce working from home services and to further develop and enhance Government systems. It is clear that technological infrastructures are critical to Government operations. Data security and
550 privacy has become progressively more important, not just for the Government but also for our citizens. In order to keep up to date with these ever-evolving technological trends and patterns, the following initiatives are currently being worked on by the Department: migration to a hybrid Office 365 setup; the implementation of additional advanced email protection systems; preparation and planning for a full server technology refreshment and migration programme; the
555 continued development of application programming interfaces for application and system integration with e-services; continuation of the rolling out of email encryption services; co-ordinating departmental relocations in terms of IT infrastructure and provisioning network connectivity. I am grateful to Tyrone Manasco, the Director of ITLD, and his team for their work in these and many other areas. Human nature is quick to shout when systems are down, but not
560 when they are working perfectly – which is, thankfully, most of the time.

Mr Speaker, turning to digital services, the Government's ERP platform has now been operational for over a year. This combines procurement, purchasing and financial accounting to form one system. Centralised reporting will enable the Treasury and the Office of the Financial Secretary to interrogate live data and have access to corresponding reports. Variations of the
565 same will shortly be introduced to all Government Departments and organisations, and the work continues. Today, Government invoices are processed centrally by a team of four people and this can only be done with the use of automation. As an example, last financial year, the team processed 58,000 invoices. We expect this number to increase as we on-board more Government suppliers and service providers. The current list of e-services can be found on the Gibraltar
570 Government website. There are over 25,000 registered users and more than 100,000 applications have been processed online. Existing e-services have been enhanced and a number of new Departments will be on-boarded in the coming months. Those up and coming include Employment, the Property Register, the GHA, Tax, Housing and the Office of Fair Trading.

575 Moving on to the GHA and ERS, it will not go unmissed that health and care systems globally have been most seriously impacted by the COVID-19 pandemic. Not only has this tested the resilience and agility of the health and residential care system in a crisis, it has also diverted attention from the day-to-day delivery of previously agreed strategic initiatives and priorities. Furthermore, having to deal with cross-border logistics which were further complicated by Brexit arrangements, while there were extreme challenges with supply chain issues due to the pandemic, 580 all combined to result in the GHA and ERS having to make decisions against a background of extreme uncertainty to ensure that essential emergency health services and residential care services continued to function to protect the most vulnerable in our community.

The combined impact of these factors has placed the GHA, ERS and Public Health staff who supported these efforts under enormous pressure – indeed, like never before. However, it also 585 brought together those in Health and residential care across the public sector, the voluntary sector and the wider community. There is no question that this coming together of all these services and the community has undeniably lessened the impact of the pandemic on our people and undoubtedly saved many lives from this deadly virus, but the real heroes have been our frontline staff. They have put their lives on the line every day to protect the people of Gibraltar, day in, day 590 out during the course of this pandemic, something we must not forget, and I thank each and every one of them for their total, unconditional commitment and professionalism.

As of 19th May, 18,000 individuals have tested positive since the beginning of the pandemic. As well as being thankful for those we have protected and treated, we should never forget the lives we have sadly lost, including health and care staff. It is testament to the tenacity and 595 commitment of the GHA and care staff across all disciplines and those who supported us through the pandemic that the Authority has continued to deliver all that was required of it to help Gibraltar survive this crisis. I do not apologise for listing just a few of these examples, which I believe should be mentioned: rapidly and consistently securing a stock of vaccines for a highly successful programme; quickly expanding local laboratory testing and genomic sequencing with 600 swift access to results, with performance that exceeded that of the UK at the peak of the pandemic; increasingly strong containment of outbreaks and protection of vulnerable adults; establishment of a 111 service to ensure that people had ongoing medical advice and support and were signposted as we managed outbreaks; promptly adapting our residential services to ensure protection of older people and managing their healthcare needs without the need for admission 605 to hospital; and getting Gibraltar on the green list for travel before most other destinations in Europe. This House will know that healthcare systems have been fully tested around the globe and many have not fared so well, or indeed been able to reopen and safely implement their exit strategies at such an early stage as we have. It will take some time until we fully understand the impact that COVID-19 has had on the people of Gibraltar, but we have learnt so much in respect 610 of promoting and protecting the health of the population. We will use these important lessons to guide our thinking for the future.

In spite of those pressures, the GHA and ERS have continued to deliver their services across our community. Some examples: supporting and treating the most vulnerable, including those with cancer, where we have significantly reduced admissions to hospital; delivering all urgent 615 outpatient work with minimal disruption, even where there were enormous pressures and diversion of resources to manage inpatients during the pandemic; strengthening local laboratory capability beyond COVID-19 testing so we can provide a local service rather than outsourcing; starting the process to digitise hospital records in a move towards creating a fully electronic record; strengthening pathways of care across many specialties, including older people's services, 620 mental health, primary care and A&E services; continuing to progress development of a modern ENT facility to be opened by the end of this summer; delivering several key milestones in the National Mental Health Strategy; and planning the move of the chemotherapy unit to more appropriate accommodation.

As we emerge from the pandemic, the GHA family of services is embarking on the 625 implementation of a Reset, Restart and Recover Strategy designed not only to help get us back on

course and address the impact of the pandemic but also to improve and modernise our services. The Authority is already beginning to work towards stabilising its workforce; implementing a programme of improvements to its facilities and to upgrade and replace key diagnostic equipment; to improve systems for booking services – we understand, accept and appreciate people’s frustrations at the PCC booking system and will resolve this, it is not good enough but we will get there; strengthening patient safety and patient liaison arrangements; and strengthening local services so that people do not have to leave Gibraltar for treatment.

The GHA board, which is made up of executives and non-executives and is led by an independent chair, Prof. Ian Cumming, and the Director General, has met and approved an initial set of objectives for the forthcoming year and details of these will be published by the GHA in the forthcoming months. I am grateful to them for all their continued work. In the months to come more details of these objectives will be made public. All are intended to improve the quality of the care we provide and deliver to our community value for money in the provision of these services.

I would like to end by thanking the GHA and care staff for the fabulous work they do in keeping us safe and healthy and always putting the needs of our people first. There is no question that devotion and care save lives – easy to say, but difficult to do. I must specifically thank Mr Patrick Geoghegan, our Director General, and his senior management team at the GHA. In the short time I have worked with him I have been most impressed not only with his knowledge and expertise, but more importantly with his calm energy and determination to address the challenges we face at the GHA and deliver his vision for a service we can all be proud of. It is a privilege to work with him and support him in all of these areas, and I am confident that his efforts will result in real and tangible change in the manner we provide healthcare in Gibraltar.

I now turn to my responsibilities in respect of the Care Agency. I am delighted to report that Learning Disability Services were able to maintain people’s quality of life, despite the impact that COVID-19 has understandably had on everyone. In collaboration with Public Health, the service was still able to provide support to service users and families and was able to keep St Bernadette’s Resource Centre open throughout the year. Remarkably, staff sickness levels were down this year despite COVID-19. The Care Agency continues to recognise that one of its most important resources is its staff. It is committed to the training, learning and development of its entire workforce so that they will gain the necessary skills and knowledge to reach their full potential and provide safe and informed care. Another noteworthy achievement is the creation of the Community Learning Disability Team, which supports service users and their families throughout their lifetime. It consists of a team of social workers and respite managers that aims to work in collaboration with other professionals to ensure that the individual service users’ needs are met. The team hosts drop-in sessions where information and advice is provided to people with learning disabilities, their families, or carers.

Targeted investment has also helped to improve physical assets, including the acquisition of three flats within the community, and therapeutic equipment such as sensory integration apparatus, interactive smart boards, education resources and materials for sessions in the therapeutic programmes offered to service users, to help them achieve their individual aims and objectives. Sporting and leisure activities have also been developed further, such as the partnership with the Gibraltar Football Association which has now been established. I am grateful to them also. The scheme effects bespoke coaching sessions delivered to service users.

The Bella Vista Day Centre had two periods of closure, between July and August 2021 and again between December and February of this year. In order to ensure service users’ needs continued to be met, reviews and assessments were carried out and packages of care provided to ensure the well-being and safety of those remaining in their own homes during these times. Vulnerable individuals who were COVID positive were supported by a specific team to prevent hospital admission and reduce the spread of the virus. In addition, Adult Services have been integral in organising the delivery of medical supplies, food and therapeutic activities. The Waterport Day Centre has remained open and continues to provide a service for our elderly community – some

of whom are socially isolated, having little or no family or community support – to socialise in a safe and stimulating environment.

680 The Care Agency's Children's Social Work team have continued to receive a high volume of referrals and have seen an increase in the number of referrals from previous years. The Social Work team are currently working with over 300 children and their families to support and safeguard them. The team continue to work tirelessly to ensure that children are safeguarded and a significant amount of advice, support and practical help is provided to families within our
685 community to ensure that children can, where appropriate, safely remain at home. The team at the Family Centre have increased their workload to cover for children and families in need early on, to ensure that families receive parenting support.

The Therapeutic team, under the Care Agency CEO, have taken on the management and clinical lead on Drugs Alcohol Rehabilitation Services to include both Bruce's Farm residential services and
690 Drugs and Alcohol community services. The head of service and lead counsellor have led on this project and, together with the new homes manager, nurse and staff, have completely revised and restructured all three operational, residential and community-based programmes to include an established drugs and alcohol pathway plan with GHA Psychiatry, which focuses on the importance of an inter-agency approach.

695 I am pleased to report that the out-of-hours service provided by the social work team is now being streamlined via the 111 line.

I am also delighted that the Care Agency was awarded, this year, a staff well-being at work recognition award as well as the Mayor's Award in 2021, a small but important recognition of the great work provided by the Agency to our community. Carlos Banderas and his team deliver a
700 quality of care and service to our users that is difficult to understand. They are totally committed and I am sincerely grateful to them for their dedication and sacrifice in caring for others, even at such difficult times as those we have endured in the past 24 months.

Mr Speaker, I must close by thanking the team in my office for looking after me this year and for their untiring work in supporting me as we strive to deliver our different objectives. They all work in different areas but each is critical to our progress. Julian, Karon, Gareth, Karl and Natalie
705 are all supporting my work in different areas of responsibility and I am sincerely grateful to each and every one of them for their total commitment. I must also thank my secretary, Lourdes, who retires in the coming weeks and I wish her a long and healthy retirement. My sincere thanks to each and all of them – and, indeed, Mr Speaker, to you and your staff in this Parliament for looking
710 after us all so well during the course of the year.

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

Mr Speaker: The Hon. Vijay Daryanani.

715 **Minister for Business, Tourism and the Port (Hon. V Daryanani):** Mr Speaker, it is an absolute privilege to deliver my second Budget speech to this House as Minister for Business, Tourism and the Port. During the course of my contribution, I will report on the projects undertaken over the past financial year and I will set out my Ministry's objectives for this financial year.

Let me start with tourism and by saying that the Government was delighted to announce the appointment of Mr Kevin Bossino as the new CEO of the Gibraltar Tourist Board. Mr Bossino will
720 take up his post on 1st September 2022. Mr Bossino has worked in the tourism industry internationally, having worked in nine different countries in Europe and Asia. He is currently Vice-President (Operations) for the global hotel chain Accor, overseeing the Singapore and South Malaysia regions, comprising 27 hotels. He commenced his career in Gibraltar at the Rock Hotel
725 and subsequently moved overseas, kick-starting his international career in Europe, moving to Venice, London and Spain, before setting his sights on Asia, where he spent most of his time in Hong Kong and Singapore whilst experiencing the Philippines, Vietnam and Indonesia. As I have already said publicly, I never expected that a Gibraltarian with exceptional tourism experience would be selected, having the right credentials and over 30 years of working abroad in this field.

730 Kevin has worked for some of the top hotel chains internationally and has huge experience in providing high-level customer care. I look forward to working with him in the ensuing months and years.

Mr Speaker, let me say that my aim for tourism during the last year and going forward is to continue making Gibraltar visible to tourists and the wider market. The Government has had a
 735 long-held view that its presence at different trade fairs to promote Gibraltar as a tourism destination is, in particular, subject to the criterion of value for money. This is all the more relevant in the context of the huge financial cost of the COVID-19 pandemic. It may change from year to year, depending on the circumstances of the moment. There are occasions when the important activity is not exhibiting at a trade fair as such, but rather the meetings with key decision-makers
 740 that are arranged around it. I have also met senior executives, when their diaries have permitted, on different occasions. A lot of work goes on behind the scenes and numerous conversations take place, but of course these are all commercial in-confidence.

In September I participated in a UK tourism conference by Travel Weekly. I addressed a high-level delegation of UK tourism leaders at a conference billed 'The Future of Tourism'. The
 745 conference also discussed topics such as sustainable growth for the future and facing a new reality after COVID. This was the first face-to-face travel-industry event in the UK of this kind since the pandemic. It offered the perfect opportunity to network with senior players in the tourism industry. At this event guest speakers included Gary Wilson, Chief Executive of easyJet Holidays; Steve Heapy, Chief Executive of Jet2; and executives from the cruising industry. Tourism is an
 750 extremely competitive industry and it is imperative that the Gibraltar brand is kept at the forefront of people's minds. It is extremely important for Gibraltar to be seen and share its experience through the pandemic, while also relaying to the trade how the destination is ready to build forward. The feedback that I get from the local shareholders is extremely positive. I am asked to continue marketing Gibraltar proactively and energetically, and this is what I intend to do.

In October, the Gibraltar Tourist Board exhibited at the Meetings Show in London. This was the
 755 first live edition of this international event in over two years. The meetings and event industry is one of the most lucrative sectors of tourism globally and, having been hard hit by the pandemic, is a key area for rebuild. The Gibraltar stand worked over 40 pre-scheduled meetings across two days. It is important for Gibraltar to show a physical presence at this show as the market re-emerges. Business relationships with meeting planners take time to establish and it is crucial that
 760 we are able to build business for the years ahead.

Also in October I attended the World Routes Conference in Milan. World Routes is the annual meeting place for airlines, airports, tourism authorities and other aviation stakeholders. It is where
 765 the world's airlines' network planners meet with tourism authorities and their airports in order to evaluate existing air services and explore the potential for new ones. At the event I participated in a tourism round-table discussion. Several points were discussed, like the importance of tourism in the economy, how destinations can help bring tourists' confidence back and how Gibraltar has coped during the pandemic, in particular how dedicated our people were in keeping the virus at bay and the excellent vaccine rollout. I also took the opportunity to host a dinner for the British
 770 Airways team attending the conference. The aviation industry has taken a battering, so they are even more careful with new business, but we need to showcase Gibraltar's case at every opportunity possible. This was an extremely important stage for Gibraltar, and it was imperative that we should be present. I held numerous meetings with prospective airlines wanting to fly to Gibraltar. It is not easy to attract new airlines and open up new routes, but we will always keep pursuing. Connectivity and growth go hand in hand. My aim continues to be putting Gibraltar on
 775 the map and making sure our brand name is at the forefront of people's minds. The event provided, in particular, a great opportunity to discuss Gibraltar and aviation in general with the top executives of the three most important low-cost airlines in Europe – easyJet, Ryanair and Wizz Air.

780 I will carry on engaging with all airlines that fly to Gibraltar and prospective airlines that one day might want to fly to Gibraltar. As we will have heard over the last few weeks, the airline

industry is going through a very difficult time with cancellations due to a shortage of staff and huge demand. Only last week in Kigali, where I was attending the Commonwealth Heads of Government meeting, I met the CEO of Heathrow Airport. He told me that the current times are extremely challenging and never experienced before. So it is important, more than ever, to continue working on our relationship with the airlines as regularly as possible.

In November I attended the World Travel Market in London. The World Travel Market is the leading global conference for the international travel industry and is an excellent opportunity for tourism representatives to meet and conduct business. Gibraltar had a stand, where it was able to showcase our tourism product and allowed us to host meetings with industry executives during the event. The conference gave me the opportunity to meet executives from the travel trade. Also, I was interviewed by the prestigious *Travel Weekly* magazine and by Mr Simon Calder, the leading travel journalist. I also had the opportunity to meet with David Dingle, Chairman of Carnival Cruises UK, and share the Government's vision on cruising with one of the most crucial companies in the sector. I was delighted that my UK counterpart, the Hon. Nigel Huddleston, Minister for Tourism, Heritage and Sport, visited our stand and I was able to brief him on Gibraltar, how it had fared over the last 18 months and my plans for the future. I also had the opportunity of meeting with the Minister for Tourism of Israel, Mr Yoel Razvozov, where joint initiatives were touched upon. Our participation at this event was extremely successful as we managed to keep on raising our profile in the UK, which is the main source market for overnight tourism in Gibraltar. We have made tremendous inroads in highlighting what our destination has to offer.

In February this year I attended the CONNECT Route Development Forum in Tampere, Finland. Once again, I held a series of meetings with airlines, airports and tourism officials. At the event, I formed part of a panel discussion titled 'Tourism Recovery Strategies', where I was questioned on the work that had been done during COVID, plans for the future, the EU treaty and specifically how the EU treaty would affect Gibraltar International Airport, if aviation formed part of it.

In March I hosted a working breakfast for some members of the travel press at Gibraltar House in London. Attending the briefing were travel writers from *Business Traveller*, *Conde Nast Traveller*, *BA Highlife*, and *Travel Bulletin*, amongst others. I was also interviewed by the editor of *Business Traveller*, Tom Otley. It is important to talk face to face with the UK travel press and keep them abreast of what is happening in Gibraltar. As I mentioned a few moments ago, the UK is our main source market for overnight tourism, and our hotels, hospitality and retail trade will benefit from this. I hope to host another, similar event with different journalists soon. The interest in Gibraltar is at an all-time high but we cannot be complacent. We need to keep at it, always making sure that the Gibraltar brand name is distinctly visible in the high echelons of the tourism industry. I also hosted a marketing event in Edinburgh with travel agents and the local Scottish press. The event created a lot of interest, with many travel agents now intending to push Gibraltar as a city break. We live in an extremely competitive market and these bespoke marketing events are the way forward.

Towards the end of April, I attended Seatrade Cruise Global in Miami. I was supposed to attend two years ago but this was postponed due to the pandemic. Seatrade Global is one of the world's largest annual cruise industry gatherings. The event is where the cruise industry's most influential leaders, from top cruise line executives to port leaders, have been coming together for over 20 years. I held numerous meetings with the largest cruise companies, with the discussions primarily focusing on increasing cruise calls in the short term. Other projects were also discussed; these being based on developing Gibraltar as the port of choice in the Mediterranean. I was also interviewed by various international cruise press. I was able to put across Gibraltar's ambition as we try to cement our position as the jewel of the Mediterranean. Out Port is considered one of the most important in the area; however, there is strong competition with other destinations. Our presence at these events is imperative if we really want to promote our Port as a premier cruise destination. Business does not come instantaneously, as some might naively fantasise; it takes time, and we will keep on working at full throttle to achieve this.

In February we announced that the Gibraltar Tourist Board had been confirmed as a new long-term associate partner of Cruise Line International Association (CLIA) UK and Ireland. CLIA is the world's largest cruise industry association, providing a unified voice and leading authority of the global cruise community. On behalf of its members, CLIA supports policies and practices that foster a secure, healthy and sustainable cruise ship environment, promoting positive travel experiences for more than 30 million passengers who have cruised annually. CLIA membership includes the world's most prestigious ocean, river and specialty cruise lines, a highly trained and certified travel agent community and widespread industry stakeholders including ports and destination, ship development, suppliers and business services. CLIA represents 95% of the world's ocean-going cruise capacity, as well as 54,000 travel agents and 15,000 of the largest travel agencies in the world. Therefore, the partnership with CLIA will enhance Gibraltar's brand awareness across the region, bringing them into CLIA's wider community of cruise lines, travel agents and stakeholders. As part of the agreement with CLIA, the Gibraltar Tourist Board sponsored CLIA's flagship main conference in Southampton at the end of May. This event received trade exposure via CLIA's website, newsletter and yearbook. There is no doubt that the cruise sector is extremely important to the Gibraltar economy, and I look forward to working with CLIA in fulfilling our goal to make Gibraltar the port of choice in the Mediterranean.

In December, Gibraltar will host the CAPA 2022 World Aviation Summit. The two-day summit will draw aviation and travel representatives from around the world, supported with a live stream of the event available to those unable to attend in person. This is an extremely prestigious event in the world's aviation calendar. It is expected that the top airline executives will be visiting Gibraltar. I look forward to welcoming delegates from all over the world and working with CAPA to make this summit a huge success. This will bring unprecedented exposure for Gibraltar in the aviation industry.

During the year I have met with the Moroccan Community Association. The Moroccan community is an integral part of the Gibraltarian family and, until recently, was having an extremely difficult time visiting Morocco during the pandemic, in particular due to the lack of sea and air links. Also, Morocco was on a prolonged lockdown. The Government has left no stone unturned in trying to achieve air and sea links with Morocco. In November last year I held a series of meetings with a number of airlines in Casablanca, but unfortunately the airlines had been forced, as a result of financial considerations due to the pandemic, to cancel a number of their less profitable routes. We will continue working on, albeit in a difficult situation. That said, we continued to work in trying to resume a sea link and, together with FRS, we were able to announce the resumption of the ferry service between Gibraltar and Tangier in April. This had only been possible after the opening of Morocco's sea borders and permission being granted by the Moroccan authorities. I am extremely pleased for our Moroccan community who are now able to visit family in Morocco, as they have suffered the most without the service. Links with Morocco are extremely important and I look forward to new opportunities after Brexit, especially those linked to tourism and business.

Mr Speaker, as hon. Members are no doubt aware, the cruising industry was hard hit due to the pandemic, with most cruises cancelled and ships returning to their home ports. Throughout the pandemic we were in constant communication with all operators. In August last year I was delighted to welcome the first official cruise call since the beginning of the pandemic. *Wind Surf*, from Windstar Cruises, arrived in Gibraltar on 13th August 2021. Gibraltar was included in its itinerary as part of their Mediterranean cruise. A limited number of passengers were allowed to disembark, due to COVID-19 protocols at the time. May I remind the House that, at the time, the Gibraltar Government did not have any restrictions for tourists to visit Gibraltar at large, as was detailed in our *Cruise Safe and Secure* booklet; it was cruise companies themselves that had their own procedures which restricted passengers going ashore unless they had a pre-booked tour. September saw the gradual return of cruise liners to Gibraltar. On 6th September the *Spirit of Discovery* arrived in Gibraltar with some 400 passengers disembarking to visit local tourist sites on pre-booked 'bubble' tours. Towards the end of September, we saw the return of cruise passengers

885 in Main Street with the arrival of the *Marella Explorer*. This was the first commercial cruise since before the start of the pandemic that allowed passengers to disembark into the town centre without restricting them to 'bubble' excursions. There is no doubt this was a welcome return for traders, who had missed out on the cruise passenger clients during the previous 18 months. In 2021 Gibraltar received 44 cruise ships, of which five were inaugural calls.

890 The industry is now picking up, with 185 cruises scheduled for this year and 163 booked for 2023 as things stand at the moment. This year alone we will be welcoming 21 new cruise ships to the Rock. January saw the arrival of *MS Iona*, the new flagship of P&O Cruises, a subsidiary of Carnival Corporation PLC. It is one of the largest cruise ships, with a capacity of 5,200 passengers and 1,800 crew, and also their first LNG-powered vessel. On this occasion the ship was carrying 895 2,484 passengers and 1,657 crew. On 12th April we welcomed two inaugural cruise calls to Gibraltar on the same day. The *Le Bougainville* is the third ship of the Explorer class of cruise ships operated by Ponant, and the *Costa Deliziosa* is owned by Carnival Corporation and operated by Costa Crociere. More recently, in May, Gibraltar saw the arrival of the *Valiant Lady* on its first inaugural call. This is a new ship from the new cruise company Virgin Voyages and will be calling 900 here five times this year. I am delighted to see the quick recovery we are making with cruise calls. This shows the popularity of Gibraltar as a port of call, but it also demonstrates the results of the hard work being done by the Government to get the cruise sector back on track. The Government is committed to the cruising industry for Gibraltar and I will continue my efforts with itinerary planners to make sure Gibraltar is included in future cruises. At the same time, I will keep on 905 working energetically, engaging with cruise executives worldwide, as I know how important cruising is to our economy.

Event-led tourism will continue to be a priority and I hope to see more international events return to the Rock. There are, at present, discussions being held, and I look forward to being able to make some announcements during the course of the next 12 months.

910 Finally, I believe we are now turning the tide and Gibraltar's tourism market is now looking at a brighter future after the effects of the pandemic over the last two years. Main Street is a lot busier and business owners tell me that things are a lot better. May I take this opportunity to thank the staff at the GTB for their support during the year.

I now move on to the Air Terminal. Mr Speaker, 2021 saw a gradual slow recovery in traffic. 915 The successful rollout of the vaccination programme resulted in Gibraltar being added to the United Kingdom's list of green countries. We saw growth increasing from May through to December, with this continuing into the first quarter of 2022, and by the end of 2021 passenger figures totalled 262,522, an increase of 41% over 2020. The capacity for 2022 is expected to be very close, if not the same as what it stood at in 2019 before the pandemic started. I am sure all 920 airports worldwide would be delighted with this outcome.

I would like to say a few words about the suspension of flights by Wizz Air and also by Eastern Airways. I can only imagine the Opposition spokesman for tourism rubbing his hands together with glee when this announcement was made, because deep down he does not wish the Government to succeed. Let me remind the hon. Member that Wizz Air announced its decision to 925 suspend the Luton route. I quote:

As a result of the uncertain outlook for travel at the moment due to COVID restrictions, we have had to make a number of adjustments to our schedule. This decision has not been made lightly. We are constantly reviewing our schedule and would be keen on re-entering the Gibraltar market when it makes most business sense for us, at the earliest opportunity.

We need to realise that we are facing unprecedented times as COVID is still lurking in the background, and all this causes huge uncertainty. As a consequence, all airlines are constantly looking at their route networks and trying their best to protect their finances. With respect to Eastern Airways, the airline made a substantial loss on flying to Gibraltar last year. In our 930 discussions with them earlier this year they suggested that the only way they could make the

routes work was if the Government subsidised the operation. We took the prudent decision not to do so. We must respect their decision, as commercially it does not work for them at the moment. I look forward to engaging with them on this matter later on this year. Whilst it is disappointing, it is understandable that airlines need to protect their finances, like any other business. Surely the spokesman for tourism understands this, and that this certainly is not the time to gloat and play politics at the expense of Gibraltar's long-term ambitions.

Gibraltar International Airport has seen continued growth in the area of non-scheduled services over the past four years. Non-scheduled services comprise the full spectrum of aircraft movements that do not form part of the regular scheduled services occupied by airlines and are as varied as light general aviation aircraft, business and corporate charters and medium to large private aircraft operated by their owners. Mr Speaker, 2019 saw 401 aircraft operate into Gibraltar Airport, a 5.2% increase over 2018, when 381 operated. Mr Speaker, 2020 proved to be an extremely difficult year for scheduled services and the aviation industry in general, with air travel practically grinding to a halt worldwide. This resulted in non-scheduled services only dropping 2.5% to 391 annual movements. The work done by the Government to recuperate our scheduled services in 2021 has clearly not affected this type of operation, with an even higher increase of 19.9% in 2021 in comparison with 2020 and an annual record of 469 non-scheduled aircraft using Gibraltar Airport during the year. A total of 3,821 passengers flew on these flights, and this also shows an increase of 4.4% over the 3,659 carried in 2020. The summer schedule for 2022 will, at its height, offer 39 weekly flights to five airports. As the whole of the aviation industry slowly emerges from two years of considerable disruption, decline and loss of business, load factors for the first quarter of 2022 were very positive as a direct result of the United Kingdom beginning to drop COVID-19 restrictions, which led to more persons starting to travel. Also, because of the Government's ongoing booster vaccination programme, combined with our marketing efforts, we were able to retain our core routes.

A very important operational factor has come about as a result of the Government's position with regard to the role of the Air Terminal during the pandemic. The fact that no one involved in the operational aspects of the Air Terminal's day-to-day running was furloughed has meant that members of staff employed in these organisations have continued with their mandatory training, competency and skill qualifications, leading to the various compliance obligations being maintained and allowing a seamless transition to the return of normality. This has not been the case in other airports, and hon. Members will be familiar with the press reports recently, where some airports are still facing major organisational hurdles in both recruiting and training, leading to major delays and very negative passenger experiences. In addition to this, airlines are also struggling to recruit and retrain crews to cope with the expected surge, and this may result in some minor amendments to the published flying programme on the days when they are faced with resource issues linked to this. After Monarch's demise, services to Manchester dropped to four flights per week. I have been trying to convince easyJet to fly daily on this route and it was encouraging to see that they did so last year. I am pleased to announce that easyJet has continued with the same frequency for this summer, creating greater connectivity to the North West of the United Kingdom and bringing Gibraltar Airport back to the pre-pandemic levels of traffic to that area.

Mr Speaker, I now move to the Port. A new Captain of the Port and CEO of the Gibraltar Port Authority was appointed in January this year. Mr John Ghio was appointed following the retirement of Mr Manuel Tirado from the post. May I take this opportunity, once again, to congratulate John on his promotion to Captain and to thank Manolo for his support and wish him an enjoyable and well-deserved retirement. I have no doubt that John will be an impressive Captain. We share the same level of ambition for our Port, and I look forward to working with him to make our Port even more successful.

The Port of Gibraltar has continued operations throughout the ups and downs of the COVID-19 pandemic, in no small part because of the dedication of all parties involved to ensure that operations continued with as little interruption as possible, while always being mindful of the

serious nature of the virus. This is borne out by the level of activity for 2021 and in the early part of 2022. While some aspects of the marine industry are only now starting to show recovery, other operations have remained steady or bounced back, and in some cases exceeded pre-pandemic levels. In fact, vessel calls into Gibraltar were up by 5.81% in 2021 against 2019 figures. Bunkering calls and volumes for 2021 against 2019 figures have also reflected a healthy bounce back despite the ongoing global impact of the pandemic on shipping in general, with increases of 6.54% and 5.43% respectively. LNG bunkering operations also took place during 2021 following Shell's granting of a licence, with five bunkering operations being undertaken. While demand is still on the low side, it is envisaged that we will start to see further increases in this activity, especially in light of the global energy crisis versus the demand for this type of fuel, and it is something which will also add to the Port's continued development in improving the environmental performance of shipping, with Gibraltar continuing to lead the way in supporting the changeover to this fuel.

The Government is committed to achieving a net-zero strategy for our Port. This is a complex situation but we will continue consulting and working towards concrete solutions.

We also saw the return of cruise calls in the latter part of 2021 and we are now anticipating that numbers for 2022 will almost match pre-pandemic levels. As I said earlier, the cruising sector has taken a battering, but we are now on our way to recovery. As I have previously mentioned, this year we have 185 calls booked, only slightly down on pre-pandemic levels in 2019. We have done a lot of hard work behind the scenes over the last two years, which is starting to bear fruit, as can be seen with the figures for 2022. Yacht calls also reverted to healthy growth and reflected that Gibraltar has remained a port of choice as well as necessity for the yachting community. This is borne out by an increase of over 15% in levels of activity for the first four months of 2022 against 2019 figures.

While bunkering remains the mainstay of activity at the Port, we are always looking for opportunities to increase the variety of services and business opportunities for the local maritime industry and I am pleased to report that potable water services are now available for vessels visiting Gibraltar Port, something which is very much welcomed by the maritime industry. This additional service adds further weight to the array of services already available at Gibraltar Port.

Mr Speaker, 2021 saw the return of London International Shipping Week. This was the first in-person event in the shipping calendar to take place since the start of the pandemic, and Gibraltar's presence was well received and offered the chance to re-engage with partners, stakeholders and potential clients. As part of our attendance at this event we hosted a reception for the industry at the UN International Maritime Organisation (IMO) headquarters, where I had the opportunity to meet the IMO secretary general. It is notable that even at this level the performance of our maritime industry is recognised internationally, as was reflected by the keen interest in and awareness that Mr Kitack Lim showed of our Port and contributions to the maritime industry.

London Shipping Week also kick-started HM Government of Gibraltar's maritime services marketing drive in 2021, which also saw the return of Maritime Week Gibraltar in November, the second event of its kind which showcased and promoted Gibraltar's thriving maritime sector. Some international visitors were able to visit Gibraltar despite COVID-19 restrictions still impacting on travel, with excellent feedback received from both local and international participants. The expectation is that this event will now form part of the shipping industry's calendar of events moving forward and will be an ideal platform to promote Gibraltar's maritime industry from a home stage as it continues to develop and evolve.

In February, representatives from Gibraltar's maritime industry attended the International Bunker Industry Association annual dinner in London. The Gibraltar delegation was led by John Ghio, the Captain of the Port. This event provided a fantastic opportunity to re-engage face to face with industry partners and meet with current and prospective clients in the margins of this event.

Earlier this month, the Gibraltar Port Authority, along with local stakeholders, attended Posidonia 2022 in Greece. This is the biggest shipping event in the international calendar and is a crucial forum at which we continued our engagement with the international shipping industry. I

1035 am delighted that we were joined by a number of sponsors from our local maritime community
under the banner of HM Government of Gibraltar Maritime Services and I am grateful for their
participation. This shows the commitment of our partners and stakeholders in working together
to promote Gibraltar Port. These events form part of the Government's strategy to directly engage
1040 later in the year are in their early stages of planning, with invaluable support from our partners in
the local industry. I hope to make an announcement on this soon.

Mr Speaker, I now turn to the Port's finances and report that for the financial year 2021-22
revenue received was £7,269,581 against the original budgeted figure of £7,872,000. I am pleased
to report that expenditure for the same period amounted to £6,830,741 allocated against a
1045 budget of £7,149,000 for the full period. As for capital expenditure, the Authority spent a total of
£76,921 against an allocated figure of £365,000. It should be noted that some of the projects
planned were not realised due to the pandemic. However, we were able to improve some of the
Port's infrastructure with spending on the completion of the internal refurbishment at the North
Mole office. We also carried out feasibility and technical studies for both the North Mole fenders
1050 and Mid Harbour Marina project.

As reported in my last Budget speech, both the senior management team and the Ministry for
the Port continue to look at ways of further increasing activity in this sector and I am hopeful that
I will be able to make some announcements on some of those projects in the not-too-distant
future. However, I am very pleased to report that works will shortly commence on the
1055 refurbishment and repairs of the Watergardens marina, a project which had previously been put
on hold due to the pandemic. My team will be liaising with the users of the marina to manage the
works and I am sure that the improvements to the infrastructure will be welcomed by the users
of the marina.

Mr Speaker, 2021 also saw the UK being audited by the IMO under the IMO Member State
1060 Audit Scheme for compliance of the IMO Instruments Implementation Code (III Code). Gibraltar,
being part of the UK flag, was audited in all three areas of responsibility, i.e. flag state, port state
and coastal state. The very strong performance at this audit is a further measure of how proud we
can be of the work that the Port Authority and Maritime Administration continue to deliver.

The Port of Gibraltar has shown its true worth to the community and economy during the
1065 pandemic. The Port has also been able to adapt to some of the initial challenges arising from Brexit
and this has been, and will continue to be, down to the hard work, dedication and willingness to
do whatever it takes from the whole of the Port community in Gibraltar. We have all the right
ingredients to make Gibraltar the port of choice for doing business. During the next financial year,
I intend to continue with my ambitious marketing strategy for our Port as we focus on attracting
1070 new operations. Finally, I would like to take this opportunity to thank my excellent team at the
Port Authority for their continuing efforts to deliver. This makes my role as Minister for the Port a
lot easier.

I now move to the Gibraltar Maritime Administration. A new Maritime Administrator, Dylan
Cocklan, was appointed in October 2021. Mr Cocklan has been in the Department for 22 years and
1075 undertaken a number of different roles. May I take this opportunity to once again congratulate
Dylan on his appointment.

This past year has been another challenging year for the GMA, as the uncertainties of the
ongoing Brexit negotiations have continued to impact on our new ship registrations. However, the
Yacht Register remains largely unaffected by Brexit and the Small Ship Register also continues to
1080 grow as per the trend in recent years. The fleet size on 1st May 2022 was 165 ships, 883 yachts
and 317 small ships registered in Gibraltar. The total combined tonnage of the Gibraltar fleet was
1,206,130 gross tonnes.

Our registers continue to rank highly in the overall technical performance levels within the
major memorandum of understandings on port state control, and as quality registers by the
1085 United States Coastguard in their USCG Qualship 21 system. Gibraltar is one of the 23
administrations having met all the requirements for full participation in the Qualship 21

programme. The Gibraltar Ship Register has retained its white list status worldwide. This was reflected within the annual International Chamber of Shipping's Flag State Performance Table for 2022. Once again, the Gibraltar Ship and Yacht Registries rated in the table with positive performance indicators in every aspect reviewed by the ICS. The indicators include the performance of the Administration, ratification of international conventions, completed ILO reports, attendance at IMO meetings and participation in the UN International Maritime Organisation Instruments Implementation Code member audit system.

Importantly, following on from last year's III Code audit by the Maritime Coastguard Agency on Gibraltar, the United Kingdom flag state, which includes the Red Ensign Group (REG), of which Gibraltar is a Category 1 register, was audited by the IMO in October 2021. The 11-day audit was carried out from 14th to 28th October 2021. It was the first time such an audit had been carried out remotely by the IMO, because of the ongoing challenges of COVID-19. The audit scrutinised how the UK and the REG administrations meet the flag, coastal and port state obligations. The GMA was audited on its flag state and port state obligations. I am pleased to announce that the audit culminated with no findings being raised against the GMA. In particular, the auditors assigned by the IMO praised the manner in which the UK/REG oversees and manages the delegation of statutory work to its recognised organisations.

In addition to the III Code, the GMA successfully retained its ISO 9001:2015 quality accreditation, having successfully completed three ISO external audits by SGS since July 2021. Maintaining ISO accreditation not only sends a message to stakeholders that the GMA operates robust quality management systems, but also reinforces the GMA's commitment to continuously improve and seek efficiencies in the work the Department undertakes. These achievements are testament to the hard work undertaken by the staff at the GMA.

The goals of the GMA are to reach pre-Brexit and pre-pandemic levels, in terms of fleet size and revenue levels, within the next five years. Through controlled growth, the GMA would still be able to operate a registry that is run with high standards, meet its duties and responsibilities, maintain the quality of its registered fleet and focus on maintaining its good reputation within the industry. The Department has identified areas in which it can generate savings and other areas where expenditure can be reduced.

The GMA continues to explore new avenues to diversify its fleet and increase registered tonnage. As part of this work, the GMA has recently undertaken a thorough review of its fees structure. The result has been the development of new products and incentives which will add to the Register's competitiveness and attractiveness in the global market. A consultation process was launched and completed in April, during which the GMA engaged openly with and sought views from its clients and stakeholders on the new fees and incentives. The fees and services restructure came into effect on 1st June 2022 and introduced an increase in fees across all services, an inflationary yearly increase to all existing fees charged by the Registry, a simplified new product pricing for Annual Tonnage Tax, discounts of up to 50% on Annual Tonnage Tax payable for multiple ships registered, introduction of Annual Tonnage Tax for large commercial yachts and discounts for 'green ships'. The principle behind the green ship discount scheme is to reward ship owners who voluntarily adopt ship designs that exceed environmental regulatory standards set by the IMO. Discounts are also offered for vessels employing green ship technologies and systems.

In line with the Government's policy on digitalisation, and as part of its commitment to client product developments, the GMA transitioned to electronic certification for its ships and seafarers on 4th April 2022. The Administration is now able to offer their clients statutory certificates that meet the requirements of the standards of the IMO's Guidelines for the Use of Electronic Certificates. The introduction of electronic certification will benefit the GMA's clients by providing improved traceability, enhanced security and a quicker means of dispatching documentation. The authenticity and validity of certificates can be obtained via a 24/7 online portal, using two-means verification embedded within the certificate. This move towards digitalisation will directly benefit the GMA's clients. The GMA is continuing to invest in systems and technology which will further enhance the quality of service provided by the GMA. This includes the provision of a cloud-based

GMA/client interface portal for survey-related functions, and new, improved online services via improvements to its website. The aforementioned improvements are expected to be launched by the end of July 2022.

As part of its marketing campaign, the GMA has exhibited at the Posidonia 2022 Shipping Exhibition in Athens and will be participating at the Monaco Boat Show in September. Posidonia offered the GMA direct access not only to Greek ship owners, the largest ship-owning nation, but also to international ship owners and industry leaders. In addition, the GMA visited existing and potential new clients, together with local representatives. Working closely with other local authorities and local stakeholders, the GMA is looking forward to marketing and promoting its new incentives and products at upcoming events and during planned visits to existing and potential clients in the next few months.

During 2021, the Department attended the London International Shipping Week. The Maritime Administrator also attended the International Bunker Industry Association annual dinner in London hosted by the Gibraltar Port Authority. The GMA staff took advantage of these opportunities to engage face to face with existing and potential new clients, as well as other industry stakeholders. The GMA also participated in the very successful Maritime Week Gibraltar at the end of November 2021. During the event, the GMA staff delivered a presentation on the Department's ship/yacht registration, which was aimed at providing an insight to the Gibraltar Registries, local ship registration legislation and requirements, the registration process and the unique advantages Gibraltar has to offer.

In addition to marketing visits, the GMA will also be taking part in the annual Red Ensign Group Conference, which will take place in July 2022 in the Isle of Man. The conference gives members the opportunity to have detailed face-to-face discussions on current matters that are of interest to the group, the chance to share best practice, look at ways of improving the performance of the British Register, both in terms of commercial success and also setting exemplary standards in meeting international obligations.

Earlier during the year, the Maritime Administrator and Chief Surveyor joined other technical experts from the Red Ensign Group, in the Red Ensign Group Technical Forum in February 2022. In addition, the GMA also participated in the different REG technical working group meetings. The forum and associated working group meetings support the REG conference and look at how best to make sure there is consistent application of technical policy across the British fleet. The Technical Forum is responsible for developing new technical standards for the maritime industry.

Despite the challenges brought about by the pandemic, the GMA has continued to undertake port state control inspections on foreign flagged ships visiting Gibraltar and inspections of vessels operating domestically. In addition, it has continued with its monitoring programme of recognised organisations and certifying authorities. This is an important aspect of the work done by the GMA, as it ensures that statutory survey and certification work delegated to the accepted recognised organisations and certifying authorities is conducted in compliance with agreed standards. Importantly, as from April and as a result of the improved situation in relation to the COVID-19 pandemic, GMA surveyors have resumed audits and surveys of clients abroad. This is important for ensuring effective jurisdiction and control over our fleet in terms of quality standards, but it is also essential for keeping a close relationship with our clients. The resumption of surveys abroad will also increase the Department's survey/certification fees revenue.

The GMA Seafarer's Division continues to issue a significant amount of seafarer documentation. Since 1st July 2021 and until 30th April 2022, the GMA has issued a total of 1,097 certificates. This is a very important task, since the quality of the officers and crew determine to a very large extent the safety and marine environmental protection standards on board the Gibraltar fleet. As part of its work to become more competitive in relation to seafarers, the GMA has recently expanded its Recognised Countries' Standards of Training, Certification and Watch keeping list, meaning that the GMA now recognises certificates of competency from a wider range of countries. Twenty-three countries have recently been added, meaning certificates of competency from these countries are now eligible for a Gibraltar endorsement. The total number

of recognised countries now stands at 26, giving our clients greater flexibility in their crewing options.

Within the upcoming year, the GMA once again is expected to host surveyors from other REG members for the purpose of providing them with training and sharing of expertise with regard to port state control. The GMA is regarded as a leader within the REG in relation to this field and during the past few years the GMA has provided training for surveyors from the Cayman Islands, Guernsey, Bermuda, the Isle of Man and the UK.

Locally, the GMA continues to provide technical support to the Gibraltar Port Authority and Gibraltar enforcement authorities via a framework by way of survey and certification. Members of the GMA provided technical support and were part of the multi-agency team that brought about the successful prosecution case against the *AM Ghent* following the oil spill that took place in the Bay of Gibraltar in October 2021 during a bunkering operation.

The GMA also continues to work closely with the Gibraltar Law Office in ensuring that Gibraltar is in a position to implement and enforce the provisions of new international instruments through appropriate Gibraltar merchant shipping legislation. Work is currently under way in relation to the Ballast Water Management Convention and the latest amendments to the Maritime Labour Convention.

The GMA continues to have a crucial role within the Gibraltar maritime industry. Through its role as an international facilitator of trade, its highly rated and competitive registers and global trading fleet, the GMA provides Gibraltar with a significant advantage over many other maritime centres. The GMA's strategy over the next few years is to continue to maintain its high quality of service, increase the size and diversity of its fleet and continue to add significant expertise and skills to the wider Gibraltar maritime industry and its profile as an international centre of maritime excellence. Brexit has created a challenge, but I am keen on marketing the flag with its new products and incentives so we may be in a position to attract new clients to the Registry and will market the Registry more aggressively over the coming months. I would like to thank Dylan Cocklan and his staff at the GMA for their support over the last year.

Mr Speaker, I turn to my responsibilities for the Royal Gibraltar Post Office. I would like to commence by saying that I am very pleased that despite the numerous logistical challenges in the past 12 to 24 months, the Post Office has managed to offer an uninterrupted service to all the 192 Universal Postal Union member countries throughout for parcels and letters. Furthermore, local delivery service continued six days per week, Monday to Saturday. Many business and residential consumers within Gibraltar rely on the RGPO as the universal postal service provider for their standard local and international letter and parcel post services. Therefore, to meet a sufficiently high standard service for users is of significant importance. At the height of the pandemic, staffing levels were affected by staff absences due to COVID sicknesses and self-isolations. Nevertheless, the RGPO delivered 87.69% of local mail within two working days. Towards the end of 2021, the RGPO saw steady improvements in its performance with the resumption of regular flights from the UK. Because of this, its international next-day-delivery performance reached 84.5% in December 2021, 88.3% in January 2022, 97.5% in February 2022 and 95.3% in March 2022.

A clear direction has been established in order to build upon the work commenced during the RGPO review in 2019 and this has already led to noticeable performance improvements and financial savings. The RGPO saved £172,195 in its expenditure budget for the financial year 2021-22 and further savings are expected during the financial year 2022-23 thanks to the modernisation of the RGPO's systems and procedures that have created operational efficiencies. The electronic parcel notification system has gradually replaced the old and costly printed notification cards format, with over 9,800 residents registered to receive notifications via SMS and email. During the financial year 2021-22, 33,563 first notice electronic notifications were sent to recipients. This operational advantage of switching to electronic notifications has hugely reduced costs on paper, ink and deliveries and has, in turn, played an important role in improving the environment.

We continue to see a substantial volume of incoming parcels due to the continuous growth of e-commerce purchases, with 110,000 parcels registered in EPost since its launch over a year ago. All incoming and outgoing mail in Gibraltar is now processed electronically via the International Postal System, which provides the RGPO with accurate and comprehensive data on its mail movement, covering every point between origin and destination. The online EPost system offers a delivery option to recipients on payment of any applicable fees/duties to which our postal workers delivered 6,023 parcels in the past financial year. The Parcel Post Office Mail Centre collected a total of £224,086 revenue in fees and import duties during the financial year 2021-22.

Although letter volumes have generally declined over the years, new residential developments have grown substantially in Gibraltar during the same period, thus increasing the number of individual addresses. In September 2021 the postal walks system, which had remained the same for the past 25 years, was modified, in consultation with the unions and RGPO staff, by increasing the standard 13 delivery walks to 17 delivery walks in order to accommodate the growth of new addresses. The RGPO delivers letters to any address in Gibraltar six days a week for the same rate, be it in Main Street or the top of the Rock.

The Universal Postal Union announced new regulatory changes as from 1st January 2021. This meant that it is now a requirement to provide electronic pre-advice customs data on all parcel items containing goods or merchandise to international destinations. These changes also came into effect on 1st April 2021 for parcel items containing goods or merchandise sent to the United Kingdom. Letter mail formats containing letters, cards and/or documents were not affected by this new requirement. As a member of the Universal Postal Union, the RGPO was bound by the new regulations imposed upon all member countries and their postal authorities. This pre-advice data helps to automate and speed up manual processes, which enables a more efficient customer clearance process. The RGPO created a new app and provided a custom declaration option available on the website and at the Main Street Post Office to make the process of sending parcels as easy as possible for its customers.

In March, the RGPO supported all Gibraltar residents with relatives and friends in Ukraine, including individuals, charities and schools, by waiving postage charges for mail addressed to Ukraine. Communicating with friends and families during difficult moments is crucial and the RGPO will do everything that it can to help. We continue to do everything possible to show our support and we are grateful to the Ukraine postal service for making a special mention of our charitable support on their website.

In addition to the regular meetings that take place between the RGPO management and its Royal Mail counterparts, the Director of Postal Services took part in the Small Postal Administrations Forum held in Malta in May of this year. This was a unique event especially designed for CEOs and postal leaders in smaller jurisdictions to hear and share latest ideas, best practices and innovative approaches. It is an opportunity to learn from colleagues facing the same challenges and to discuss important topics such as the effects of COVID, terminal due revenues, bi-lateral agreements and direct postal service links. The conference gives members the opportunity to have detailed face-to-face discussions.

Finally, I would like to highlight how pleased I am with the total replacement of all Royal Gibraltar Post Office vehicles to brand-new electric vehicles back in December 2020. This project was in line with the Government's manifesto commitment for a green Gibraltar. The all-electric postal vans now deliver mail across all areas of Gibraltar safely and efficiently in the most environmentally friendly way possible whilst reducing carbon emissions and noise. It gives me a lot of joy and satisfaction to see the red electric postal vehicles operating on deliveries around Gibraltar. As the Minister with responsibility for postal services, it is my obligation to ensure that efficient and reliable postal services are provided both within Gibraltar and between Gibraltar and the rest of the world. My thanks go to all the team at the RGPO ably lead by Glendon Martinez, HM Customs and our logistics partners for their continuous hard work during the course of this year.

Mr Speaker, I turn now to the Office of Fair Trading. I was the Minister responsible for the OFT up to the recent reshuffle, in April, where responsibility was handed over to my colleague and friend Samantha Sacramento for the reason set out by the Chief Minister when he announced the reshuffle. I shall deal with each of its core responsibilities in turn, starting with business licensing.

Over the course of the past financial year the Business Licensing team has seen a significant increase in the number of business licence applications it has received. A huge 935 business licence application notices have been published, representing a 31% increase compared with the financial year ending 2021. Applications processed per week by the team have, therefore, increased from 14 applications per week to 18 applications per week on average, with a maximum of 32 application received in a single week. During this past year, the office has issued 501 new licences, representing an approximate increase in licences of 25% based on renewal data for that same period – 2,335. This is a great indicator that Gibraltar business is flourishing despite significant COVID-19 and Brexit-related uncertainties and that the Gibraltarian entrepreneurial spirit continues to show resilience in adversity. Given the increase in workloads represented by these increases, the Government has invested in IT upgrades for the office to allow the OFT to modernise its internal processes and databases to create a modern and fit-for-purpose software package that will allow the team to provide a quicker and more efficient service to the business community.

Turning to the OFT's consumer protection responsibilities, the Consumer Protection team has processed 374 complaints of reported harm to consumers in Gibraltar during the past financial year. Of these, 75 have led to investigations carried out by the team. This high number of complaints is largely a reflection of the success of the OFT's consumer awareness programme, which continues into 2022. The programme aims to educate local consumers about their consumer rights, and businesses to understand their rights and responsibilities. Awareness has been raised about wide-ranging subjects such as distance contracts, rental deposits, second hand cars and toy safety, with particular emphasis on the dangers to children of button cell batteries, magnets and flammable costumes.

The team has also continually updated its awareness on travelling in the post-COVID 'new normal', to reflect ongoing changes that affect consumers. As a result, the team has extensively engaged with, and issued guidance to, businesses within the travel sector. The OFT also assisted a local consumer in pursuit of a successful claim through the Small Claims Track of the Supreme Court against a local travel agent arising from the cancellation of a package holiday due to COVID-related travel restrictions.

This year, the OFT has also issued the new code of conduct for the retailers of goods, in March, which will serve as best practice guidance for businesses that retail goods to ordinary end consumers. The code provides clarity for both businesses and consumers should disputes arise from purchases, including expected redress and timeframes. As part of its ongoing inspections programme, the team has carried out 53 visits to local businesses, including follow-up visits to ensure compliance of identified shortcomings.

I can confirm that the Government continues to work with the OFT on the Fair Trading Bill 2020 with the aim of producing a more appropriate and mature framework within which the OFT can operate. The Bill will make the establishment of new businesses easier and quicker by simplifying the business licensing process. It will, therefore, drastically improve the manner in which the OFT can provide its services to the public. At the same time, the new Bill will protect consumers in Gibraltar and allow the OFT to set trading standards for businesses operating in Gibraltar. As always, this process continues to be done in consultation with the Gibraltar Federation of Small Businesses and the Chamber of Commerce to ensure that it will support the business community in Gibraltar. The document is practically in final form, pending clarity on some important issues before it is ready to be presented to this House.

Finally, I wish to thank Francis Muscat, Audisa Rodriguez and the rest of the team at the OFT for their support whilst I had ministerial responsibility for them.

Moving on to other business-related matters, in December 2021 I introduced an all-women Small Business Board, the aim of which is to assist and foster positive development of businesses locally. The board consists of representatives of the Gibraltar Chamber of Commerce and the Gibraltar Federation of Small Businesses, in addition to a cross-section of local businesswomen. I am absolutely delighted with this; business is not only about businessmen. We have some excellent entrepreneurial women in Gibraltar, and this is proof of that. I wanted to show our women the respect they deserve, (**A Member:** Hear, hear.) especially at this important juncture of our economic development. This is the second business board that I have appointed and I look forward to working with them for the good of our business community and Gibraltar as a whole.

The Business Improvement Districts Act 2021 was passed by the Parliament in May 2021 and brought into operation, together with the Business Improvement Districts Regulations 2021, on 8th July 2021. Hon. Members will recall that a business improvement district (BID) is a defined area in which businesses are required to pay a levy to fund projects within the district's boundaries. The Main Street and surrounding BID is managed by businesses for the businesses and has the full support of the GFSB and the Chamber of Commerce, Hindu Community of Gibraltar and Gibraltar Law Council, as well as numerous other interest groups and associations. In September last year, the voting process began for businesses to decide on whether they wanted to form part of the BID scheme. On 1st October, the results of the ballot were announced. Of the 291 votes cast, 192 businesses voted in favour, which represented 66% of businesses backing the scheme; consequently, the scheme was launched.

The BID project will bring life to the town centre for tourists and locals alike. This is an exciting time. The BID company, which will be managing the BID project, is a not-for-profit company, limited by guarantee and governed by a board of directors who will be directly accountable to the BID levy payers and responsible for delivering the BID projects and services and maintaining the BID objectives. These objectives are to direct and deliver over £4 million of investment over the next five years; carry out exciting projects and events to drive footfall and spend in the town area, raise its profile, help its continued recovery and develop its position as a vibrant destination for local residents and visitors alike; give businesses the support they need to flourish, by driving down business costs, providing business development opportunities, being a strong voice and championing their interests; and finally, improve the trading environment, making our town area a better place for everyone to do business, as well as a better place for locals and tourists to enjoy.

We need to keep people in Main Street and the surrounds. This will bring optimism and confidence to our small business sector and I am excited to be working with this energetic and enthusiast task force team to help bring them the much needed success they deserve. I was delighted to be part of the official launch last night.

Mr Speaker, my Ministry is a strategic partner of the Commonwealth Enterprise and Investment Council (CWEIC). As hon. Members are aware, a CWEIC Gibraltar office was opened last year to assist strategic partners to establish, develop and sustain a network of productive relationships across the Commonwealth's global business ecosystem in order to enable sustainable business growth. In January, I formed part of a delegation, which included Members of Parliament from the United Kingdom, on a trade mission to Bangladesh. Meetings were arranged with the Bangladesh government, including the foreign minister, the minister for the environment and the minister for economic affairs. There were also separate meetings with private sector investors, business leaders and industrialists. It is clear that there are opportunities in many areas that are relevant to Gibraltar, like commerce and financial services, and I look forward to further engagement with those I met to establish whether there is scope for them to do business with Gibraltar. I look forward to further collaboration with CWEIC and take this opportunity to thank them, and in particular the previous CEO, Samantha Cohen, for including Gibraltar as part of their delegation to Bangladesh.

Mr Speaker, I continue to meet regularly with the Chamber of Commerce and Federation of Small Businesses. My doors are always open to them and I look forward to working closely with them over the next year.

The Government announced, in March, additional financial support measures for the catering sector. The Government has consistently assisted and supported the Catering Association throughout the entire COVID-19 pandemic. The support package was aimed at mitigating some of the reduced business the catering sector experienced following Public Health guidelines issued on 18th November 2021. The support package included a rent moratorium, rates discounts and the waiver of all registration fees at the Employment Department.

Mr Speaker, I beg your indulgence, but before finishing my contribution let me start by saying how very disappointed I am with the Opposition tourism spokesman, the Hon. Damon Bossino, (*Interjection*) who has, during the last year, played politics with tourism. In an attempt to grab headlines and make himself relevant, the hon. Member has been constantly nit-picking on almost everything the Government does. (*Interjection*) While the hon. Member is perfectly entitled to have a different opinion, it seems that he just criticises for the sake of criticising and has not been able to come to terms with the fact that he is not the Minister for Tourism. We have been elected to implement and develop our own policies and implement our programme for government in accordance with our own views and assessments, and not the policies of the Opposition. What is remarkable is the arrogance with which the hon. Member approaches his role as a Member of the Opposition, pretending to be able to make policy in the areas he shadows. I can go on and on, but I can assure this House and those listening to these proceedings that whilst the hon. Member plays politics, I will not be detracted from getting on with the serious business of Government, which is what I was elected for.

Mr Speaker, I would like to thank my friends the Hon. the Chief Minister and the Hon. the Deputy Chief Minister. I could not do this job without their support. They have always been there for me. I will never forget that. Thank you. All my ministerial colleagues too, thank you. My Ministry team, of course, efficiently led by John Reyes, each and every one of them – they are an amazing team and I am lucky to have them working with me, hardworking, loyal, ready to do more and always ready to help me. Apologies to them for putting up with my demands at all hours, my WhatsApps, my emails etc. They know they do not need to reply at these hours but they do, because they care. They understand that I want everything done yesterday and they respect that. Last but not least, I want to thank Tracey Poggio for assisting me from the London Office in my tourism endeavours. A heartfelt thanks to all of you; you are a very special bunch.

Finally, Mr Speaker, thank you and the Parliament staff for the dedication you put into this job and making life easy for us. Thank you very much, Mr Speaker. (*Banging on desks*)

Procedural –

Sir Joe Bossano's Budget speech to be issued via press release

Chief Minister (Hon. F R Picardo): Mr Speaker, thanking both of my ministerial colleagues for the interventions they have made so far, I have to share with the House the news that the Minister for Economic Development, the Father of the House, Joe Bossano, has just tested positive for COVID, which obviously puts a bit of a spanner in the works of many things, not least the order of speeches that we had agreed with Members opposite so that those who shadow ministerial responsibilities can speak after the Member shadowed.

I am particularly saddened by the fact that Sir Joe has tested positive for COVID because this would have been his 50th Budget speech in this House.

In an earlier discussion with you and with the Shadow Minister for the same areas of responsibility, Mr Clinton, I suggested that, as Sir Joe's speech is now ready, one of the ways to ensure that it is reflected in the record of these proceedings is for me, just as I move the adjournment, to read the first sentence of what he would say and then share the speech with all hon. Members and with the general public through press releases and to have it reflected in the *Hansard* as delivered. So, now that the result of that test has come in, and I have Sir Joe's speech –

which hon. Members will be comforted to know this year even brings its own index to it (*Laughter*) – I would, with your leave, Mr Speaker, read his first few words of introduction, where Sir Joe, the Hon. Father of the House, would say:

In analysing where we are and where we need to be in our public finances, we cannot ignore the global background against which we and every other government has operated. I will, therefore, share with Members my assessment of just how serious the state of health of the global economy is.

1445 Mr Speaker, without reading any more, I will now make arrangements for the speech to be shared with hon. Members and with the House, and I will propose, given that it is quite a lengthy intervention and the hon. Member opposite will want to be able to reply to it fully, that we return this afternoon at four o'clock for him to be able to start his reply.

1450 **Mr Speaker:** The House will now recess to four o'clock.

*The House adjourned at 1.03 p.m.
and resumed at 3.03 p.m.*



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 4.02 p.m. – 6.54 p.m.

Gibraltar, Wednesday, 29th June 2022

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The Gibraltar Parliament

The Parliament met at 4.02 p.m.

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

[ACTING CLERK TO THE PARLIAMENT: S Galliano Esq *in attendance*]

Appropriation Bill 2022 – Second Reading – Debate continued

Clerk: We continue with the Appropriation Bill 2022.

Mr Speaker: The Hon. Roy Clinton. (*Interjection by Hon. Chief Minister*)

Hon. R M Clinton: What you have all been waiting for. Thank you, Mr Speaker.

Before I commence my main submission on the debate on the Appropriation Bill, I would like, on behalf of my colleagues in the Opposition, to wish Sir Joe a speedy recovery from being afflicted with COVID. We hope to see him soon, back in this place, as he is obviously greatly missed at Budget time if he is not here. (*Banging on desks*) I have no doubt he is watching!

I thank Sir Joe for having given us a written copy of what would have been his submission in the debate – and no doubt those 48 pages will form part of the record, for posterity – which I understand is now available on the Government website and I would urge anybody who is interested in following these proceedings to read it for themselves.

Sir Joe, as we would expect, gives us a good overview of the challenges that we face, not just in Gibraltar but in the economy as it affects the world today and as things are likely to develop over the coming months and years. I will just highlight one or two phrases and words from his very long contribution. He warns us that inflation is likely to increase again by July. There are words which reoccur as a theme throughout his contribution: the words ‘unaffordable’, ‘unsustainable’ and of course his ‘golden rule’. In terms of our future economic plan, I think one of the key words he repeats is the idea of self-sufficiency. In the context of this debate I would just like to quote one section from his submission, on page 7, in which he says – and I think this is probably the key phrase, if I had to identify one in his contribution:

At no other time in our history has there been a greater need to make an all-out effort to restore the state of financial stability ...

I can only concur with that remark, but unfortunately the message does not seem to be getting across to his colleagues. It is an important message that they really cannot afford to ignore.

Mr Speaker, going on to my main contribution, yesterday the people of Gibraltar had their collective pockets picked by this Government in order to cover the mismanagement of the 2021-22 Budget, which has resulted in the need to borrow an extra £50 million. A 2% increase in PAYE, coupled with inflation raging at 8% and only likely to increase, as Sir Joe has warned, means that the average worker and their family will see a fall in real wages of probably at least 10% this year.

This Government has had its head buried in the sand for far too long with a capital spending programme which has been fuelled by debt, debt and more debt. It has forgotten the basics of

35 public finance, regardless of Sir Joe's golden rules. Its Budget measures this year do not bear scrutiny, especially if, as stated, they are only meant to be for two years.

In this Appropriation Bill and Estimates Book I see we are now on a knife edge. We have unsustainable spending and an unbalanced Budget with increased borrowing for the coming financial year 2022-23. The headline deficit for 2021-22 was estimated to be some £50.7 million.
 40 This was before the COVID-19 costs and with additional borrowing of £50 million, which will have taken total gross direct borrowing to £747.7 million. This envisaged a total net cash spend through the Consolidated Fund of £79 million if you take out the envisaged £50 million borrowing as per the Estimates last year. The forecast outturn for 2021-22 is a headline deficit of £55.3 million, which is before COVID-19 costs, with an additional borrowing of £100 million, which then takes
 45 our total direct gross borrowing to £797.7 million. This is double the borrowing that was envisaged. Instead of £50 million, they have had to borrow £100 million. The total net spend through the Consolidated Fund was £103 million, which is what we would get if we excluded the £100 million of borrowing, and this number gives a truer picture of our predicament than the headline deficit number of £55.3 million, which does not take into account spending via the
 50 COVID-19 Fund.

Indeed, if that was not bad enough, there can be no doubt that there has been a significant overspend in relation to last year's Budget. Using the cashflow of the Consolidated Fund, it can be seen that keeping revenue at its original budgeted level, which would increase the deficit by £16 million, the overspend in cash terms was in the order of £40 million. Forty million pounds,
 55 Mr Speaker! This is a number we have heard before. In fact, we have heard it in warnings from Sir Joe Bossano. And yet yesterday the Chief Minister said:

Over the last few months there has been an attempt to suggest a division between comments made by the Father of the House in an interview on GBC, where he projected a loss of in excess of £90 million, and some of the statements I have made. The Hon. the Father of the House was guiding his projections for the overall loss based on the level of borrowing, without classifying the distinction between business-as-usual losses of £55.3 million and the additional over-expenditure incurred within the COVID Response Fund.

Mr Speaker, each pound of overspend, regardless of origin, necessarily results in an extra pound of borrowing, so what Sir Joe was saying was entirely true but obviously not the way the Chief Minister wanted it spun for public consumption. How realistic was last year's Budget when
 60 we also heard from Sir Joe that some £75 million had been shaved off departmental budget requests even before the Estimates Book reached this House?

The majority of the overspend appears to be in the GHA budget in a period when COVID-19 related expenses should not have been remotely similar to prior periods. The Leader of the Opposition has highlighted it in his speech and my colleague Mr Phillips will examine this in more
 65 detail in his contribution to the debate.

The headline deficit for next year, 2022-23, is estimated to be £45.2 million, which is a very long way away from a breakeven position. In cashflow terms, the total net spend through the Consolidated Fund will be £46 million, less than half compared with the year just gone by. It is expected we will need to borrow yet another £50 million to take our total direct gross borrowing
 70 to £847.7 million.

One significant difference from recent years is that there is no material contribution to the Improvement and Development Fund from the Consolidated Fund. In 2021-22 it was £19.5 million; next year, merely a notional £1,000. It would appear that the Improvement and Development Fund is expecting over £100 million of income in order to fund some £67 million of
 75 expenditure. I can only assume – and the Chief Minister can confirm it in his response – that the £90 million premium for the Eastside project is included in these numbers, in which case the funding of I&DF projects is entirely dependent on successful negotiation of the premium. Failing that, the Consolidated Fund would have to pass money over to the I&DF Fund or the projects would have to be cut.

80 Mr Speaker, talking about costs, we have yet to hear how the appointment of the new CEO of the Tourist Board at a salary of £140,000 is cost neutral, as was described by the Chief Minister on 17th March 2021, especially as the salary was disclosed as being £51,767 in the 2011-12 Estimates Book under the Gibraltar Development Corporation. I would love to hear how that is cost neutral.

85 Looking through the Book, I can give an example where decisions have been taken which, frankly, flatter the outturn numbers. The deficit could have been even higher. Specifically, Head 22, being Social Security, has, in 2021-22, given itself a contribution holiday of £7 million by simply not paying anything to the Statutory Benefits Fund. This £7 million payment has been reinstated in 2022-23. If that £7 million had been paid in the year gone by, then obviously our deficit would have been yet higher.

90 Given this analysis, it can be seen that we really are on a public finance knife edge, which is only being balanced by increased borrowing. As at 7th April 2022 the borrowing on the NatWest UK guaranteed facility was £350 million. The envisaged borrowing in 2022-23 will take us to £400 million of the £500 million facility, assuming, of course, that there are no overspends, which would have to be met from further borrowing. This entire facility was due for repayment on 95 3rd December 2023.

Yesterday the Chief Minister made, in my view, the most important statement in the history of our public finances, but he mentioned it almost casually. I think it is worth repeating in full, as follows:

Additionally, we will finalise, this year, our strategy for the repayment of the COVID debt, which will be long-term, war bond style debt. Our current discussions with HM Treasury sees us repaying the bulk of the outstanding over 25 to 26 years, with the benefit of the sovereign guarantee from the United Kingdom extending over that period for that ring-fenced, crystallised debt. We will be able to set that into legal-agreement stone only once the full extent of our COVID drawdown is, itself, crystallised.

100 If the Government can stick to its Budget and if the UK government has already given its commitment, then the £400 million that would fall due on 3rd December 2023 would be extended to at least 2048. That is a much more realistic timeframe in which to rebalance our economy. But the statement from the Chief Minister was light on details such as the type of loan and repayment schedule, and I really would like to hear more about that; indeed, repayment is something I intend to discuss later on. I think it is critical to understanding the future of our public finances.

105 Our recurrent revenue is not covering recurrent expenditure – I think a fact that we all in this House recognise – such that for the last year, ended 31st March 2022, our costs were 9% greater than revenue. The COVID-19 Response Fund has re-credited the Consolidated Fund with £107 million in respect of lost revenue, the main areas that have lost revenue being £65 million in Import Duty, £32 million in Company Tax and £2 million in Income Tax. For next year it is forecast 110 that the COVID-19 Response Fund will only require £40 million to make up lost revenue of £30 million in Import Duty and £10 million in Company Tax. The slow recovery in Import Duty is concerning, and if it does not return or recover to pre-pandemic levels then we are likely to have a continuing recurrent deficit problem, and if this Government does not take this year's Budget seriously, then I am afraid to say next year's Budget debate will be scripted by Stephen King: a true horror. I would have thought that by now the Government would truly understand our 115 financial situation and predicament, especially having appointed Sir Joe Bossano as Minister for Financial Stability.

120 The example has to be set from the top, and yet there is no leadership on the control of unnecessary costs. In answer to my Question 267/2022 last week, the Chief Minister confirmed that Ministers and Government officials had flown club class 40 times in the space of six months – yes, 40 times in six months – and they could not find any economy seats. Furthermore, having just doubled the cost of prescription charges under the Group Practice Medical Scheme, the Chief Minister then flew to see His Holiness the Pope, again in business class at the taxpayers' expense: a pilgrim's progress in regal style.

125 **Chief Minister (Hon. F R Picardo):** I went out in economy.

Hon. R M Clinton: This is not leadership by example.

Hon. Chief Minister: I went out in economy.

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Hon. R M Clinton: This is the Chief Minister's champagne socialism at its worst (**A Member:** Hear, hear.): do as I say but not as I do. He likes his champagne. (**Hon. K Azopardi:** Pink champagne.) Is it pink?

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Hon. K Azopardi: Absolutely. Off-red.

Hon. Chief Minister: All the colours of the rainbow, if you are trying to imply something [inaudible] a champion of Pride, not one of those who [inaudible]

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Hon. E J Phillips: Socialist pink – that is the analogy.

Mr Speaker: Please continue with the speech.

Hon. R M Clinton: Yes, sorry, Mr Speaker.

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We also find that of the nine Government Ministers, the majority, namely six, are in private rented offices. This was disclosed in answer to my Question 269/2022. Indeed, despite the current financial crisis, the Government saw it appropriate to rent offices for the Minister for Housing and the Minister for Business at a combined annual cost of £215,000. This Government has completely mismanaged the use of the public office space it inherited upon coming into government. Instead of maintaining and renewing space it owned, it embarked on a piecemeal disposal and moved into expensive private sector accommodation. The Government sold the Haven to Gibtelecom in 2014 for £5.8 million, more or less what it cost to refurbish No. 6 to the Chief Minister's expensive tastes. The Haven, since then, has largely remained empty and is now up for sale by Gibtelecom to repay the £3.6 million mortgage which was used to buy it. Meanwhile, the DSS offices collapse into a state of disrepair, which then causes a move to New Harbours and the rental of more private sector space in the ICC for the vacating Housing Department, which will then cost us an annual £237,000. The least visited Departments of Government – not that I do not appreciate them – the Audit and Statistics Departments, have brand new offices in the World Trade Centre on 21-year leases at an annual cost of £194,000. The cost of rental of office space by the Treasury Department has rocketed from £2 million in 2011-12 to some £10.5 million in 2021-22. I would welcome an analysis and justification of this number by the Chief Minister. He says 10 years. This Government needs to make better use of its existing resources before splashing out on more lavish private sector rentals at the taxpayers' expense, which inevitably increases recurrent expenditure, of which Sir Joe is so terrified. I cannot see the Chief Minister leading on this. He simply does not seem to be able to control his spending.

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For the last number of years since I have been in this House – or, at least for the last three years – I have complained about the inability of the Principal Auditor to complete his reports on time, due to outstanding supplementary appropriations. Despite three Bills covering 2017, 2018 and 2019 being passed in a single day last year, on 26th July 2021, we still do not have any new reports in this House. The last report available to us is that for 31st March 2016. If this Government truly cared for transparency and accountability it would have shown some leadership in ensuring the required Bills were debated and passed in a timely manner. I really do not accept that COVID-19 was the reason for the delay in debating those Bills. Without any recent reports from the Principal Auditor this House cannot hold the Government to account on its spending, including areas such as value for money.

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The Government's record on filing its corporate accounts has barely improved, despite repeatedly being brought to their attention. As at 31st March 2022, 26 companies were overdue in their filings at Companies House and a further 12 have not even been audited since incorporation. This is an unsatisfactory situation and one that should have been resolved by now.

180 The reason why this is so important is that significant amounts of public money are being channelled into some of these companies. One in particular stands out above others, and that is Economic Development and Employment Company Ltd, a company I brought to the attention of this House back on 19th June 2019. You can check *Hansard*. This entity, which is owned by the Gibraltar Development Corporation, annually receives some £11.8 million from the GDC, which in
185 turn receives the money from the Consolidated Fund. In the six-year period from 2014-2015 to 2019-21 the amount contributed to this company was £82.5 million. This company has only filed one balance sheet since it was incorporated on 11th June 2012 by this Government. We know from answers to my Question 161/2022 that this company owns shares in a further nine companies, of which we know, again from answers to questions, six are behind on their filings at
190 Companies House. We do not know how that £82.5 million has been spent or, indeed, how much remains. I fail to understand how this House can continue to approve contributions in the order of £11 million to an entity that has failed to disclose how that public money is being used. The Government cannot expect the public to suffer the consequences of this financial crisis in silence while the Government does not disclose what it does with millions and millions of pounds of
195 taxpayers' money – again, a failure of leadership on transparency, which speaks volumes.

In his May Day message of 2021 the Chief Minister said the following:

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

Well, what has he managed to do over the past year, I ask myself. Business travel continues unabated and the report on GJBS only resulted in a 'series of changes in the structure of the management and operation of GJBS'. We are still deprived of the latest reviews from the Principal
200 Auditor, and despite repeated promises – and I will not hold my breath – of an Anti-Corruption Authority, this has still to materialise. There is still no appetite from this Government for a Public Accounts Committee which will follow up audit reports and other matters. Again, I remind the House that it is embarrassing that Gibraltar is the only UK Overseas Territory that has no such committee and this goes against what is deemed to be best practice in the oversight of public
205 finance. So, where is the leadership on eliminating waste and abuse that he pointed out in his May Day message?

Moving on to borrowing, our direct gross borrowing, as I set out earlier, is projected to reach £847.7 million by the end of the next financial year. The last information I have on the Sinking Fund is that it only has £25.4 million in it. This needs to be funded regularly from the Consolidated
210 Fund to ensure that we have a clear path to repayment. I have seen no indication, as yet, as to how the Sinking Fund is to be built up in future.

The analysis of the gross direct borrowing at 31st March 2022 is as follows: £372.7 million of Government debentures, which are, in fact, held by the Gibraltar Savings Bank; £150 million that was a one-year facility that we understand has now been repaid, on 7th April 2022; the £75 million
215 and £5 million facility with RBS NatWest; and, again as at 31st March, £200 million under the RBS NatWest UK guarantee. That would be £372.7 million of Government debentures held by the Savings Bank and some £425 million of bank borrowing, which would take us to the figure of £797.7 million of direct gross borrowing.

By 31st March 2023, i.e. next year, the guaranteed facility will be £400 million, given the
220 £150 million borrowed from the Gibraltar International Bank was, as the Chief Minister indicated to the House, repaid on 7th April 2022. Given the Chief Minister's expectation to convert this £400 million debt into a 25-year loan, it begs the question: how would we fund its repayment? If we assume a bullet repayment at the end of the term, we would have to set aside, into the Sinking Fund – excluding, of course, interest costs – £16 million every year for the next 25 years, and yet

225 I have heard nothing as yet on this important question, which again shows a lack of thinking or planning. How are we going to repay £400 million in 25 years? I think it is a question on which we deserve to hear what the Chief Minister thinks.

Then, of course, we need to go on to the perennial disagreement we have with the Government in terms of the indirect gross borrowing, which I try to quantify each year. Again, I
230 do this on a best-efforts basis, and if I have any numbers wrong I will happily be corrected: Credit Finance, £400 million; GCP Investments, £9 million; ES Ltd, which is the entity that has the power station, from its last filed accounts, £ 95 million; Gibraltar Car Parks, another £21 million; Gibraltar Capital Assets, another £300 million – that is the one that has the mortgages on the housing estates, although I know the Chief Minister does not like the word ‘mortgage’ but it is,
235 nevertheless, secured on the housing estates; Eruca Investments, with its very complicated structured financing, another £165 million. That adds to a gross amount of £990 million, which is in addition to the official gross debt of £797.7 million as at 31st March 2022. That would bring us to a total gross debt number, of direct and indirect debt, of effectively £1.8 billion as at 31st March 2022, as compared with £1.7 billion at 31st March 2021. Of this £1.8 billion only £350 million –
240 and again I am using numbers at 31st March 2022 – can be said to be attributable to the COVID-19 response at best. This Government has truly buried Gibraltar in a mountain of debt and it should be ashamed of itself.

Mr Speaker, turning to the Budget measures as announced yesterday, we on this side of the House have long warned of the excessive spending by this Government and that ultimately it
245 would be the taxpayer who would foot the bill. Sadly, yesterday this warning came true. The Chief Minister said that it was incumbent on him and his Government ‘to seek to find a way to lead this community out of the deficit period, with the certainty that we can address the debt that has built up during the COVID period and its aftermath’. And yet, without so much as a blush, he stated that the much talked about rainy-day funds were once again healthy, even at this time. This is
250 insane. Before seeking to tax workers by 2% at a very difficult time, shouldn’t the rainy-day funds be used first? I mentioned in last year’s debate that Sir Joe refuses to transfer the accumulated profits of the Gibraltar Savings Bank to the Consolidated Fund. As at 31st March 2022 the Estimates Book, on page 254, shows this has a Reserve Account with a balance of £56 million. Should this not be used first, before taxing workers? This money belongs to the people, not to
255 Sir Joe Bossano. We have a rainy-day fund that we cannot touch, even today at the height of monsoon season. What is the point of having that fund?

Other than the announced increase in water and electricity charges of 8%, which we now know will continue to increase annually by inflation together with all other government fees – the only way is up – there are two main revenue-raising measures that I would like to discuss and try to
260 quantify. These seem to be the two main planks of the Government’s revenue-raising attempts.

The first is the two-year company levy, which was announced as follows:

We propose that every company pay a COVID recovery charge of £25 per week over the next two years.

Mr Speaker, whenever the Chief Minister describes a cost as per day or per week, you can be certain of one thing, and that is there is a bigger number that he is trying to hide. The charge amounts to £1,300 per annum. I am reliably informed that the number of companies on our
265 register is in the region of 14,000. If all companies were to pay, then that would raise a large number in the order of £18.2 million or £36.4 million over the two-year period. This measure can be found in paragraphs 854-61 of the Chief Minister’s Budget address. But this measure takes no account of the activities of the company, nor of the ability – or even, indeed, the willingness – to pay. The Chief Minister has, perhaps inadvertently, strayed into the field of trust and companies
270 managers, and their clients may not feel so altruistic when there are plenty of other jurisdictions to choose from. Indeed, this morning we have heard from the Minister for Financial Services, when he rose to give his Budget address, that they had representations overnight from the industry complaining that this would affect their business. And so the Government now, in what must be

the *Guinness Book of Records*' fastest U-turn on a budget measure in history – in less than 24 hours – is saying, 'No, forget what we said: we are only going to go after those trading in Gibraltar.' But if the Chief Minister is trying to raise money to balance a future Budget, how much has this torpedoed the revenue-raising measure? If they are only going to go after companies trading in Gibraltar and, for the sake of argument, if we say there are two and a half thousand registered employers in Gibraltar, multiplied by 1,300 that would bring you in £3.2 million. Well, £3.2 million is, I think, about £15 million-odd short of what he originally could have tried to target on this measure as announced. How will he make up the difference? What was the amount he thought he could raise? Was this even a realistic Budget measure? Who came up with this idea? And then, of course, you have the additional question: if we are just going to go for trading companies, what about the small companies? Why should they pay the same as a large company? What about the charitable companies? There are plenty of charities that are set up as companies. And, indeed, what about all the estate-management companies, the ones that manage all the estates around Gibraltar? Are they going to have to pay as well? It is so self-evidently an ill-thought-out levy that you need not read very long on Facebook to see that this is a complete nonsense of a measure. If it was intending to raise somewhere in the order of £18 million, well then it has failed at the first hurdle.

And so we are now left with only one Budget measure that really could generate revenue in any significant amount: the 2% increase in PAYE, which is, again, across the board regardless of earnings. I will venture into some technical stuff here, Mr Speaker. Using the information on page 56 of the recently tabled 2021 Employment Survey, which shows the distribution of average earnings, I estimate that 2% on the earnings across the different bands could perhaps generate as much as £16 million, although again this is a guesstimate and a best effort; I obviously do not have access to the actual numbers. Of course, it would be helpful if, in his reply, the Chief Minister could state how much he has been advised he would raise by this 2% PAYE increase, and also what he thought he was going to raise on the company levy. Assuming my numbers are accurate, or at least in the ball park, this means that the measures would raise around £34.2 million per annum, but of course, given the Government's U-turn, it is probably going to be a lot less. Even if it was £34.2 million, this is still significantly less than the so-called rainy-day reserves of the Savings Bank – which we are not allowed to touch because it is not a rainy day yet. But who decides?

What is not clear from the measures announced is the use to which the money will be put. Is this money going to be credited to the Sinking Fund, to start to help repay debt; or is it to reduce annual deficits in recurrent expenditure in future, in the anticipation that perhaps in two years' time revenues might recover to old levels? A two-year period certainly will not be enough to help in addressing the debt levels. I would really appreciate some indication from the Chief Minister as to what the thinking is and how much he thinks he will be able to raise with these measures in two years.

The 2% PAYE increase also shows a complete lack of targeting of income bands. The burden, you would have thought, should be fairly weighted in a way that higher earners would bear more than those on lower incomes. This displays a complete lack of empathy by the Government with those middle wage earners who will suffer. Is this the best they could come up with? How much thought has gone into this?

It has to be asked, given that the property market seems to be generating, as the Chief Minister said, higher than expected Stamp Duty receipts, why has this not been taxed further – an extra per cent of Stamp Duty at the top end? Indeed, some may ask why not tax the profits from the property developers? We certainly have no shortage of them and perhaps their profits should be subject to closer scrutiny – perhaps they will do that – or perhaps they should suffer a windfall COVID levy as well. The Government seems to have gone for the lowest-hanging fruit, the easiest tax target, the ones least able to fight back, namely the workers who are already suffering financially. Is this the best they could come up with?

Mr Speaker, I move on to AquaGib. I was surprised to hear that the Government was proposing to nationalise AquaGib at precisely the lowest point in our public finances. The Government owns

one third of the shares in this joint venture, which – as per its latest accounts, of March 2020, which are available at Companies House – employs some 100 people. Based purely on a net asset value price, it would cost the Government at least £6 million, and, if on a multiple of earnings, maybe even more. I really would be interested to hear who is going to be paying for the shares, because the last time the Government made a big announcement, about buying Gibtelecom, it ended up being the Savings Bank that paid for it and became the ultimate owner, not the Government.

I was interested to hear that the Government had secured a secondment from Her Majesty's Treasury in the UK to assist in reviewing tax declarations. I am not sure if this is the first time this has happened but I would welcome further information from the Chief Minister, and indeed whether the loan restructuring for 25 years is in any way connected to Her Majesty's Treasury's interest in assisting the Tax Office?

Hon. Chief Minister: Absolutely not, and we would not have accepted it if it were.

Hon. R M Clinton: Well, I am asking.

Hon. Chief Minister: We requested it.

Hon. R M Clinton: I am asking.

Hon. Chief Minister: And I said we requested it.

A Member: Hear, hear.

Hon. R M Clinton: Mr Speaker, looking at inwards investment, TNG's major expected investment in the Eastside project of course is to be welcomed, if it materialises. It is, however, evident that the majority of the Improvement and Development Fund's expenditure appears to be entirely dependent on the receipt of the £90 million premium. As I said last year, we have also seen little in the way of the Government's post-Brexit economic plan. We have seen nothing in respect of the 150,000 m² reclamation project which was part of their central plan. We hear from the Deputy Chief Minister that the Rooke site is still being negotiated, and we have heard nothing of the Queen's Cinema and Queen's Hotel site, the most expensive car park in Gibraltar.

Mr Speaker, passing on to non-finance matters and FATF – and I do this wearing my hat of financial services and gaming – of course we were all disappointed, certainly on this side of the House, with Gibraltar's grey listing. I note what the Minister for Financial Services has now said to the House in his Budget address and I welcome it. It would, of course, in my view, have been more appropriate if he had made a ministerial statement to the House. That would have allowed us to ask questions of clarification, especially as he was prepared to give his analysis to a private seminar ahead of this place. He has already heard the official Opposition's views on the matter and we trust on this issue we can reach cross-party consensus that the priority for Gibraltar is to be removed from the list as soon as possible. I heard the Minister's offer and I certainly will accept his kind offer for briefings on this and, indeed, the new Gaming Act in due course.

Mr Speaker, in conclusion, we have seen that this Government cannot keep to its Budget. The people deserve better than to have their pockets picked because of the failures of this Government. We will not vote for a Budget that lacks leadership, transparency and accountability and contains measures which are a shambles and not thought through. It is a joke of a Budget. We see no leadership from this Chief Minister on curbing unnecessary spending. We see no leadership from this Chief Minister on transparency. We see no leadership from this Chief Minister on eliminating waste and abuse. We see no leadership from this Chief Minister on repaying borrowing. Indeed, we see no future for this Chief Minister, who lacks the financial skills to get Gibraltar through this crisis.

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

Hon. Chief Minister: Like being mauled by a sheep.

380 **Mr Speaker:** The Hon. Paul Balban. I welcome him back to this austere Chamber. (*Banging on desks*)

Minister for Transport (Hon. P J Balban): Mr Speaker, it is an honour to rise once again today, as Minister for Transport, to give my Budget address. I will start with my ministerial responsibilities for Technical Services.

385 This has been a difficult year for the Technical Services Department following the COVID-19 pandemic and the uncertainties raised by the ongoing Brexit negotiations. This has led to the Technical Services Department concentrating its efforts on operationally critical items in all areas under its responsibility. Notwithstanding these challenges, the Department has continued to
390 provide technical support to Government Ministries and Departments on a wide range of construction and traffic-related matters, as well as meeting its defined responsibilities of maintaining public infrastructure.

Whilst the Department has shown prudence in its spending and concentrated its efforts on essential and critical items, the Department has nonetheless been able to meet its core objectives
395 of maintenance. It has been involved in many projects covering a wide range of responsibilities which included cliff and slope stabilisation schemes within the Upper Rock and Little Bay, the repair of a number of retaining walls, highways resurfacing works and highways maintenance, as well as general sewer maintenance and improvement works. In addition, the Department has also provided support on the implementation of several projects related to the Sustainable Traffic,
400 Transport and Parking Plan launched in March 2017.

With respect to cliff stabilisation and rock-fall prevention projects, during the last financial year the Department has been involved in numerous schemes which have included stabilisation works at Little Bay, Woodford Battery and Camp Bay.

With regard to highway maintenance, the works programme has once again been successful
405 over the past year, with ongoing repairs to roads, footpaths and retaining walls. The Department's team of highways inspectors carries out regular inspections of all our roads and footpaths and reacts to reports received from the public.

This year will see the continuation of our very successful and comprehensive road resurfacing scheme. Over the last few years, a very significant number of our roads have been resurfaced or patch-repaired, and during the last financial year the Technical Services Department once again embarked on a significant road-resurfacing scheme which saw South Barracks Ramp, the north sections of South Barracks Parade, South Pavilion Road and Engineer Road and Corral Road totally resurfaced.

410 During the past year, the Technical Services Department was also involved with works to several retaining walls. These have included works at the old King George V Hospital, Bruce's Farm, Scud Hill, Mount Road, Upper Witham's Road, the American War Memorial, Naval Hospital Hill, Europa Road and Referendum Gates. The continuous monitoring and repair of existing retaining walls is critical, as many of these are old and border our public highways network. Technical Services will continue to monitor these walls and effect the necessary repairs as and when these
420 are identified.

The replacement and enhancement of pelican crossing lights and equipment will continue during this year, working jointly with the Gibraltar Electricity Authority. Works are currently under way to replace the existing light-controlled crossings by Glacis Kiosk and the Department will continue to review all existing light-controlled crossings and provide further countdown timers in
425 areas where these are required. The current programme envisages upgrades of our existing light-controlled crossings at Queensway Quay and Line Wall Road by the American Steps. The Government will continue to provide further countdown timers at all crossings and all new traffic light sets purchased to replace existing sets will have countdown timers installed as standard. It is regrettable that there has been an increase in the number of recent road traffic accidents, which

430 have seen several existing traffic lights being damaged. This unfortunately reduces our stock of spare parts and impacts our ability to continue with our upgrade programme in a timely manner. In addition to the introduction of countdown timers, the Department is currently working closely with Ministry staff, the Special Needs Co-ordination and Liaison Officer at No. 6 Convent Place and the Gibraltar Health Authority's Occupational Therapy team to study the possibility of introducing disabled-user-friendly information templates at crossing points. This initiative is aimed at making road crossings for people with disabilities.

With regard to coastal engineering works, the Department continues to monitor and carry out maintenance and repair works as and when required. The Department also continues to provide advice to developers and the DPC on all aspects of coastal engineering as and when necessary. 440 During this financial year, Technical Services will be reviewing the existing coastal defences at Eastern Beach and Sandy Bay with a view to carrying out essential maintenance works.

Moving on to sewers, during the past year the Infrastructure section of the Department has continued to maintain the public sewer network as part of Government's commitment in this area. As part of the major desilting and relining works of our main sewer, which commenced several years ago, the Department has been working on the preparation of the design and works specification for the next phase of works. This phase will see the relining of the main sewer from the area of Bomb House Lane to the entrance of Lover's Lane. These works are earmarked to be completed during the coming financial year and will link up several previously successful relining projects spanning the worst-affected areas within the Town area, covering some 560 m, equating to approximately 60% of the main sewer line within the city walls. These works are considered essential, given the age and condition of the sewer and the disruption that can be caused in the event of a failure of the sewerage network. The Department continuously monitors the condition of the main sewer in order to prioritise the continuation of this essential maintenance work. The Department will, therefore, this year, as it has since 2012, continue its major desilting and cleansing works of the sewer network and will be carrying out upgrade works where necessary. 455 Other works will include gully cleansing, manhole repairs and the general upkeep of the public storm and sewerage networks.

Given the sharp rise in developments in Gibraltar, the Department also continues to provide advice to both developers and the DPC on the impact that these various developments can have on our existing sewerage network. 460

Finally, funding is once again being allocated for the purchase of equipment to allow the Sewer Infrastructure section to continue to expand and provide an enhanced service in respect of its inspections of our sewer network. This also applies to the Garage and Workshop, where funding for new equipment is also being provided. They will continue to provide a service to maintain the fleet of government vehicles, including the refuse collection vehicles. 465

This year, I would once again also like to take the opportunity to thank the Sewers and Highways Infrastructure sections and the on-call officers of the Technical Services Department for their hard work and commitment during those times in the past year where Gibraltar has suffered from storms and very heavy rainfall. It is thanks to the very hard work and dedication of this team, whilst most of us are at home, that the impact of these storms is not greater on our sewerage and road networks. 470

Mr Speaker, the Technical Services Department is one of those Government Departments that are rarely in the limelight but work tirelessly and silently behind the scenes to deliver their defined responsibilities, maintaining public infrastructure and supporting and providing technical advice to other Government Ministries and Departments. Not only does the Department meet its core responsibilities but it is also actively involved in other key projects for the Government of Gibraltar. During the past year they have been involved in the delivery of improvements of the new container terminal at North Mole. Following the uncertainties of Brexit, the number of shipping containers has shown a marked increase and a need for additional storage capacity, including that for refrigerated containers, was identified. Technical Services has been working in preparing the necessary infrastructure and upgrading the existing mole to increase the stacking 480

height for container storage. Additionally, Technical Services is also responsible, in conjunction with the Office of the Chief Technical Officer, for the delivery of the first phase of the reclamation works at Coaling Island. Technical Services is involved in many projects in order to deliver on the Government's extensive and comprehensive programmes.

Mr Speaker, turning now to the traffic plan, the Sustainable Traffic, Transport and Parking Plan (STTPP) was always a document that set out the vision for the future. It was published in March 2017 and it spoke about Gibraltar's dependency on the car and the way we broke records as having one of the highest vehicle-ownership rates in the world. Although one can often be proud of breaking records, this is one record that we surely should not be proud of if we are serious about our need to look towards a greener and sustainable future for ourselves and our children. Emissions from vehicles contribute to poor health, especially bronchial and respiratory diseases. Furthermore, our dependency on the car means that we forego active and healthy lifestyles for inactivity and hence the diseases of affluence and lifestyle, including obesity, diabetes, heart disease and even certain cancers.

The STTPP was the first real traffic plan for Gibraltar. The plan was brave, but so too was it always going to be contentious, as it centred around change. As we know, everything surrounding change can be extremely difficult to adapt to at first, and there have been very few projects that have been well received by all or indeed rejected by all. This is the nature of that beast called change, and acceptability of initiatives very much depends on whether a person is environmentally conscious or car centric.

With regard to initiatives relating to the STTPP, the Ministry for Transport has carried out several projects during the past year. A charging point was delivered upon the request of the Gibraltar Senior Citizens Association to be used solely as an emergency electricity topping-up station for mobility scooters. The late Manolo Ruiz was a staunch supporter of the needs of the community at large, but especially the needs of the elderly and those with disabilities. This charging point was something that Mr Ruiz requested, and it was a pleasure to be able to deliver this worthwhile service to the community before his sad passing. He will be sorely missed.

As part of the ongoing enhancements to the STTPP, a new mobile parking management tool has been launched that will use automatic number plate recognition technology to easily verify that cars have permission to park in certain zones and estates. This consists of two new and environmentally friendly fully electric vehicles that can process the number plates of parked cars by checking against a real-time parking permit database. They are programmed with geo-fencing technology, which recognises the different zones and which also receives up-to-date information from the MoT database. These types of vehicles are commonly used throughout the UK and other parts of Europe and have a proven track record when it comes to parking enforcement. When these vehicles drive past, they can quickly and effectively pick up cars which are illegally parked or have an expired MoT certificate. Photographic evidence of the infringement is captured digitally and this can later be used to assist with the processing of fixed penalty notices to the offenders.

The Government has commenced its rollout of electrical vehicle charging infrastructure as part of the Government's shift towards decarbonising the transport sector and towards a more sustainable travel model for Gibraltar. This is the way the car industry is moving at present. It is clear that electric vehicles are becoming more widespread, even though there is much speculation as to whether they will exclusively be the future form of sustainable transport or simply just a part of it. Many experts firmly believe that electric vehicles may even just be a transition towards other forms of propulsion. In Gibraltar, logic suggests that it will be very difficult to provide a charging point for each and every one of the vehicles parked on the public highway. Indeed, with the different charging needs of each vehicle and the different charging adaptors available on the market, it would be reasonable to assume that the future is anything but clear in this regard at the moment. Biofuels and hydrogen technology are also starting to carve a path into the growing field of future means of propulsion.

What one does, however, need to question is whether we will be able to defend our huge dependency on the car and continue to keep owning multiple cars per household with the

expectation of having these vehicles parked on the public highway and even charged on the public highway. Today, it is more often argued that this space should be put to better, more sustainable and recreational community use. Sharing is fast becoming the mainstream concept when it comes to forging a path into a decarbonised future; of this I am also convinced. Shared use of resources, vehicles, mobility devices, indeed street space, means an equitable use of resources. Our public realm will need to be looked at very carefully over time if we are to achieve a sustainable future, not only for Gibraltar but indeed throughout the whole world. If we simply swap our regular diesel or petrol cars for electric vehicles, we will bring upon ourselves an ever-increasing need to mine heavy metals, cobalt and lithium at a cost to the health of other communities around the world. These practices have already been pointed out by the world's media to be especially polluting of rivers where even child labour is used to mine these resources in order to provide the chemistry required to produce electric vehicle batteries for the developed world. These processes destroy the fragile ecosystems in developing countries, pushing pollution out of the cities through the elimination of tail-pipe emissions but passing the environmental buck on to those producing electricity or the batteries that store this energy via other less sustainable means elsewhere. Indeed, research is showing that the environmental impact of the manufacture of electric cars means that an electric car needs to be driven approximately 80,000 km before its carbon footprint equals that of an internal combustion engine.

Currently, the focus in Gibraltar is on offering charging points within public car parks, but charging points will soon also be available at certain on-street parking spaces, where possible. Clearly, it will be logistically easier to provide charging infrastructure within private and rental parking facilities than on the street. There will be many challenges to overcome, including the need to consider solutions to hide and make safe unsightly cabling on streets to provide the necessary power at given locations. Nevertheless, Gibraltar needs to be nimble footed to be able to adapt to change. It may not be the end of fuel stations yet, as biofuel and hydrogen technology continue advancing and even the concept of battery fuel stations may see a proliferation of a different concept, where people purchase their car but lease the electric batteries. Shared car schemes and shared micro-mobility is gaining popularity, saving the user the cost of insurance, maintenance, depreciation and repairs while allowing the user a choice of different vehicles for different needs.

The Ministry for Transport is pleased to announce that following an agreement between Government and Plug-N-Go (Gibraltar) Ltd, Midtown car park now has available for use five electric vehicle chargers. The chargers are located on level 6 and they are the most recent generation of electric vehicle charging devices, including a direct charge fast charger. Access to the chargers can be achieved by downloading the application Plug-N-Go, which is available for both Apple and Android devices. Payment is on a pay-as-you-go basis. Further chargers have been ordered for installation at Europa Point car park and at Devil's Tower Road car park. These chargers are for public use. More areas are being identified as demand increases. Provision has already been made for availability of electric vehicle chargers for Government rental stock parking, with two chargers already installed at Harbour Views estate parking.

The Ministry for Transport installed a second new-style, car-shaped bicycle rack at Line Wall Road, an area that has seen an increased demand in bicycle parking. This bicycle parking solution sends a clear message for a more sustainable and environmentally friendly use of our public highway by using the space normally occupied by one single motor vehicle – in this case, a car – to park up to 10 bicycles. This adds to the growing stock of bicycle parking in Gibraltar and further encourages alternative and sustainable modes of transport locally.

In January of this year the Government was pleased to announce the rollout of the next Residential Parking Scheme, Zone 4. This new zone surrounds the West District from Marina Court in the north to Ordinance Wharf in the south, bordering with the RPS Zone 2 in the east. Residents with households within this zone boundary will be eligible to apply for a resident parking permit. This follows the successful rollout of Zone 1 in July 2017, Zone 2 in March 2018 and Zone 3 in June 2018 respectively, and more importantly continues to form part of our commitment to roll out

recommendations contained within the STTPP. The Ministry will monitor this new zone as well as all other existing zones to ensure that parking take-up provides the most efficient use of the existing street space for the benefit of residents and all road users, regardless of how they move.

I am also pleased to announce changes to the existing parking arrangements within Grand Parade car park. The Ministry for Transport and Traffic, following an active consultation process with the main stakeholders in Zone 1, namely the Alameda Estate Tenants Association, and residents within Zone 2, enhanced the parking zones. Consultation and stakeholder engagement plays an important part in the recommendations contained within the STTPP and it pleases me to continue to gauge users so as to make these schemes successful.

The parking stock for permit holders within Zone 1 was increased in July 2020 from 127 to 211, which was well received by residents, increasing their chance to find on-street parking in that area. Since the release of Zone 2, parking stock within the Town Centre zone has been reduced due to ongoing works and construction, specifically in the southern part of this parking scheme. To mitigate the impact, the north-eastern section of Grand Parade car park was allocated to Zone 2 permit holders only, with line painting designating 'ZONE 2' on the ground and signs erected to effectively differentiate the parking arrangements within the car park. As with Zones 1, 2, 3 and the newly announced Zone 4, changes of this nature will continue to be monitored and reviewed, with their respective parking take-up continually evaluated with an aim to provide more efficient use to the existing parking stock within the car park and within zones.

The Ministry for Transport launched a new pay and display online payment function. The launch of this web-based payment portal currently captures all existing pay and display zones throughout Gibraltar; however, further enhancements to this service will be added in future to include the possibility of paying online fixed penalty notices and any Government monthly rental car parking spaces, including the launch of a Gibraltar parking mobile application. New users are encouraged to create an account, where they will be able to store their vehicle's data and personal details for regular use, or alternatively they can log in as a guest to pay for parking for single, one-time use. A reminder email and SMS message will inform the user when the parking session is due to expire and with the added option to top-up, hence extending the parking time without having to return to the machine to pay and without having to attach a ticket to the inside dashboard of the vehicle. This allows much more flexibility and makes the system much more user friendly. Parking management officers will have access to real-time data of all parking payments without the need for this physical ticket. This, in turn, increases efficiency to enforce more areas within a given working day. An FPN will be issued to any offending vehicles with no record of payment.

Mr Speaker, some weeks ago a new, safe, segregated pedestrian walkway was created along South Barrack Ramp with the aim of providing safe passage for pedestrians, especially school children, so that walking may be considered a viable option by residents in this area. This new walkway will improve pedestrian accessibility to and from the nearby schools, bus stops and residential properties. Works at South Barrack Ramp have recently been completed with the installation of planters and barriers as a temporary measure to protect the walkway. Traditionally, pedestrians would walk along a road without a pavement, seeking refuge between parked cars. Current thinking worldwide is moving towards ceding space to pedestrians and raising the importance of the pedestrian to the very top of the hierarchy of road users. Pedestrians are the most vulnerable of road users and walking is the best way to keep healthy and to help the environment, and walking drastically reduces our carbon footprint. It is our responsibility to make walking, for those who wish to walk, as comfortable and safe as possible, to keep encouraging them to do so, whilst at the same time supporting those who feel that walking is dangerous to be able to consider walking instead of using their car. With this initiative, pedestrians and children now have a safe passageway where previously this was non-existent.

As a continuation of the walking infrastructure improvements seen at South Barracks Ramp, the Ministry for Transport will be introducing walking infrastructure improvements all along Prince Edward's Road from Hargraves football pitch to Forty Steps. The western section of this road will be segregated to allow for the safe passage of pedestrians, an area where it is deemed necessary

to connect other existing footpaths in the Upper Town, as well as providing safe access to clubs and out-of-school activities. The first phase of this project by Hargraves football pitch has already
640 been completed, with the remaining to be completed later, as soon as construction works at 73 Prince Edward's Road are complete. The introduction of this new demarcated footpath will result in the removal of 11 Zone 2 parking spaces. However, these have been re-provided within the ex-Queen's Cinema car park. The existing pay and display car park will therefore be removed, given the fact that there is ample parking availability within Grand Parade and Ragged Staff car
645 parks nearby and usage was seen to be low.

The Ministry continues to convene monthly Traffic Commission meetings, where applications from members of the public are submitted through this statutory forum with responsibility for traffic and parking-related matters in Gibraltar. All requests of this nature are brought forward, deliberated upon and either approved or rejected. The members of the Commission discuss these
650 applications objectively and collectively, and consciously deliberate on the merits of each individual application.

Further to and in conjunction with the traffic plan, the Ministry for Transport is working at developing improvements to mobility and accessibility and general sustainability in Gibraltar. The aim is to modify and redesign our streetscape over time, encouraging and making use of other
655 forms of moving, such as walking and cycling, and making the use of public transport more attractive with the aim of decarbonising our transport network in line with Government's commitment to reduce greenhouse gas emissions by 42% by 2030, as set out in the Climate Change Act. We are working closely with other Ministries to be able to improve the accessibility of our footpaths, introduce safe, preferably segregated cycling infrastructure and provide road
660 calming measures on certain roads that have recently been the site of concerning traffic accidents.

The Ministry's Technical Department is working on developing a Cycling Strategy, which will become a useful policy document in the future. This will provide Town Planning with a blueprint for the introduction of the required cycle infrastructure specifications, modes of construction and future locations for cycling lanes. We are fully committed to meeting the climate goals set out.
665 The Ministry for Transport is working with the Ministry for the Environment to provide ways of achieving a more sustainable transport network. The Ministry for Transport fully understands the perceived needs of the community for vans, lorries, cars and motorcycles on our roads, but also notes the number of single-user car trips being made, the often unnecessary and extremely short distances being travelled by car – with distances as short as 400 m to take children to school, for
670 example – instead of walking. Although all these journeys may still be financially possible for families in an affluent society despite the huge increase in fuel costs, these come at a cost to the environment and to our health.

I am approached by many people who wish to cycle for recreation, exercise and even as a way of commuting, and I am also approached by cyclists who want better infrastructure so that they
675 can be safer on the road. Many are scared to cycle with their children. There is a certain irony in the fact that most Gibraltarians will buy their children bicycles as a birthday or Christmas present, they will struggle to fit these inside the boots of their car, they will drive them to the lighthouse or find somewhere suitable where there is flat ground, they will teach their child how to balance and ride, and then pack the bicycle back into the boot of their car and drive them back home.
680 After a few tedious and bothersome trips of this nature to use the bicycle during the weekend, the bicycle will simply become a nuisance and will be left to gather dust on the external corridor of the flat, unless one lives in an estate with some common space that permits cycling. Unfortunately, many estates do not permit cycling. Almost as if a rite of passage, we seem to teach our children the long-lasting gift of balance, which will be critical come their 17th birthday
685 motorbike gift, their first motorbike. Nevertheless, rarely will anyone have forgotten that day we rode our bicycle for the first time unsupported and suddenly we extended the frontiers of our neighbourhood. We were free. I do remember, but it was a different world back then, definitely worse-kept roads then, yet they were safer and quieter with very few vehicles. Unfortunately, the modern child simply cannot enjoy this basic pleasure, on roads loaded to the hilt with vehicles

chugging dangerous fumes, stuck in bumper-to-bumper traffic, and then, during the less congested hours, having to face the noise of those turbos firing as cars and motorbikes speed between speed cameras and traffic light junctions. The child on his bicycle in Gibraltar simply does not stand a chance in the jungle that has become our road, and neither is there the space provided today within our urban environment. Unfortunately, cycling is one of the most dangerous ways of moving in Gibraltar, and this is something that we need to urgently address if we are to provide true equality within our streetscape for all user needs.

Gibraltar boasts of a complete road network, widespread pavements, an Airport and a Port, it has a free bus service and a taxi service, but the only infrastructure which is missing and which is vital in a modern city with green and carbon-neutral aspirations is cycling infrastructure. In fact, Gibraltar, like most other cities, over time has improved its offering to the very mode of transport that is most responsible for a great part of the emissions locally: the car. The car's presence on the road has grown so much that it has even led to cars creeping on to our walkways and pavements to the detriment of our pedestrians as vehicles get larger and larger and the need for wider parking spaces greater and greater. This has made the design and planning of bicycle infrastructure extremely difficult and most challenging, to say the least. The Ministry's Technical Department has risen to the challenge, and through determination and hard work we are developing a proposed cycling network that will span from Bayside Road south to Waterport Road, Bishop Caruana Road, Saluting Battery, Rosia Road, Little Bay, Keightley Way Tunnel and finally to Europa Point. The scheme has set aims to achieve the introduction of bicycle routes via a phased approach, using transitional pop-up bicycle lanes that can later be adjusted and improved on as necessary to ensure that the final construction optimises the new infrastructure. Where space on the road needs to be shared, a reduction in speed limit will be necessary to maintain safety for all road users. The scheme also aims to create more accessible pedestrian areas and the uniformity of road crossings to respect the needs of our community at large, including those with more specific needs due to medical and mobility issues.

The scheme aims to create a modern 15-minute city in Gibraltar, where you can travel and arrive at your primary destination quickly and safely within 15 minutes via a sustainable network of travel. Many cities are striving to become these 15-minute cities and yet we are already a 15-minute city by definition, as most of us can, in fact, access our destinations within 15 minutes in Gibraltar by walking – more so by cycling – yet we prefer to have a 30- or 40-minute city by jumping into our cars and getting stuck in traffic, causing detriment to the air quality of our home. Traffic is not something that exists of its own accord. Traffic is not another beast to contend with on the road. We are traffic, as the Financial Secretary often likes to hear me say, bringing a cheeky smile to his face. The team at the Ministry believes that the introduction of this bicycle infrastructure will allow the public to experience this new mode of transport and help reduce the use of the car in our city.

People will immediately associate me with bicycles. I am passionate about the bicycle as a means to get to places, keep fit and discover new places, but above all I am passionate about doing my bit to help the environment. Of course I like cars – in fact, I love cars – but I seldom drive if I can avoid it, and I feel better and healthier for it. I firmly believe that the bicycle is our means to a better, greener, healthier modern city. Lead researcher Dr Christian Brand for the University of Oxford said:

We found that those who switch just one trip per day from car driving to cycling reduce their carbon footprint by about 0.5 tonnes over a year.

This is a fact that we cannot consciously ignore. Leaving the car at home and walking or cycling means better air quality and better health, and collectively we can leave behind a better place for future generations. After all, this is what the climate emergency is about, and this is what the Climate Change Strategy is aiming for. Without everyone doing their bit and educating ourselves, our future cannot realistically be rosy. For the first time ever, in 2013 the death of a nine-year-old

girl in the UK thought to have asthma was attributed to air quality and her death certificate actually stated that air pollution was the cause of her death. This child lived near the South Circular Road near Lewisham in south east London. This is the severity of the situation most cities face, and Gibraltar is no different. Furthermore, we have to contend with a stuffy and humid microclimate that causes our air to linger and we are also in proximity of heavy industrial plants within the Bay which add greatly to our problem.

I now turn to the bicycle and the Ministry's initiatives in this respect. The bicycle, in one form or another, has been around since the early 1800s, but the development of the safety bicycle in the 1880s was arguably the most important change in the history of the bicycle. It shifted its use and public perception from being a dangerous toy for sporting young men to being an everyday transport tool for men and women of all ages. It was decades later that the first commercially manufactured car would make an appearance. At the time, the view was that the car would eventually do away with the bicycle, but in fact the bicycle has remained very much unchanged, whereas the car has had to evolve to survive, changing its shape and appearance, its use and its means of propulsion. With the dawn of the car, roads and streets slowly had to be adapted to the vehicles that would eventually change the way the world moved. I am firmly of the view that the bicycle will outlive the car; but regardless of my personal opinion, it is important and right to provide accessible streets for all to be able to choose their own means of travel, be it walking, cycling or whatever they choose.

Gibraltar clearly was never built for the car – the Upper Town and city within the walls is testament to that – yet 'new' Gibraltar, if I may call it that, has been planned around the car. Planning policy has traditionally sought to provide space for car parking in all but a few of the newest developments, and unfortunately, creating the space for a harmonious co-existence for these different modes of transport never happened. Roads were built, yet no provision was ever made for bicycles in those days. Today, planning policy is very slowly changing and the Ministry for Transport actively seeks to ensure that all development applications take into consideration modern needs and apply the latest thinking with regard to urban planning. The design of street space is critical if we are to move towards a greener future. No matter how much we enjoy our cars, it is easy to draw the conclusion that internal combustion engine vehicles – HGVs, cars and vans – all result in noise pollution, air quality deterioration, space challenges and the loss of potential and valuable recreational street space for people, families and children to enjoy.

Unfortunately, resistance to change is strong and the way ahead is potholed and with many obstacles, but this is certainly the direction we must try to travel if we believe that there is a climate emergency and that we need to be proactive against climate change. Otherwise, it makes little or no sense. Cycling is not for everyone, but neither are the bus or the car. The question here must be choice and to provide that choice, so that people may choose whether they drive, walk or cycle, but everyone must be allowed to do so safely and without fear. The problem is that cyclists often fear, especially for their children, and many parents will not allow their children to cycle on the road. Pedestrians often fear, too, the speed of cars, delinquent drivers, the sound of noisy, blasting turbo exhausts deliberately made to fire by rapid acceleration. Even those who drive on a Sunday for recreation often fear cars and motorbikes overtaking them. The key is respect, and unfortunately much respect is being eroded together with road etiquette, and this is fast becoming a big policing challenge across the board.

As part of our existing manifesto commitments, the Ministry is engaging with various stakeholders to allow Main Street businesses to make and receive deliveries all day by cargo bike and provide fiscal incentives for the use of cargo bikes for deliveries instead of via often old, polluting diesel trucks. Many cities are embracing the cargo bicycle as a real and serious alternative to the internal combustion engine. E-cargo bicycles are, today, capable of carrying huge loads and are relatively inexpensive to run and maintain.

The existing bicycle sharing scheme and the concept of bicycle sharing is currently under review. Bicycle sharing technology is constantly advancing and, as a result the Redibikes scheme, came to the end of its usable lifespan. It is well accepted that bicycle shared schemes form a very

790 important part of any city's active shared mobility plan, together with other, more novel means of personal mobility. Government will continue to explore ways of introducing shared personal mobility solutions as and when the time is deemed right.

New bicycle racks are continuously being rolled out at strategic locations around Gibraltar, with the latest additions being at Main Street South, Harbour Views Road, Casemates and John
795 Mackintosh Square. There are, as it stands, a total of 327 public cycle parking spaces throughout Gibraltar.

The Ministry for Transport is happy to be re-launching Pedal Ready, in partnership with the GSLA, during their summer sports programme this August. The aim of Pedal Ready is to prepare children for cycling by using games to develop their cycle handling and awareness skills. Such a
800 scheme offers our future generation the awareness and skills needed to adopt more sustainable travel options both now and in the future. Pedal Ready will also, over time, be offering short courses for adults to teach them the basic skills of safe cycling on the road, including road positioning and the new Highway Code. There will also be future opportunities to teach persons who have never cycled before to master the basic skills of balance.

805 The Ministry for Transport, in conjunction with the Department of Education, will seek to trial walking and cycling 'buses' once the Mobility, Sustainability and Accessibility Scheme has kicked off. This scheme aims to encourage children to walk and cycle to school. This initiative would be beneficial not only for the health of the nation at large, as studies have shown that exercise before school improves concentration as well as providing known positive effects that exercise brings,
810 but will also help to reduce the number of cars on the road during peak school drop-off and pick-up times, as children will be encouraged to walk in a supervised manner with their peers as a sustainable and healthy means to travel to and from school. This will, hopefully, lead to fewer school car trips.

Mr Speaker, the Department of the Environment, Heritage and Climate Change, in conjunction
815 with the Ministry for Transport, is currently drafting anti-idling legislation. Research shows that an idling vehicle can emit up to 20 times more of certain pollutants than the same vehicle travelling at 50 kmph. These microscopic pollutants can cause asthma and worsen chronic illness such as bronchial disease, lung cancer and emphysema, and can be particularly damaging for children. By introducing this legislation, we hope to raise public awareness about the damage that
820 can be caused to health by leaving vehicles idling unnecessarily. The powers under this legislation will mean that anyone who leaves their engine running unnecessarily while not in use can be issued with a fixed penalty notice if they do not turn off their engine when told to do so. The introduction of this legislation is just one measure the Government is looking at to improve local air quality. Clearly, this initiative is only possible when the whole population works together and
825 understands the importance of reducing emissions in this way. Most modern cars already prevent unnecessary idling by cutting their engines out automatically when stopped, but this is a function that can be overridden manually in some cars. Idling is an even worse problem in older vehicles, especially when some drivers refuse to switch their engines off in order to keep their air conditioning running and their cabins cool.

830 The Ministry for Transport, in partnership with the Department of the Environment, Heritage and Climate Change, is currently investigating the possibility of introducing a low emission zone in the heart of our town, Main Street, in a bid to improve air quality in an area which sees many old diesel trucks delivering goods during the delivery times. Such a scheme could introduce a permit fee to discourage the use of these highly polluting vehicles to drive through Main Street
835 and bring about a transition to newer and less polluting delivery vehicles such as electric vehicles or plug-in hybrids. The Ministry has already met with the Chamber of Commerce to discuss the introduction of a low emission zone along Main Street. The proposed policy of this low emission zone is currently being drafted and we have engaged with various stakeholders to allow Main Street businesses to make and receive deliveries all day long by cargo bikes. A fee would be
840 considered, by way of an access permit, which will be incrementally raised annually for delivery vehicles within this low emission zone which are not environmentally friendly. The proposed

scheme has been well received in principle and we look forward to working closely with our local businesses to see how we may be able to make this a reality in partnership. Permit fees would depend on the emissions of each vehicle, and certain sustainable modes of transport would enjoy longer delivery times in Main Street.

The purchase of two latest-technology handheld speed camera guns with photographic capabilities for the Royal Gibraltar Police was approved in Cabinet following a request by the Commissioner of Police in order to improve the policing of speeding offences. This system does not require a police officer to stop a vehicle, as the photographic evidence means that these handheld devices work similarly to a static pole-mounted speed camera.

The Personal Light Electric Transporters Bill is now drafted and will be brought to Parliament very shortly. The legislation will provide these devices a sound legal framework which will allow these vehicles to operate legally and safely within Gibraltar. It will define the personal light electric transporters, or e-scooters, that fall within this special framework and will focus on safety, and, for example, make it a requirement that an operator of a transporter wears appropriate protective headgear, further setting a minimum age and speed limits. The Bill will also amend the Traffic Act to ensure, for example, that the offences which can be committed by cyclists are replicated for operators of personal light electric transporters. The amendments to the Act will allow amendment of existing subsidiary legislation to ensure that it is clear that operators of these personal devices are required to comply with the rules of road safety that apply to the users of other vehicles.

The updated Gibraltar Highway Code is now completed and should be available online shortly. There will also be a printed version available to the general public. The new Gibraltar Highway Code, which follows the new UK Highway Code and standards, takes into account relevant changes made in the UK Highway Code. This new code reinforces new rules and, most significantly, provides increased priority to the most vulnerable – the pedestrian and the cyclist – within the modern streetscape. The Ministry has been working very closely with the Royal Gibraltar Police and the chief examiner at the Driving and Vehicle Licensing Department, who are the principal stakeholders in this document.

In preparation for the introduction of cycle lanes in Gibraltar, the Government Law Officers are currently in the process of drafting regulations concerning the use of, as well as the exclusions on, the use of cycle lanes. This legislation will also include the introduction of an offence of dangerous overtaking of a cyclist.

The draft Bill for the implementation of a penalty points system is now complete and ready to go before Parliament. The software back-office solution is nearing its final stages and should be ready ahead of the Bill being brought before Parliament. All ancillary documentation and processes have now been prepared. We aim for the system to be up and running very shortly after the Bill is enacted.

The Ministry is finalising plans for the introduction of advanced stop lines for cyclists at certain specific strategic locations. New legislation would need to be published for these new road improvements, so that they are enforceable and used as intended.

Mr Speaker, I now turn my attention to the Driver and Vehicle Licensing Department. The DVLD has had an extremely challenging two years, due to all the necessary amendments to legislation and additional requirements when driving in Europe. This has proven challenging at times, with the DVLD team working closely with the Government Law Officers, DVLA (UK) and HM Government of Gibraltar Office in Brussels in order to meet the imposed deadlines.

The Driver and Vehicle Licensing Department has embraced and used information technology as a tool to achieve a better and more efficient service to our customers. To date, it offers a total of 13 online services and applications via the e-government portal. The Department is in the process of providing further services in the coming months. The DVLD continues to see considerable demand from its service users and also offers its services through its public-facing counters, which includes a dedicated business counter. The Department has managed to maintain very reasonable waiting times and expedite tests for students and those requiring driving licences

for work-related matters, despite the increased workload. The introduction of the express service is providing our local dealers with a next-day service for new vehicle registrations, duplicate certificates of registration, change of ownership and motor vehicle particulars. We are looking forward to introducing an express service for driving licences in the near future.

With regard to special driving licences, such as categories for buses and heavy goods vehicles, the Department arranged for a Driver Certificate of Professional Competence trainer from the UK to come to Gibraltar as soon as the COVID restrictions were lifted. This allowed all existing licence holders to undertake their respective refresher update courses and new applicants were able to meet the stringent requirements of these licence categories. The courses were delivered by an approved UK instructor.

The compulsory basic training (CBT) continues to be a huge success and continues to receive very good feedback, especially from parents. I am very proud to have introduced this for motorbikes back in 2013, which has improved road safety, mainly for teenagers driving on our busy roads. The Government of Gibraltar is pleased with the success of the compulsory motorcycle basic training course, almost 10 years after its introduction. This important course continues to ensure that every person demonstrates a minimum level of skill and competence before being permitted to drive on our roads. I cannot emphasise the importance of this training, which is delivered by qualified motorcycle instructors, and I am confident that this compulsory procedure will continue to help prevent serious injuries and accidents on the roads in Gibraltar.

I am proud to announce that following the successful MoT booking system developed by ITLD, the Department is now working to introduce a full online booking service for the CBT, to include theory and practical motorcycle riding test components that will allow service users to choose their own bookings online, providing a quicker and more efficient service to the public.

Continuing with road safety, the Government has invested in new brake rollers for the Certificate of Roadworthiness tests – otherwise known as MoT tests – within the Test Centre. These will help vehicle testers when examining vehicles. Continuous investment and improvements are the best way to ensure further road safety, and the Government is fully committed to this. Environmental matters are also of importance, and the Motor Vehicle Test Centre boasts the latest equipment to test vehicle emissions. The equipment fully complies with the EU testing legislation and is in line with the manifesto commitment for a greener Gibraltar. By conducting these tests, our vehicle testers can establish if any part of the emission system of a motor vehicle has been tampered with, removed or otherwise illegally modified.

The DVLD has come a long way in establishing a database link with other member states in accordance with EU directives. The DVLD shares vehicle information via the European Register of Road Transport Undertakings via the Driver and Vehicle Services Agency. The European Car and Driving Licence Information System is another example of the information exchange software system that the DVLD uses to provide the necessary framework to other countries in order to share their car and driving licence registration information.

Mr Speaker, after a brief stop due to the pandemic, the taxi city service has been fully restored and with the help of our transport inspectors the provision of the city service will continue to be monitored. The Government works closely with the Gibraltar Taxi Association to try to improve the service being provided. I am also pleased to announce that Gibraltar now has its first Electric Taxi within its fleet.

The Transport Commission meets on a regular basis to consider applications for a wide range of transport licences. The Commission also considers all transport-based complaints received from users of our public services. I must thank all members of the Commission who give up their time regularly to provide and deliver the statutory responsibilities of this forum to all.

The Transport Inspector team provides cover on the ground to police transport-related activities throughout Gibraltar. Their duties include the overseeing of our taxi and bus services and the inspection of the taxi provision service at the Airport. Furthermore, the transport inspectors oversee the provision of the taxi city service throughout the year and ensure that all

945 permits to access pedestrianised areas, particularly those accessed by commercial vehicles, are adhered to.

With Brexit came the requirement to make changes to our present driving licence format, which included the removal of the EU stars from our licence cards. As from 3rd May, Gibraltar has been printing and issuing the latest model of driving licence as currently used in the UK, with our
950 Gibraltar issuing authority label. These cards have been printed within our Test Centre's newly refurbished facilities, reducing the costs of production. A new MoU has been signed with the UK, reducing further the cost of our blank cards.

Finally, I would like to take this opportunity to thank the entire team at the DVLD for their hard work. They have managed to ensure a continuity of service and introduce substantial
955 improvements throughout the entire Department during somewhat challenging and uncertain times.

Mr Speaker, Gibraltar's buses are a key and very critical part of transport within the STTPP. Encouraging modal change also requires an efficient and reliable bus service, and the Gibraltar Bus Company provides exactly this. There is little reason not to consider the bus offering in
960 Gibraltar, which is predominantly free for locals except for the night bus services. The Bus Tracker app has been revolutionary, putting the bus service right into the hands of the user. The request stops at certain bus stops have greatly improved the service timing and made the ride more comfortable for both the user and the bus driver. Nevertheless, we would like to see greater take-up of the bus service throughout the whole community. At present, the bus service is used
965 predominantly by school children and the over-60s group. This results in a massive take-up during the morning and at school times and very low usage during the day and weekends. The school bus routes, operating every weekday during school term, continue to be a success. This service tackles the issues brought to our attention by users who were concerned that route buses were full at school peak times. The Bus Company shares a hopper ticket with Calypso Transport. The hopper
970 ticket – or hop-on, hop-off – enables visitors to Gibraltar to make the most of Gibraltar's attractions within the city centre and other areas located within the lower reaches of the Rock at their own pace throughout the whole day. The bus hopper ticket can be used on all of Gibraltar's public buses. We will continue to explore ways to improve the current service.

I would like to thank all those down at the Gibraltar Bus Company, the bus manager, his
975 management team and all the bus drivers, who work long hours, day, night and into the early mornings on the weekend night buses. They provide a service so that we may go out and enjoy the nightlife safely and sustainably.

Parking enforcement continues to be a massive challenge in a town with one of the largest vehicle ownership rates in the world. The sheer volume of cars means that there is a constant and
980 daily battle to find a place to park these cars. Often, cars park illegally on pavements and abuse the zone parking rules. This provides a massive challenge to provide all-year-round enforcement. To this end, parking enforcement has had to evolve to rise to the challenge. During lockdown, with very quiet streets, GPMSL took the opportunity to install all the required smart parking sensors within the pay and display areas. This technology would prove essential with the development of
985 other projects which followed, and 2022 saw the soft launch of a mobile phone app and website branded simply Gibraltar Parking. This is our local implementation of SmartParking technology. Using a sensor placed under each parking space, the online map shows drivers which bays are available for use. Before the introduction of this system, drivers would need to drive around looking for a parking space, but this new technology directs users to the empty spaces in the area,
990 helping to reduce the need for driving aimlessly and speculatively, and therefore provides an environmental benefit.

Further investment has been made in the operator control room. Operating around the clock, the control room team watches live CCTV feeds from all of our car parks and other relevant sites. Through secure website portals, the controller and his assistants can see the status of the pay and
995 display machines, the SmartParking sensors and other systems, including the bollards at Casemates Square. These open and close automatically on a daily basis for cleaning and deliveries.

They are also programmed in advance of special events such as the recent visit of Prince Edward and the Countess of Wessex, where maximum security is achieved whilst allowing remote opening from the control room in the event of an emergency.

1000 The pandemic saw a move from people willing to queue in public areas and wait in line to be attended to in the traditional counter environment to opting for smarter, online services. Gibraltar Car Parks did not have a website before the pandemic. As local restrictions were imposed, a website was developed in house. Important documents were converted from paper format to online, tested and then made available to the public. All forms which were previously only
1005 available in paper format at the public counter were added to the website and can now be accessed online.

Post COVID and with the introduction of alternatives to cash payment systems at pay and display machines, we have seen a reduction in cash payments generally, and these are seen to continue to drop over time. Over the past three months, cash payments have dropped further to
1010 35%, from 46%. This makes for a more effective service, as via the app paying for parking can be done remotely if a person needs to extend their parking time within the limits set within each parking area. It is the hope and aim to be moving to cashless systems in the near future.

Mr Speaker, in conclusion, I would like, again, to thank all those working within my respective Departments, most of whom I have got to know personally throughout the years and with whom
1015 I enjoy and share an invaluable professional relationship. I would like to thank all management, technical and administrative staff at Technical Services, the Sewer section, Highways division, the Garage and Workshop personnel, the Gibraltar Bus Company staff, its drivers and mechanical staff, and those involved with parking management and enforcement. I would also like to thank management and all the staff down at the DVLD. Finally, I would like to thank my Ministry and
1020 technical team for their efforts throughout the past year. I also wish to thank all parliamentary staff for their hard work and assistance.

This has been the toughest Budget speech, ever, for me to prepare. When one's body and mind was elsewhere for weeks on end and at a time when I needed the most support, much welcomed support came from an unexpected source. I would like to give my heartfelt thanks to someone, a
1025 public servant whom I got to know very well over the years I have been in Government, a person I have worked closely with and travelled with on Government business in the past and who kindly offered to assist me during the latter stages of the preparation of my speech, giving up his family time after working hours and during two weekends, even while overseeing the children at the pool. You know who you are, and I am most grateful.

1030 This one is for you, Dad.
Thank you. *(Banging on desks)*

Hon. Chief Minister: Mr Speaker, I wonder whether this might be a convenient moment before the next sonoric contribution from Mr Bossino, to take a 15-minute break.
1035

Mr Speaker: The House will now recess to 10 past six.

The House recessed at 5.52 p.m. and resumed at 6.13 p.m.

**Appropriation Bill 2022 –
Second Reading –
Debate continued**

Mr Speaker: The Hon. Damon Bossino.

1040 **Hon. D J Bossino:** Thank you, Mr Speaker.

I rise to set out the GSD Opposition's contribution in the areas of tourism, housing, heritage, planning and lands.

On the tourism statistics, the general point to make is that they have not been as assiduously updated online of late. I am not clear why that is the case. The cruise liner statistics are the exception, with the last updates online from June this year. This is particularly helpful when one considers that the Tourism Survey Report was only laid before the House yesterday, the very day the debate on the Appropriation Bill started. By comparison, the figures for Upper Rock visitor numbers end in July 2021. When asked for updated figures in respect of the various tables which comprise the Tourist, Air Traffic and Hotel Occupancy Survey Reports, the Minister, rather unhelpfully, declined to provide the answer, telling me to await the formal issue of the reports. It is not clear what the reason is for the delay or refusal to provide the answer in response to a parliamentary question. Is it that the Minister is less than keen to provide updated information in a transparent manner? Or is there a more innocent explanation, that administratively it has not been possible? I do not propose to make a value or political judgement at this stage, other than to say that, whatever the reason, the Opposition, but more importantly the public, are having a disservice visited upon them and I urge the Government to rectify this.

For an analysis of the statistics which were available at the time of preparing for this contribution, one would need to focus on the cruise liner figures. What these show is that there is clearly a much welcomed improvement in a post-lockdown world. I use those words advisedly, because it would be inaccurate and clearly overly optimistic, in light of increased infections – and we have one of our own currently undergoing the condition – to describe the current scenario as 'post-COVID'. There is a significant jump in the number of passengers from March 2022 to April, of 11,867, an increase of almost 60%. Although slightly down from April, this May's figures are looking promising at 20,479. If that statistic is compared with the immediate post-lockdown monthly average from July 2021 to March 2022 of 3,740, it represents a further sign of recovery in this sector. This is to be welcomed and we do so from this side of the House. We are not, however, quite there yet. This statement is backed up by the comparison which can be made with the same months, i.e. April and May, in 2019 when the number of people arriving via cruise liners stood at 32,000 and 36,000 respectively, compared with 20,500 and 20,400, again respectively, for this year.

We hope that we can regain the share of the market that we once had. This requires energy and focus and should, quite properly, be private sector led. As someone who has been described as being on the centre-right of the political spectrum, the view that the private sector should take a lead and incur the expense of marketing and business development in order to bring more business here has an inherent ideological sense to it. This is not to say that the Government should not play its part.

From a very macro level, Gibraltar faces stiff competition. Gibraltar Port is having to contend with an increased dominance of the Cadiz and Malaga ports. Indeed, there has been talk for some years of La Linea itself also operating a cruise liner port. It will not be lost on Members that this is competition which has the potential of becoming even more acute should we accede to the Schengen space in the event of the much sought-after deal with the EU becoming a reality. Coach tours to Gibraltar will be able to be sold, say from Malaga, as is done from the Roman port of Civitavecchia to the Eternal City, which entails a two-hour drive, not dissimilar to what it would take from Malaga to here. If La Linea did ever become a reality in terms of cruise liner provision, the effect would be obvious.

In other statistics which are more contemporaneously available – coach passenger arrivals – we also see a similar picture of improvement, albeit not to the same pre-pandemic levels. The figures for January 2022 stood at 731, and as at May they stood at 14,320. The comparative figures for 2019, however, were 7,246 and 27,100 respectively.

1090 The information we were given yesterday with the laying on the table of the Tourist Survey, Hotel Occupancy and Air Traffic Survey Reports for 2021, shows that the overall tourist expenditure has risen from £97.51 million in 2020, which in itself represented a vertiginous drop from £307.57 million in 2019 ... is now starting to creep up, albeit slowly, to £128.19 million in 2021.

1095 The hotel occupancy figure is still comparatively low at 59.6% in 2021, although increased from 46.6% in 2020. We see a similar story with air arrivals, where there is a slow pick up in numbers but certainly not the high numbers that anyone listening to the Minister would think were arriving each time he announces a new airline coming to Gibraltar, which, as we all know too well, never materialises in anything serious or long-lasting.

1100 Dwelling on some of the measures announced yesterday – the Sustainable Tourism Tax of £3 per person per night of hotel stay and the £1 per cruise liner passenger – we on this side of the House have initial doubts as to whether this revenue-raising measure now, at this precise moment when we are in the throes of a recovery of a severely and badly hit sector, is the best decision. Historically, Governments and Oppositions have argued over how one party or another has fared in bringing more visitors here, but I think we need to spend much more political time and energy in analysing what it is that we offer those visitors once they arrive. I am told, for example, that there is a particular challenge to get passengers off the liners. Here, we face competition with the liners themselves, given the full array of amenities and comforts which they offer on board, such that passengers need to be persuaded to come onshore. Liners, as will be expected, will go to where it is more profitable for them, and shore excursions are where they get a lot of their income and revenue. It is not yet known, in those circumstances, what the effect of the £1 surcharge will be on things. This is where the competition is tough. This is where everything that we can do to improve the much-needed footfall on our streets must be done, from effective marketing on board liners to providing a Rolls-Royce, fully integrated transport service, to the cleanliness of our streets, to high-quality customer care, to improving on our prices. A tall order, I know; a tall order which I think has eluded us for far too long. I say so in the least partisan of ways. As Gibraltar, we cannot afford to rest on our laurels. We have to accept the huge blow which the pandemic has brought in its wake, particularly in the tourism sector and the consequential impact on our economy.

1120 In figures – and to put this in context, the figures bear repetition – the Tourist Survey Report of 2019 clocked tourist expenditure at £308 million. That dropped to £98 million, a whopping £210 million, as a result of the pandemic. We, all of us, need to ensure that we do our bit to improve what we have to offer, and I am confident that it can be done. We, on this side of the House, are excited to offer the electorate, at the next election, our ideas in this sphere. Our view is that fundamental to that offering is that there is proper strategic thinking to be done – an opportunity which we thought the Government lost during the lockdown period, as I put to the Minister in the televised debate we had in January.

1130 We are fully conscious and aware of the amount of activity that this small area of the world has to put up with in order to provide what is, on any objective view, at least currently, a high standard of living. We have an Airport, a Port, a dockyard, a financial services industry, a vibrant construction industry etc. All of these features have an impact, for example, on how clean our streets can be kept or how pristine our buildings can be maintained, or, indeed, how busy with traffic our roads are. This is why we need to take stock, do a bit of naval gazing and honestly and truly ask ourselves what destination do we want to be. Should we be a day visitor destination, or do we want tourists to stay in our hotels? What type of hotels should we offer, if so? Once we answer fundamental questions like these, we will be able to inform the decisions that we take, in full partnership with the operators within the industry, in driving policy in this area. Our further

view, in terms of basic themes which should drive policy in this area, is that there has to be much more joined-up thinking. The Tourism Department needs to talk to Culture and Sport – indeed even Education – under one umbrella and co-ordinate approaches in a formal way. Culture and Sport bring people here, and that must be harnessed as part of our tourism and visitor experience potential, and educators must be brought in to encourage people to pursue career paths in the hospitality sector.

I must say we are concerned at the answers we received when we asked detailed questions in connection with the Minister for Tourism’s extensive travels. There is one currently on the Order Paper still to be addressed, in relation to his trip to Bangladesh during the same period that he could have been at the Madrid Travel Fair in FITUR, which he failed to attend. There appears to be no focused strategy, other than the clocking up of air miles and an almost obsessive desire to get a picture taken with the latest political or business celebrity in order to then publish it in the press with a standard quote saying how good and beneficial the particular trip or meeting was. *(Banging on desks)* It may do wonders for his scrapbook, but what does it do for Gibraltar? He runs the risk of becoming identified as a stalker and security risk *(Laughter)* by the security details of famous personalities if he carries on this way. Where is the analysis as to why it is more productive to go to one event over another? What SWOT analysis is made as to what is likely to come of a trip? What business has been generated, and, indeed, is it worthwhile attending again? Was the money, which is increasingly in short supply, well spent? We got absolutely no sense of that – with the greatest of respect to him – which, sadly, is not surprising but is, nevertheless, highly concerning. Simply to flag that, at this stage, as regards the money, the information we have now indicates that the Minister himself – i.e. excluding his delegation, only him – has cost the taxpayer, in travel alone – for him, I repeat, not his delegation – £28,527.45 in just one year.

Chief Minister (Hon. F R Picardo): Money well spent.

Hon. D J Bossino: The appointment of the new CEO of the GTB has the potential of providing that new impetus and strategic leadership, and we wish the individual well.

Hon. Chief Minister: It’s your brother!

Hon. D J Bossino: As the House will know, our main quarrel with the Government was the location from which he would conduct operations. It became the subject of heated debate. They insisted it should be London on the grounds that it was our main source market – although arguably, we would say, this is Spain – whilst we said he should be here, at the destination he will be wanting to sell. In this connection, we had a rather vague smoke-and-mirrors response from the Government, which is their wont, in a recent question and answer session here. That half-response spoke more to a childish avoiding of an admission that there has been, we suspect, a change of policy and thereby avoid the ‘I told you so’ reaction from this side than anything else. Eventually, the truth will come out.

I fear, however, that the Minister will continue to want to feature heavily when, say, we have an inaugural cruise liner arrival with picture and plaque in tow, or showcase his last visit to some conference or other, all in a misguided attempt to improve his ratings. He has, after all, been associated more with flops and failures – Volotea, Eastern Airways, Wizz Air and, I dare say, Line Wall Road very quickly come to mind *(Interjections)* – but I would urge him to give the new appointee wings. I say this not because of the filial connection, as I would be urging him to do so whoever the CEO may have been, but so that the significant salary is properly put to good use. The Minister’s career may not have taken off, but that does not mean that he should bring others down with him. Finally under this head, I need to highlight to the House the concerns that have been expressed in the context of the employment situation within the Gibraltar Tourist Board, with recent complaints expressed publicly about employees being transferred unwillingly or

employees leaving because of the Minister's despotic manner. This is borne out by the reduction of four in the overall staff complement in this Department, from 24 last year to 20 this year.

Our housing needs continue to be an issue. The waiting list figures available online as at April still show a total of 763 waiting to be housed, with the greatest demand being placed on the 1RKB category, standing at 532. There is also a rather persistent figure of 200 applicants on the pre-list as at April 2021, which are the latest figures online despite the table having been last updated in May 2022. It is welcome to note a decrease from February to March, from 1,183 to the 763 figure that I have just mentioned from the general waiting list, i.e., excluding the pre-list. The anecdotal evidence that we receive as an Opposition, however, continues to be that housing remains a persisting social issue of concern, with many of the approaches we deal with relating to housing.

The Public Services Ombudsman in his report confirms this when he states:

Complaints against the Housing Authority continue to remain top of the list of departments attracting the highest number of complaints.

I also quote my friend, the former Opposition spokesman for housing Mr Reyes, when last year, in this very debate, he said:

the reality today is that there is a need for housing and it is the most vulnerable in Gibraltar who are suffering the worst. Most of the meetings I hold with constituents are about housing matters ...

I can confirm that that is my own experience since I was given this responsibility recently. We hear of families in nine-square-meter accommodation who have been waiting to be housed for years on end, some for seven to eight years, or other cases where there is an inexplicable failure to rehouse tenants while they continue to live in squalid conditions. The physical and psychological effects that these individuals have to endure are almost too much to bear, but bear it they do with resigned patience.

The inevitable conclusion that one comes to is that the system is simply not working. The Housing Allocation Scheme is still under review and we eagerly await the soon to be published new rules. As matters stand, however, there is a need for a radical shake-up. Firstly, our policy to create separate lists to buy and rent would be expected to both reduce the list and identify who is in real need of social housing. Secondly, this policy, coupled with our further policy in government to grab the bull by the horns and introduce means testing would help us to further target those in real need. The Minister's reply on this was, in some ways, and with respect to him, underwhelming. In essence, it boiled down to a supposed administrative challenge which he claimed results in PAYE earners suffering unfairness when compared with the self-employed. Are we really not pursuing what surely we can all agree, on all sides of the House, is a fair system because something, somewhere is failing administratively?

We need to move away from the concept that there is an entitlement to a fully funded, state-provided home irrespective of your wealth to a system which acknowledges that there are people who are in genuine need of social housing, with the state focusing assistance on these individuals and not others. We make absolutely no bones of our view that housing of this nature should be targeted at those individuals. Persons on low income or with specific medical or other special needs should be helped, and not others. How many of us hear stories of luxury cars leaving government estate parking lots, for example? This needs to end. There should also be much better monitoring of those who claim that they live in government rented accommodation but in fact live almost permanently in Spain. This is an abusive practice at various levels, as they hog much sought-after social housing subsidised by the taxpayer and benefit from other state-funded help in education or free parking. In respect of supported housing for the elderly, here too we need to see a fairer system in place, in which homeowners who have sacrificed life's luxuries to fund a mortgage and own their own home ... should be treated less fairly and are indeed discriminated against when compared with other individuals who may have done very well for themselves, may

be in receipt of a healthy government occupational pension, lived on a government estate and therefore paid very low rent during their working life and also, to boot then been granted assisted living. This is unfair and should also be stopped. On rental arrears, the figure remains stubbornly and depressingly high, at £4,486,558.25 as at April 2022. I will not stand here and point the finger at the Government. This is a problem which I am sure is complex to resolve, but more thinking must be done to bring that figure down. Gibraltar's public purse simply cannot afford to see this type of abuse as a permanent, long-lasting, perennial feature. Something more needs to be done.

We are still waiting for progress on the new Housing Act. Here we need to see the introduction of a fairer system, where private landlords are able to make a profit on their property and thereby allow them to properly refurbish and improve the housing stock they own while at the same time prevent abusive action being meted out to tenants. The balancing act here is to prevent abuse in both directions, from tenant to landlord and from landlord to tenant. We eagerly await the arrival of the new legislation to see if that balancing act has indeed been achieved.

On affordable homes, the long-suffering applicants have experienced woeful delay in respect of, without exception, all developments, whether it is Hassan Centenary, Bob Peliza Mews or Chatham Counterguard. The current dates that we are looking at, according to the latest replies we have had from the Minister, range from July 2023 in respect of Hassan Centenary to anything around the 2024-25 mark, depending on site clearance issues in respect of the other two. All of this clearly creates financial burdens for some who are making payments towards the financing of their new flats while in some cases paying for their current accommodation. The delays are also having an effect on those young people who are having to put their lives on hold until the flats are built; all of this in the context that the originally promised completion dates were, in at least one of the cases, pre-COVID. Indeed, their press release boasted at the time – this is in 2017 – of 'hundreds of new homes as from August 2019'. When Chatham was announced in July 2019 the envisaged commencement date for construction was the last quarter of 2019, months before COVID hit us. As matters stand, not one brick has yet been laid in respect of this development and Bob Peliza Mews. Indeed, not that many bricks were laid before COVID struck, so on this occasion the pandemic cannot be reasonably used as a cause of the delay, and it will not be lost on anyone that the announcements of the construction of these estates benefitted them electorally in 2019, yet they have failed to deliver.

We need to pause and make further plans for the future. We need to ask ourselves what are our housing needs for the next five, 10 even 15 years. We now hear of cases of individuals who would have been in their late teens when the first announcements were made in September 2017, who do not now have access to affordable housing and there is no prospect whatsoever in sight of them receiving a flat any time soon. The current Eastside project only caters for 100 flats. We are staring at a missed and forgotten generation who must be catered for.

It is also important to plan for the housing needs of people with disabilities. We need to ensure that there is provision of appropriate housing, including specialist and supported housing. This is crucial if we are to help them live safe and independent lives. Unsuitable or unadapted housing can have a negative impact on disabled people and their carers. It can lead to mobility problems inside and outside the home, poorer mental health and even impact on their employment prospects. Without accessible and adaptable housing, disabled people risk facing discrimination and disadvantage in this area. We need to recognise the diverse range of needs that exist. Disabilities can include people with ambulatory difficulties, blindness, learning difficulties, even autism and mental health issues that will generate a range of housing requirements which may themselves change over time. I understand that it is an administratively difficult issue to grapple with, but to enable disabled people to live more safely and independently the Ministry for Housing needs to engage much more in ensuring that any future planning considers the variety of needs. It makes sense from our perspective to build accessible housing from the outset rather than have to make fundamental adaptations at a later stage. Such an approach is bound to make financial savings into the future. Appropriately built flats should be included in all new developments,

1285 where possible. We hope to make future announcements as to our plans for government in this connection at the appropriate time.

On a separate note, arising from the figures, I would simply point out that the Housing Works Agency – I think this was mentioned by my friend Mr Reyes – is expected to receive £1.9 million less from the Improvement and Development Fund than the forecast outturn for 2021-22, as that
1290 is the amount by which the expenditure on works and repairs is going to suffer this coming year, and we will need to analyse that during the course of the next few months.

On planning, we see the same lack of overall strategic thinking we referred to in the context of tourism. It is acknowledged and appreciated on this side of the House that in a place so small – and I make a similar point I made earlier – over which so many demands are placed, it is very
1295 difficult to strike what are often very challenging balances. Nevertheless, more needs to be done, both strategically and innovatively, to counter the obvious failing of the current Government.

Let's take the question of addressing our housing needs. The Chief Minister has spoken of the only way being up, due to the shortage of land mass. Others from a heritage or well-being perspective would focus on the negative impact that tall buildings have not just on the aesthetics but also on the effect that the changing face of Gibraltar will have on its beauty, history and, critically, on community cohesion between the entitled and deprived. In the context of the recent application for the Caleta hotel development, we saw those tensions at play. We have, on the one
1300 hand, an entrepreneur who, let's face it, wants to invest to make a profit, and there is nothing wrong with that, but in the process we are creating an eyesore of a building which will gravely impact the Catalan Bay area, an area which is already the subject of building pressure on both its southern and northern ends. We raised the serious bulking concerns that we had at the time, but they have been ignored.

We firmly believe that development needs to be tempered by moderation and the right to build by the right design. Too often we are building nondescript monoliths that mar Gibraltar. Surely it is a sad indictment of Gibraltar's modern builds that the last major development inspired
1310 by our British colonial Mediterranean heritage – and it was done during their last period in office – is the Queensway Quay in the 1990s. Big does not need to be ugly. We are fast ending up with both.

In respect of the developments around Catalan Bay, it is worth quoting the words of one of the objectors, who described its 'excessive massing' and talked of the design being 'overall incompatible with Gibraltar's urban character, which is a key aspect of Gibraltar's tourist appeal' with the further, very valid question 'What is the point of economic development if we lose our cultural identity in doing so?' I quote him further because I think this encapsulates in a very nice way what we referred to last year during this debate:
1315

Buildings should be designed to fit in and not stand out. Our future should not be condemned to live in a cluttered smorgasbord of anonymous towers to a mere facsimile of Benidorm or Dubai, totally cultureless and devoid of charm having sacrificed any sense of its own history and cultural identity in the name of progress and profit.

A Member: Hear, hear.

Hon. D J Bossino: In the event, the project received outline planning permission, with the Ministers sitting on the DPC board predictably voting in favour. Unfortunately, in a DPC packed
1325 with civil servants it is not hard to believe that where Ministers lead others are likely to follow. Open DPC board meetings does not make them less susceptible to often-heard accusations of ministerial interference at worst and cajoling at best. The volume and massing of the Catalan Bay hotel have been accepted by DPC, the design is set to change, yet given existing evidence we are sure that the end result will still be a singular blot on the Bay's Italianate heritage, to the detriment of Gibraltar PLC. On the Eastside project, too, we see the same tension playing out in a highly significant way, where we have the pressing economic and social needs of this housing, should the development proceed, offset against the deep concerns of the Catalan Bay residents and
1330

others along this area about the wholly negative effect the marina will have on the environment there. Any destruction of the sea, beachfront and wider environment here would be an unforgiveable mistake and an enduring blight which we will be passing onto future generations.

In terms of the DPC proceedings themselves, I must say that I share the view of Eileen Gomez in the *Gibraltar Chronicle*, in which she states:

but as project after project receives planning approval, for many people there is an inescapable sense that their genuine concerns are not being properly heard.

This is the very sense that I personally got when witnessing Mr Riddell make his submissions to the DPC in the context of the Eastside project, a veritable David against Goliath, a man against big business and entrenched power. Unfortunately, in this instance it is not looking good for David. This is why the DPC needs further reform. It is no longer fit for purpose. (*Interjection*) Under constant ministerial scrutiny it is in real danger of just existing to rubberstamp Government planning policy – policy which, in the case of private large developments, suspiciously smacks of intense backroom lobbying between Government and selected enterprise. It is interesting to note that the full force of DPC sanctions tends to fall on small and medium-scale developments, while larger developments face cosmetic changes but little else. We need a more robust DPC which speaks to people's concerns.

And let's stop, just for once, with the immature point-scoring of how things changed with the arrival of the new dawn, as they put it, in 2011. Yes, things did change – so did we introduce changes in 1996 – but we have to move on. The building spree we have witnessed over the last 20-30 years has been phenomenal, but it needs to be tempered by issues that resonate with the people. We need to revisit planning and privacy issues, for instance, both in the new builds and in the old town. Few of us live in patios anymore, therefore it is not reasonable to expect new massing and terraces to invade neighbours' privacy or have their well-being circumscribed by blocked access to space and light. In Devil's Tower Road we are seeing how what was an industrial/commercial area has increasingly become a mixed bag of high-end, assisted housing residential area with some hospitality mixed in also with social housing, and all seemingly without any thought as to some uniformity in design or respect for the people already living there and their rights to light and space. It is all the effect of a singular lack of planning and a haphazard approach to new developments.

In the *Chronicle* article just referred to, a resident was quoted as saying 'developers have been allowed to go as high and close as they wish to ensure maximum profits'. A far cry from the complaints of the now governing parties when they used to highlight similar issues when they were last in opposition and we were in government. It is a case of do not as I said, but do as I now want. This is why we need a robust, comprehensive development plan. A year on and there is little sign of it, although I draw hope from the hon. Lady's comments to the *Chronicle* – the same article I have been quoting – even if somewhat unclear, when she talked about work 'on the review' starting in earnest. But we can safely assume that the thinking now is that this project is indeed, after all, critical given that the Minister for Financial Services, when he had responsibility for planning, would not commit in this House to any timings for completion on the basis that a decision had not been made as to whether that particular project was critical.

We think it is absolutely doable to work in partnership with business to develop a Gibraltar which preserves its unique heritage and indeed enhances its singular beauty, but it requires, once again, joined-up thinking, a new, strong development plan and a fair bit of imagination and architectural nous. This Government is, I am afraid, failing on all of these.

On heritage, there is a sense on this side of the House that it is, once again, somewhat fractured. We have the Ministry dedicated to this area, but many gold-star projects are [inaudible] retained by the Deputy Chief Minister and his office. In this regard, the Northern Defences, the Mount and the Road to the Lines project referred to yesterday come to mind. The recent announcement in respect of the beautification of Landport is a further case in point, with this

particular development, if I am not mistaken, being fronted by the Minister for Tourism. This piecemeal approach is reflected in the Estimates Book, in which separate funding is allocated to what are termed ‘heritage building refurbishments’ and ‘heritage projects’, to the detriment of Ministry for Heritage projects. While in respect of this we will be seeking further particulars at Committee Stage, we do ask whether the Deputy Chief Minister and the Minister of Tourism place so little trust in the Minister for Heritage that these projects are withheld from his purview.

In terms of adding further buildings, monuments and artefacts, I must say I was sorry to see that there had been less progress than would perhaps otherwise have been expected. The lack of commitment to protect the beautiful, now former Social Security building at Governor’s Parade was also less than we would have desired. Any impact to the architecture of that building would affect not just the building itself but the entire surrounding environment, which, barring a few notable exceptions, has remained as it is for two centuries – an example, therefore, of a building which should receive full statutory protection. Given that the building belongs to the Government, I cannot see what the delay in listing is, unless the whole area has been scheduled for a new development. Who knows?

The Government’s seeming lack of imagination encompasses the restoration plans involving our extant artillery pieces throughout the Rock. Much – we would say too much – is left to voluntary work that is undertaken by the eager and enthusiastic Fortress of Gibraltar Group and the Gibraltar Heritage Trust. Thanks to them and their essentially free work, Gibraltar’s artillery is being allowed to survive and thereby pass as a fitting reminder of glories past to future generations, which is the right thing to do. We sincerely thank them for the recent works carried out on Lord Airey’s Gun Battery. But – and this is a fundamental question – where is the Government in all of this? Beyond granting permission, they are singularly absent from most of the proceedings, although they are happy to be present at any unveiling or the taking of photographs for the press. Again, we need a robust plan of heritage maintenance and restoration to bring back our guns, our walls and our bunkers. In this, the Government is conspicuous by its absence.

It was surprising to hear Mr Picardo’s remarks yesterday – I lose track of time – about the recent developments in the United States Supreme Court in relation to the position on abortion. Let us be absolutely clear, Mr Speaker: what has happened in the US is that the Supreme Court has handed down responsibility and devolved powers to the individual states in the country to legislate according to their own democratic and political wishes. It will now be for the individual states, which will have the power to legislate and determine how restrictive or permissive their abortion laws are. It does not make abortion illegal; it just gives power to take the decision back to locally accountable representatives. As one commentator recently put it:

Returning policy decisions on such a literal matter of life or death to the democratic system is something that all who cherish liberty should welcome.

Mr Picardo, we know, is a champion of the progressive cause, one that grows more dogmatic and intrusive by the day. He attends every party and wears every t-shirt of every fashionable cause in town, but neither he nor the new and increasingly belligerent new left hold the monopoly of the truth, compassion or social justice, despite the rhetoric and despite the tough talk. Yesterday he said that Gibraltar has no reverse gear on rights and progress and only move forward in one direction. He also said that any attempt to go back on abortion or any other of the progressive causes would be met with ferocious opposition. There is no need for that kind of radical language in the context of a parliamentary democracy. We all need to calm down. He has his vision and I and others will have ours. One is progressive and the other now deemed conservative, but both are equally legitimate visions of society, although in Gibraltar it seems increasingly that the former rarely recognises this in respect of the latter. In a truly liberal and democratic society you should be able to express your views whilst absolutely respecting others and not be the subject of ridicule or suffer the full force of the cancel culture.

1430 Whatever happens in the future with abortion or any other issue should be decided by the people of Gibraltar in democratic elections, and they will cast their vote in one direction or another. That is the way democracies operate: the voice of the electorate expressed here in Parliament in general elections. The street, the stage, the demonstrations, the festivals and the shouting of slogans and waving of banners on the public highway are mere accessories of the
1435 fundamental exercise of the democratic will of the people. To quote Shakespeare, which I know the Hon. the Chief Minister is very fond of: full of sound and fury, signifying nothing. There is no democratic legitimacy in ferocious opposition and noise when the people make their views known through the ballot box. That is what matters. This is far from being anti anything. This is basic democracy, where, with respect and understanding, sensible debate between people who hold
1440 opposing views can and should prevail.

 In the context, particularly – and I end here, Mr Speaker – of tourism, a reference has been made to the issue of the ongoing negotiations with the EU and Spain, a hugely significant issue for our future if ever there was one. Yesterday we heard the Chief Minister state that he remained ‘deeply optimistic’ that a treaty is now increasingly probable. I do not think it is at all controversial
1445 to wish the Chief Minister and his Government well in its endeavours to bring this critical accord which safeguards our red lines to a successful conclusion as soon as is practically possible. The treaty, if it were to achieve a mobility agreement for fluid access through the Frontier, would be of huge importance to our quality of life and lay the basis for enhanced economic development and co-operation in the entire region. It is further hoped that businesses, investors and
1450 entrepreneurs will be able to use Gibraltar and the hinterland as a springboard for ambitious commercial initiatives, create employment and economic opportunities for all.

 On 31st December 2020, Gibraltar was finally – and unfortunately, for the vast majority of us here – dragged out of the European Union kicking and screaming, following Britain’s unfortunate decision to abandon the EU after the Brexit referendum in 2016, now six years ago. We were left
1455 on a cliff edge, facing the prospects of two-to-six-hour queues and the dramatic existential domino effect which could have had potentially devastating consequences for our economy, which at that stage had already been hit by the COVID pandemic. The New Year’s Eve Agreement secured by the Government, despite the issues which we have identified on this side of the House, offered us a glimmer of hope that diplomacy could yet avert a worst-case scenario of Gibraltar crashing out
1460 of the EU without any mitigating measures. It is that blueprint, we are told, that forms the basis of the much-awaited EU-UK treaty on Gibraltar which holds the key to our future prosperity and continued economic success. We look forward to the publication of the full treaty text.

 Thank you, Mr Speaker.

Adjournment

Hon. Chief Minister: Mr Speaker, feeling almost as if I were getting up in the United States Senate, given the speech we have heard, I wonder whether this might be a convenient moment
1465 to adjourn to tomorrow at 4.30 in the afternoon.

Mr Speaker: I now propose a question, which is that this House do adjourn to Thursday, 30th June at 4.30 p.m.

1470 I now put the question, which is that this House do adjourn to Thursday, 30th June at 4.30 p.m. Those in favour? (**Members:** Aye.) Those against? Passed.

 This House will now adjourn to Thursday, 30th June at 4.30 p.m.

The House adjourned at 6.54 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 4.30 p.m. – 8.29 p.m.

Gibraltar, Thursday, 30th June 2022

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The Gibraltar Parliament

The Parliament met at 4.30 p.m.

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

[ACTING CLERK TO THE PARLIAMENT: S Galliano Esq *in attendance*]

Appropriation Bill 2022 – Second Reading – Debate continued

Clerk: Meeting of Parliament, Thursday, 30th June 2022.
We continue with the Appropriation Bill.

5 **Mr Speaker:** The Hon. Samantha Sacramento.

Minister for Justice, Equality and Public Standards and Regulations (Hon. Miss S J Sacramento): Mr Speaker, it is a privilege to once again address Parliament and it continues to be an honour to serve this community as a member of Her Majesty's Government of Gibraltar, now
10 in my 11th year. On this occasion, I set out my Budget address in my capacity as Minister with responsibility for Justice, Equality and Public Standards and Regulations.

Before I speak about those responsibilities, I would like to begin by making reference to the pandemic that we have just emerged from and which clearly is still not over and has even played some mischief at our Budget session and denied us from the enjoying the opportunity of listening to the Father of the House deliver his speech. I am sure we can all agree that when it comes to
15 Sir Joe and the Budget, reading his speech is not the same as being in his presence when he delivers it. (**Hon. Chief Minister and another Member:** Hear, hear.) I have been in touch with him this morning and I wish my friend a very speedy recovery from COVID. (*Banging on desks*) This is a stark reminder that COVID is not yet over, and neither is the economic effect that COVID has
20 had, not just on us but globally. For this reason, I just do not understand a lot of what has been said by the Members opposite so far. They speak as if without any realisation or acknowledgment of the global economic situation. Where have they been for the last two years? The bottom line is that we have to tighten our belts just a little bit, just for two years, to be able to get us out of this, but of course pensioners and those on lower wages will be insulated, as they rightly ought to be. I must congratulate the Chief Minister for being brave in what he has done in the Budget and
25 his rationale for so doing. (**A Member:** Hear, hear.) Let's hope that we can transition back to normality as soon as possible.

Speaking about what we have had to endure from the Members opposite, I must call out something that was said by the Hon. Mr Clinton yesterday. I am sure he did not mean to mislead
30 Parliament in what he said, but he was clearly disingenuous in the way that he presented the matter, in that he did not provide the full picture. The Hon. Mr Clinton made a big fuss about our business-class travel and this is because his last Parliament question was quite one sided and limited only to asking when we travel in business class – he never asked how many times we travel otherwise. I travel economy as much as I travel business, and we all do – the Chief Minister, the
35 Deputy Chief Minister and the Minister for Tourism, who are the ones who travel the most, I know also travel economy – but he did not mention that part, did he? I only travel when it is absolutely

necessary, as we all do. Personally, I do not like to travel. I hate packing, I hate flying, I hate airports, I get travel sick, but I do it because it is my job to do it, and we all do it because it is our duty. Only last week I was in Berlin for 48 hours and I flew Ryanair – I am not sure whether that
40 classifies even as economy. When I travelled to Iceland, I travelled economy as well. That trip was subsidised by the Commonwealth Parliamentary Association (CPA) because I was travelling in my capacity as Chair of the Commonwealth Women Parliamentarians (CWP).

While the Hon. Mr Clinton pontificates about business-class travel from his pedestal, I need to remind him that last year we both travelled to Northern Ireland for a CPA conference –
45 *(Interjection by Hon. R M Clinton)* Mr Speaker, it is my Budget address, perhaps the hon. Gentleman can wait for me to finish. We travelled to Northern Ireland. I travelled direct on easyJet and – get this, Mr Speaker – the hon. Gentleman travelled BA business class and not direct, so he had two flights there and two flights back. I make this point – *(Interjection by Hon. R M Clinton)*

50 **Mr Speaker:** I cannot force anybody to give way. It is in the hon. Member's – *(Interjection by Hon. Chief Minister)*
Please continue.

Hon. Miss S J Sacramento: Mr Speaker, what I have said in my intervention is fact, and what I
55 have said is that the hon. Member did not provide the full facts in his. I will continue, Mr Speaker. In August 2020, in the middle of the pandemic, I was appointed Minister for Health and I held this responsibility until a few months ago. It has been a very difficult, all-consuming and intense time. *(Banging on desk)* The job of being Minister with responsibility for Civil Contingencies and also Minister for Health meant that the work was relentless and I have been pretty much working
60 on adrenaline for two years.

When I became Minister for Health, at the outset the priority was to support an organisation that was at the coalface in the battle against COVID, particularly at ERS. Additionally, it became apparent to me that I had two major priorities as Minister for Health. The first was to make mental health a priority, not just for the GHA but for the whole of Gibraltar. Using the Public Health
65 England Situational Analysis Report 2019 – which I immediately published when I became Minister for Health – as a benchmark, I launched the five-year strategy in July 2021 with the objective of improving the mental health and well-being of the population of Gibraltar by having a comprehensive, integrated mental health system that promotes self-care and recovery and reduces stigma. The strategy was developed through a comprehensive multi-agency stakeholder,
70 patient and public engagement process, with listening and learning being a cornerstone principle. The strategy has four overarching strategic priorities aligned with the World Health Organization Global Mental Health Action Plan 2013-20. Importantly, the strategy has an inbuilt mechanism of accountability and includes timelines for the implementation of the key milestones. There were some very immediate improvements last year in the delivery of the GHA mental health services,
75 including the introduction of a mental health crisis line at the 111. I wish to thank, at this point, the members of the Statutory Boards, the Mental Health Board and the Mental Health Tribunal. An enormous amount of time is dedicated by those who sit on these, and they do so on a voluntary basis.

Immediately, also, I became acutely aware of the impact that the pandemic was having on our
80 hospital services and I feared the outcome of its aftermath. It was the invaluable help and guidance of Prof. Ian Cumming OBE – whom I had initially engaged in January 2021 to devise and lead on our COVID vaccination strategy but who became invested in assisting Gibraltar – that we worked together on what were to become landmark reforms and the Reset, Restart and Recover programme later that year. On 30th November 2021 I announced these landmark reforms with
85 the objective of improving the GHA services provided to patients and the accountability of the Authority to the Government and, therefore, the taxpayer. This represented radical reform. A seven-point plan for Reset, Restart and Recover was announced and also a reconfiguration of the GHA board to ensure its function as the key strategic oversight body for the GHA, the removal of

the Minister for Health as the chair of the board, a new, independent chair of the board appointed and the introduction of a new position of director general to provide overall leadership in the organisation. This restructure represented our serious and genuine desire to transform the GHA. I could think of no one better to be the interim chair of the board at this time than Prof. Cumming and he was asked to take up this role on an interim basis. I wish him and the board all the best in ensuring that the GHA delivers for us all.

Mr Speaker, in my time as Minister for Health I worked with very dedicated professionals. I thank them for their guidance and support during this time. The services of three nurses in the GHA have been recognised with honours. Of these, I have worked very closely with the Head of Elderly Services, Susan Vallejo, and the Director of Nursing, Sandie Gracia, and I can certainly recognise that their honour is very well deserved. My congratulations to them. *(Banging on desks)*

Starting with my responsibility as Minister for Civil Contingencies, Mr Speaker, as you will imagine, the centre of the Government's ongoing response to the COVID-19 pandemic has been the Office of Civil Contingencies: 2021 and 2022 have continued to be largely dominated by the global pandemic as well as planning for a possible no negotiated Brexit outcome and dealing with the consequences of the ongoing war in Ukraine.

When our vaccines arrived at the beginning of 2021 – and we have to thank the UK government for their generous and constant supply of these – our community saw a rapid decline in positive cases, deaths and hospitalisations. The hugely successful vaccination programme executed by the GHA allowed us to start winning the battle against COVID, and as restrictions quickly started to be eased Gibraltar became the centre of attention for a post-vaccination world. As the new Director of Public Health expressed her concerns over vaccine effectiveness waning, the booster programme was launched in early October with the aim of offering maximum protection to our people over the winter months. As cases in the boosted population started to improve again and hospitalisations of positive cases were kept at a steady and manageable rate, we were once again reminded about the risks from new variants of concern, but with a large uptake in boosters and with a better understanding of the Omicron variant the first quarter of 2022 has allowed Gibraltar to continue with its exit strategy and easing the vast majority of restrictions. The last two years have been painfully difficult for everyone in our community but it now seems that we are well on our road to recovery, noting of course that we must continue to remain cautious and continuously monitor the situation.

When Russia invaded Ukraine on 24th February 2022, Gibraltarians living in Ukraine with their young families reached out to us for support. The Office of Civil Contingencies assisted with the repatriation of the family by making the necessary travel arrangements and deploying one of its officers to Poland to meet with the family, to deliver the necessary emergency passports and other travel documentation. The Office of Civil Contingencies has also co-ordinated much of the support given to other Ukrainian families who fled the war-torn country to safety in Gibraltar, where they have been provided with accommodation at the Retreat Centre and co-ordinated support from the Care Agency and the Department of Education among others.

I could not have asked for a more dedicated or focused team to steer us through these extremely difficult times. My thanks to the Civil Contingencies Co-ordinator, Mr Ivor Lopez, whose efforts were also recognised in his very well-deserved award, and Ernest Danino and Brian Brooks, the latter who recently, with others, also made a round trip to deliver medical supplies to Ukraine on behalf of the Red Cross – a selfless endeavour, indeed, and they should be congratulated.

On my Justice responsibilities I will commence with the Gibraltar Financial Intelligence Unit (GFIU). GFIU plays a critical role in the fight against economic crime, but it also uses financial intelligence to tackle other criminal conduct. The unit has, over the last two years, made an immense contribution to ensure that Gibraltar features well in the Financial Action Task Force Post-Observation Period. In the process, it has built on the successes of 2020, driven decisively with new developments that will create innovative approaches to tackle financial crime.

In 2021, GFIU received almost 4,000 suspicious activity reports. This has placed a significant workload on the unit, but it has also taken advantage of its digital transformation, with better

analytical software that helps strengthen its capacity by creating a modern digital ecosystem that harnesses the many pieces of information received from a wide range of sources.

145 GFIU is not just providing training locally, and this is quite a remarkable recognition of the level of work that they deliver. In 2021, GFIU was invited by the United Nations Office of Drugs and Crime to deliver training to Morocco's financial institutions, sharing Gibraltar's experience in improving engagement with the private sector to detect illicit financial activity to end human trafficking. It is also delivering training to INTERPOL's project manager, an initiative designed to enhance capacity in Latin America and the Caribbean countries to target the proceeds of smuggling persons or trafficking in human beings.

150 Another significant development has been the establishment of a public-private partnership, called the Financial Liaison and Intelligence Network. This partnership is led by GFIU and is comprised of Gibraltar's banks, the Royal Gibraltar Police, HM Customs and the Gibraltar Financial Services Commission, and is expected to greatly enhance information sharing.

155 As the lead agency for counter proliferation financing, GFIU established the Joint Co-ordinating Intelligence Group to Counter Proliferation Financing, a pioneering working group that ensures that Gibraltar mitigates the threat to global security by those intent on facilitating the illicit development of weapons of mass destruction.

160 Mr Speaker, turning now to the Royal Gibraltar Police (RGP), the last year has seen the RGP work to achieve the recommendations and areas for improvement set out in the 2020 report by HM Inspectorate of Constabularies and Fire and Rescue Services. This has meant the RGP undertaking some significant reform to achieve this. Crime recording is now more in line with the Home Office Counting Rules and the RGP has established the criteria which have been followed by UK police forces. Further to this, the code of ethics has been embedded in all operational activity, determining standards of behaviour and the principles of policing. This activity is now co-ordinated by the Ethics Champions Lead, with an Independent Committee on Ethics overseeing ethical dilemmas in the RGP. To achieve this, the RGP has also introduced policies and procedures determining standards of behaviour, mechanisms for officers and staff to report on poor behavioural standards and control measures to protect the reputation of the organisation. The entire workforce and any external partners working with the RGP will require to be vetted, as is the practice by UK police forces, and a vetting unit has been established with an emphasis on a new internal counter corruption unit.

175 The recently created Victims of Crime Support team has trained officers in line with the Victims in Criminal Proceedings Regulations. Every victim of crime is now contacted and provided with support through the entire investigation process. Combatting domestic abuse also features highly on the RGP's agenda with the creation of a domestic abuse unit implementing better protective measures for victims of crime.

The Government is, of course, committed to supporting the RGP. Last week I had the pleasure of speaking at the passing out parade for 17 new recruits. I wish them all the best in their careers in the policing family. Recruitment for a new intake of officers has already commenced.

180 Turning to the Gibraltar Courts Service, during the past year the Law Courts have continued to work extraordinarily hard to deal effectively with the current substantial workload brought about as a result of the scaling down of operations during both COVID-19 lockdown periods. The current full complement of judges, coupled with the fact that when hit with the pandemic there was no backlog at either the Magistrates' Court or the Supreme Court, allows the Law Courts to continue to be in a strong position. The Rt Hon. Sir Martin Moore-Bick retired this year, in March, as a Justice of Appeal, bringing the current number of appointed Justices down to four. In order to maintain the complement of the Court of Appeal Justices at six, it is envisaged that recruitment will proceed for two more Justices. As a result of a number of retirements and in order to maintain the complement of existing Justices of the Peace, on advice from the Judicial Service Commission it is anticipated that the recruitment process will shortly be advertised for appointment. Finally, acting on advice from the Judicial Service Commission, the Government has agreed to continue to provide funding for a fourth Judge of the Supreme Court.

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Mr Speaker, now the Government Law Offices (GLO), the Government lawyers. Since the last Budget speech, our team of lawyers has continued to play a crucial part in delivering legal advice to the Government, shaping legislation and providing legal representation to our law enforcement agencies. On legislation, during the last year the Government Law Offices published the following legislation: 18 Government Bills, 16 Acts, 344 Legal Notices and a staggering 423 COVID regulations. At this point I really would like to thank the small team who were working on the COVID regulations so intensely during the last two years, because sometimes we literally had to work day and night to get those regulations right. Related to Brexit, the GLO have continued with the publication of measures to revoke or amend retained directly applicable EU legislation under the European Union (Withdrawal) Act 2019. The following legislative projects have also come to fruition during this period, including the commencement of the Freedom of Information legislation. The Register of Property Occupation Act 2021 was also commenced and associated subsidiary legislation published, and the Gibraltar Health Authority Act regulations which reconfigured the GHA board and separated the functions of the GHA and the Ministry of Health and Care. Following the recent ruling by the Court of Appeal in February of this year, the Government published the Employment (Bullying at Work) (Amendment) Bill 2022, which seeks to address the issues raised. The Government has passed the British Sign Language Act. All this work has been done thanks to our lawyers at the GLO.

The law drafters are currently working on a number of other legislative projects that I have commissioned in my capacity as Minister for Justice, including in relation to a Bill to prohibit vaping for under-18-year-olds, online safety legislation, a Domestic Abuse Bill – having been previously published as a Command Paper – a project on gender neutrality in legislation and conversion therapy ban. I also wish to announce that I will be commencing two important and significant reviews of existing legislation: a review of family law and a review of crimes legislation. The team at the GLO is preparing the groundwork for me so that I can formally proceed to the consultation process. I am also involved in their ongoing work regarding the extension of a number of Council of Europe and United Nations Conventions to Gibraltar. These include the United Nations Conventions on corruption, disabilities, the rights of the child and the elimination of all forms of discrimination against women. I thank the team for all their hard work and advice.

Turning to my responsibilities on safeguarding, as the Minister with responsibility for children and adults safeguarding and regulation, I believe that no child or vulnerable adult should be exposed to harm or left behind. Everyone has the right to feel safe and live in peace. To do so, we need to tackle the social issues that have arisen or have been exacerbated by the pandemic and lead the way for continued changes and improvements to our safeguarding systems. Effective safeguarding requires partnership, collaborating with individuals, professionals and other agencies working together to recognise the potential of preventing harm. Prevention is, therefore, the responsibility of a wide range of agencies, as well as other organisations, charities and groups. It is for this reason that I have reconstituted the function of the Child Protection Committee and established a Safeguarding Adult Board and a Youth Offending Committee, the latter two being the first of their kind in Gibraltar. I must highlight that the purpose of the Child Protection Committee and the Safeguarding Adults Board is to provide a joint forum to allow for a close working relationship between the Care Agency, the RGP, the GHA, the Education Department and other key organisations who share the common aim of protecting children and vulnerable adults at risk and for developing, monitoring and reviewing safeguarding policies. The chairperson of both committees is currently the Chief Executive of the Care Agency, who reports and provides advice to me on safeguarding with respect to the Child Protection Committee and the Safeguarding Adults Board, and I am very grateful for these additional responsibilities that he discharges.

Social care and safeguarding services all around the world have experienced great challenges in providing optimal care and protection to the most vulnerable members of their communities during the COVID-19 pandemic. The Care Agency and all other bodies with safeguarding functions have spent the last two years dealing with the challenges of the pandemic by building innovative

ways to manage risk. This must continue as we move to recover from the consequences of the pandemic, especially since the full impact of COVID is not yet known. In this regard, the Youth Offending Committee has been working towards preparing recommendations which include analysis and conclusion of the main issues that have arisen through their meetings. All the services involved are united to ensure that children are supported and empowered to make the most of their lives, enjoy and achieve and make a positive contribution to the community within Gibraltar, and agree that this requires all involved with the child to tailor their services to the individual child's needs. The committee has identified ways in which progress can be made to ensure a reduction in first-time offenders, a reduction in re-offending and a reduction in the use of custody, especially for first-time offending.

I now turn to the management of sex offenders in the community. This comes under the Multi-Agency Public Protection Arrangements (MAPPA). There are currently nine trained designated risk managers (DRMs) across the different MAPPA organisations, who undergo yearly specialist training in the assessment and management of risk posed by sex offenders. From the DRMs and representatives of key partner agencies a core team has been formed and the core team received further specialist skills in assessment and interventions with MAPPA cases to ensure effective risk management – a very difficult job to undertaken indeed. The Public Protection Panel comprises members from the MAPPA organisations and is responsible for the identification and implementation of risk management plans for each offender.

Turning my attention to Her Majesty's Prison Service, from a prisoner management perspective 2021 saw the highest daily average of prisoners since 2015 – there were 54, a figure which was adversely affected by the influx of detainees who were unable to be deported for a period because of COVID restrictions. This impact factor is no longer the case and at present the daily average population stands at 38 for the first quarter. The Prison's facilities continue to be well used by those in custody as the year has progressed, with all of these seeing a higher percentage of users. Of these, 32% of the prison population attended educational classes, up from 29%; 91% made use of the gymnasium; and 49% attended vocational classes, up from 22.4%. Counselling is essential in providing support, and the system must maximise its efforts to pick up from the excellent work coming out of the Prison's voluntary drug testing scheme. This currently boasts participation of 67%. The programme will better place offenders on the road to rehabilitation and successful reintegration into society and therefore reduce the rate of reoffending.

Mr Speaker, now turning my attention to the Probation Service, the Probation Service continues to provide services to the courts in terms of pre-sentence reports, and to the Parole Board for consideration of parole. Probation officers continue to supervise and manage those offenders subject to licence conditions and community rehabilitation orders and carry out intervention plans based on the needs of the offender. One of the probation officers also forms part of the Prison Board and undertakes prison inspections. Last year, probation officers underwent training in the Freedom programme as part of the Government's Domestic Abuse Strategy and this programme is now being delivered with perpetrators of domestic abuse as part of their licence conditions or community rehabilitation orders. The Probation Service continues to explore further training on domestic abuse interventions.

I turn now to the final uniformed bodies that I am responsible for, the Fire Services. Starting with the Airport Fire and Rescue Service (AFRS), they have maintained a very busy period of activity. The primary focus throughout the last year has been to consolidate practical training and essential development courses. It has also undergone external reviews to ensure that its personnel, manning and resources are adequate to fulfil its operational response tasks and that these are delivered in accordance with mandated international standards. At the same time, it has reviewed all its processes and operational procedures to ensure that these remain current in the lead up to its 15-month full audit by UK Civil Aviation Authority inspectors.

As integral components of their ongoing competence-based training, AFRS personnel undertook a variety of training and instruction courses which are fundamental elements of their

continual professional development. In addition, senior officers attended an airport fire officers' course in the UK, which was an excellent opportunity for them to work alongside senior officers from across UK airports. The AFRS is an acknowledged and well-respected organisation among UK airport fire services in different aviation fire and rescue forums, so staying in continual touch with these allows it to keep abreast of industry developments and thereby remain relevant.

Last year, the AFRS underwent an overview audit inspection and a series of task resource analysis sessions under the auspices of the Defence Fire Safety Regulator. This entailed both theoretical and practical sessions to formally confirm and document that the AFRS is meeting its mandated incident response requirements with sufficient personnel and firefighting resources. In this respect the AFRS was given a clean bill of health for its operational effectiveness.

The AFRS continues to work closely with the Gibraltar Fire and Rescue Service (GFRS), having a great professional working relationship and collaborating on training and other projects of common benefit to both. The AFRS strives for organisational and individual self-improvement, ensuring that its firefighters maintain the necessary skills and competences which are critical for mitigating risk, enabling safety and allowing them to effectively fulfil their roles. This underpins its strategic operating principles with its team always moving forward in a dynamic cycle of improvement whilst positively responding to the evolving challenges facing fire services.

From the AFRS, I now turn to the GFRS, and for them it has been a year of continued progress and adaptation to new challenges – no different than the rest of the public service and Gibraltar in general as we move out of the pandemic restrictions. With the growing number of developments, amendments to fire safety standards and innovative fire engineering solutions, the GFRS Fire Safety team is constantly challenged and does a magnificent job in the anticipation of risks, subsequently impacting their frontline operational preparedness. The GFRS continues with its primary objective, implementing and adopting measures or procedures necessary to ensure that they maintain competence and provide the best possible level of emergency response to safeguard Gibraltar and its citizens. The GFRS is also very much part, as first responder, of the Gibraltar Domestic Abuse Strategy and they, too, are receiving training.

Finally, turning to the firefighter recruitment selection process, GFRS officers have been working for months to come up with the right formula for the revised firefighter recruit selection process. This new system mirrors the selection process applied by their counterparts in the UK Fire and Rescue Service with a single standard for all applicants and was put to the test last month, leading to the appointment of their newest firefighter recruit. In efforts to adopt full transparency and equal opportunities, video footage capturing all activities is provided through the GFRS website to demonstrate the process and level of fitness required of all candidates. It goes without saying that I have been working very closely with the Chief Fire Officer, in the same way that I have been working with the Commissioner of Police, to try to increase diversity in the number of women who join the force, and the Ministry for Equality is working with both departments in this regard.

During the past two years, most of the GFRS's efforts have been focused around the pandemic and implementing rigorous measures to protect minimum levels of response if faced with virus spread within the department. These were very testing times and scary times indeed, no doubt, for staff, who went the extra mile to ensure that Gibraltar could still count on an efficient emergency response. I must thank all those in the essential services and uniformed bodies that I am responsible for, as they are the ones who run towards danger in order to keep the rest of us safe.

In the recent reshuffle I was given the additional responsibilities of public regulation, regulations generally and town planning, so I now turn my attention to my responsibilities for Town Planning and Building Control. I wish to start by reminding this House of the Government's commitment to the Development Plan. The Government recognises the importance of having an up-to-date development plan in place. This is important for a strategic approach to our development. I hope to make further announcements on this once the tender process has been completed.

On the day to day, the volume of applications dealt with by the Department continues at the high levels of past years, with a total of 961 applications across all application types between 1st January and 31st May 2022. Probably one of the largest and most complex applications that the Department has dealt with has been the recent application in respect of the Eastside. In 2021 the Development and Planning Commission (DPC) held a total of 11 meetings, whilst so far this year there have been six meetings. Additionally, the DPC's subcommittee meets regularly to determine minor applications, which greatly helps to speed up the decision-making process for more minor applications. There were 27 meetings of the subcommittee last year and 12, so far, this year. DPC meetings have continued to be held remotely via video conferencing. The meetings have also continued to be live streamed on the Government's YouTube channel. I will ensure that public access to planning applications and the decision-making process continues with the transparency that we have been enjoying over the last 10 years, and I shall strive to improve on this accessibility and transparency, if at all necessary and possible.

The Department continues with its work to develop and improve the e-planning service, which allows for easy access to application details for the public and provides a platform through which applicants can submit their applications. I am pleased to say how successful this function of e-government is, and almost 98% of planning and building control applications submitted in the period 1st January to 31st May were submitted via this portal. My Department is also undertaking an exercise to review the current building regulations and various building codes with a view to bringing them in line with the latest standards. Finally, we will be having a new workstream that will be a collaboration between Town Planning and Building Control and the Ministry for Equality with a view to taking a more holistic view and making Gibraltar more accessible to people with disabilities.

On regulation, the Gibraltar Regulatory Authority (GRA) has, again, managed to remain fully operational during another challenging year, efficiently continuing to respond to public concerns and to enhance its awareness-raising initiatives. Testament to the GRA's ability to remain flexible was its successful hosting of a virtual European case handling workshop in 2021, an annual feature in the calendar of European data protection authorities and typically an in-person event. This workshop provides a platform for international co-operation and focuses on the practical implementation of data protection on a day-to-day basis. This year has also seen the GRA win an international Global Privacy Assembly award for its awareness-raising initiatives undertaken regarding its education and public awareness work. Congratulations to them, Mr Speaker. Furthermore, the GRA continues to proactively publish guidance notes and organise data protection workshops intended to promote collaboration and debate and to provide an open forum whereby organisations can discuss data protection law and best practice – a very difficult field to navigate, no doubt.

Turning to the Office of Fair Trading (OFT), my predecessor in this respect spoke yesterday about the work of the OFT. I thank my good friend Minister Daryanani for his dynamic work and progress in this respect. I know that it was his intention to drive further progress and build on the work that we had already done. In addition to the Department's responsibilities that he outlined, I will mention the OFT's anti-money laundering and counter-terrorism financing regulatory role for the real estate agent and high value goods sectors as this continues to mature with the implementation of new procedures and ongoing supervisory programmes. The team is currently conducting a round of on-site visits to businesses in these sectors on a risk-based approach. Of the 13 visits carried out since November 2021, the OFT has issued five fines to local business. In this past year, the team has also carried out significant outreach to these sectors to support businesses to achieve compliance. This has included hosting virtual training opportunities with the assistance of the Gibraltar Financial Intelligence Unit.

I can confirm that the Government continues to work with the OFT on the Fair Trading Bill with the aim of producing a more appropriate and mature framework within which the OFT can operate, again building on the work that was previously done. This Bill will make the establishment of new businesses easier and quicker by simplifying the business licensing process. This will,

therefore, drastically improve further the manner in which the OFT can provide its services to the public. At the same time, the new Bill will protect consumers in Gibraltar and allow the OFT to set trading standards. Having recently taken on this role, I am already working on this aspect. Given that this is a such a big and important piece of work, consultation is key and I am committed to
 405 continue to engage with the Gibraltar Federation of Small Businesses and the Chamber of Commerce to ensure that we will support the business community in Gibraltar in the same way as my friend Minister Daryanani did.

Finally on regulation, there are two major innovations in the pipeline. The first, of course, as we heard from the Chief Minister, is the introduction of the Anti-Corruption Authority. I have given
 410 this work priority as soon as the COVID pressures have permitted. There is a draft Bill in final form and it is going through the final stages of internal approval. It is my hope to be able to publish it as soon as possible in the coming weeks.

A very interesting new piece of work that I have now embarked upon is the regulation of quality of care. I have already met with the Chair of the Medical Registration Board and the Chair of the
 415 Nurses and Midwives Registration Board to consult on their views on the most appropriate way forward. The new structure will also make provision, importantly, for quality of care inspections of providers. I am very excited about this innovative piece of work and I shall make more detailed announcements after the summer.

And now, finally, Mr Speaker, turning to my portfolio as Minister for Equality. During this
 420 administration's three terms of office it has been my privilege to have held various portfolios. Of all of those portfolios, the Equality portfolio has been the one that I have held from the very first day. It was a great honour to be chosen as Gibraltar's first Minister for Equality in 2011 and it is a responsibility that I have always been, and continue to be, very proud of. As Minister for Equality, I lead the Ministry for Equality, a Department which our administration has created and which is
 425 dedicated to upholding equality principles and eliminating all forms of discrimination. While it is a sad reflection that equality matters were given little, if any, political or parliamentary consideration until 2011, I have to say that it has been incredibly rewarding to have been at the helm of a Department which has been innovative in its philosophy, vision, policies and, of course, most importantly, legislation.

On LGBTQ+, as the month of June draws to an end today, this being Pride month I think it fitting
 430 to begin with LGBTQ+ rights, no less because in the 11 years since the inception of the Department of Equality we have made such huge strides to ensure that gay rights are properly protected by legislation and that through our awareness campaigns and community engagement these are understood and embraced. The development of LGBTQ+ rights since we have been in office has
 435 been nothing short of remarkable and I feel that this was symbolised most recently with the very successful Pride celebration event last Saturday. Although this was not the first Pride celebration in Gibraltar – and, incidentally, I also attended the one that was organised in 2014 and that one was also successful for its time – this year's was different as it reflected that we have progressed even further in the eight years since the first one. I must congratulate the LGBTQ+ committee,
 440 which organised this year's event so marvellously. Looking back now it is hard to believe that the first time the word 'gay' was mentioned in Parliament was in my very first Budget speech in 2012 and that the first time, regrettably, (*Interjection*) that gay rights were first properly achieved in this Parliament was in 2014.

The Civil Partnership Bill, which was the first Bill I ever moved in this Parliament, was a
 445 landmark piece of legislation. For the first time in Gibraltar's history this Bill enabled the formal recognition of relationships between couples of the same sex. Two years later, in 2016, I brought the Civil Marriage (Amendment) Act to this House to allow for the civil marriage of gay couples as well. Further to this, we have legislated to outlaw homophobic hate crime and hate speech, and such crimes are now, thanks to us, aggravated offences. In July 2015, and in recognition of our
 450 transgender community, we made provision to extend protection from discrimination for individuals who have undergone gender reassignment. The passing of all this legislation has

marked a hugely significant change in values and demonstrated our commitment to equal rights for all members of our community, regardless of their sexual orientation or gender reassignment.

455 Legislation is hugely important in ensuring that everyone can enjoy the same rights, but legislation alone cannot immediately bring about cultural change. What we do is sometimes controversial. For example, last year we installed stencils to some traffic lights to depict LGBTQ+ images. It was a real conversation starter and I am glad that it gave people the opportunity to discuss and see why such visual representation is important to them. I am glad that it provided a platform for discussion and debate, and for this reason, whereas the traffic lights were initially
460 intended to only be installed for the month of Pride, the whole Cabinet agreed that they should be kept indefinitely. It really does make me smile every time I cross the pelican crossing here at Line Wall, and especially this week when I have been coming to Parliament and I see the traffic lights. I have also heard many tourists comment very favourably when they see our traffic lights. Again, another small, but important step that I am glad we took. This is why we continue to raise awareness of LGBTQ+ matters, and for this reason we are committed to listening to the voices and concerns of the LGBTQ+ community. This was our motivation for launching Gibraltar's first LGBTQ+ survey to coincide with Pride month last year. Hearing directly from stakeholders is essential in progressive democracies and I am happy to report that there was an enthusiastic response to the survey, which was open for a period of three months. A total of 196 responses
470 were collected and the information collated will allow my team to glean insights into the experiences of members of the community locally and act on them accordingly. The survey findings in full, plus a report prepared by the Ministry for Equality on its findings will be published as soon as it is finalised. These valuable insights will enable us to ensure that any remaining barriers experienced by members of the LGBTQ+ community are swiftly eradicated.

475 While we have ensured that legislation protects members of the LGBTQ+ community we will continue to mark Pride month because there is no place in Gibraltar for homophobia, biphobia or transphobia. **(A Member: Hear, hear.)** We mark Pride now in a very visual way, as awareness is key. We do this by flying the rainbow flag in prominent places throughout Gibraltar, by illuminating the Moorish Castle in rainbow colours, with the installation of the traffic lights and in
480 supporting the Pride parade. We organise this visual representation to send a strong message to anyone who needs to hear it: how incredibly supportive this Government is and that we do not shy away from being so. We will continue to mark Pride month because there is no place in Gibraltar for hate. We will continue to mark Pride month because it is fair and just. In Gibraltar we are all of equal value and we all deserve and are entitled to full respect at all times. We will
485 continue to mark Pride month because it is not right that some people, especially young adults, cannot live true and authentic lives out of fear of rejection by those around them. *(Banging on desks)*

On gender equality, this Government's commitment to equality is truly embedded in everything we do. Gender equality is, of course, another important strand of my equality portfolio
490 and I believe that gender equality is a necessary component of a modern and progressive society and is a vital factor in our pursuit of social justice. A key strand of the Gender Equality Strategy is the economic empowerment of women. Inevitably, the last two years have regrettably had an impact on a lot of the projected initiatives for gender equality, but needless to say we are working extremely hard to catch up. Nevertheless, I am happy to report that one of the key initiatives of
495 the Gender Equality Strategy, the Women's Mentorship Programme, has been able to continue in recent months. We recently completed the third cycle of this programme, and once again the feedback from participants, both mentors and mentees alike, was extremely positive. I am very proud of the Women's Mentorship Programme because its aims are hugely ambitious. In the first instance, the programme helps women to develop personal and professional skills, and in the mid
500 to long term the programme aims to address the underrepresentation of women in positions of leadership and management. We now know that a more gender-balanced workforce is better not only for organisations and businesses, as proven by numerous studies and research, but for national economies too. Therefore, ensuring that we maximise the skills and talents of both men

and women in equal measure is a goal that we can all support and that we can all benefit from.

505 The third cycle of the Women's Mentorship Programme came to a close in March and there was a very positive uptake of the programme. There were 57 participants in the third cycle, bringing the total number of participants, so far, to 175. This means that since the inception of the Women's Mentorship Programme, 89 mentees have been able to access support and advice from established professionals. In case anyone is wondering why the numbers do not add up, this is

510 because some people are repeat mentors. We are very fortunate that some people have been with us through every single cycle and I would like to express my gratitude to them. Because this is such an invaluable opportunity for women, I am delighted to announce that the next cycle of the Women's Mentorship Programme will commence in September. I will make a more detailed announcement on this next week and I would urge and encourage anyone interested in

515 participating in the Women's Mentorship Programme, either as a mentor or mentee, to contact the Ministry for Equality to register for the next cycle.

Finally on gender equality, Mr Speaker, as you know, I was elected Chair of the Commonwealth Women Parliamentarians Steering Committee of the British Islands and Mediterranean Region. This also gave me a seat on the steering committee of the wider International CWP Committee.

520 Of course, as everything happens at once, I was elected as chair in March 2020, just when the pandemic was starting, so in addition to everything I was doing at the time I had to deliver on this, too. Had I known what was going to happen when I stood for election, maybe I would have considered it before then, but anyway, everything happened and everything was done and everything went well. My tenure came to an end in March this year when we met at CPA in the

525 Isle of Man. One of the objectives of this committee is to encourage more women in Parliament. Another is to support women parliamentarians in discharging their role. I am the only woman in Government and I am one of only two women in this Parliament. This ratio is not good because it means that the gender balance of this Chamber does not reflect the gender diversity in our community, and it should, so I have the pleasure to announce that later this year I will be hosting

530 the Regional Conference of the Commonwealth Women Parliamentarians of the British Islands and Mediterranean Region, in Gibraltar. One of my motivations for hosting this conference here is that I can arrange for outreach with other colleague Commonwealth women parliamentarians from our region to promote discussion of political life locally and that hopefully this will be one the tools that we use to encourage more women to stand for election at the next opportunity. I

535 hosted a CWP conference here in 2015 and it went extremely well and is still referred to by those who attended. I also hosted the conference last year, albeit virtually. This next conference will be the first in-person conference for a number of years and everyone is looking forward to it.

Mr Speaker, regrettably, this week I am the only woman here. The hon. Lady opposite is unable to be with us because of the sad passing of her mother, Lady Hassan. Understandably, the hon.

540 Lady is going through a difficult time and feels that she cannot be here. I was very saddened yesterday to learn of some online abuse that she received because of this. We are servants of the people and we are in the public eye, but that should not make us fair game for personal insults and abuse – and we get them all too often. We are also human and we cannot be strong all the time. I am sure that the hon. Lady would have wanted to have been here if she could, but

545 regrettably, and for a very sad reason, she feels that she cannot. I ask that people respect this (*Banging on desks*) and allow the hon. Lady to grieve the passing of her mother. My condolences to the hon. Lady and her family once again.

Generally on equality, diversity and inclusion, since we have slowly emerged from lockdown the Ministry for Equality has been able to resume its ongoing training and awareness programmes,

550 and equality continues to be embedded in the awareness that we do. We facilitated bespoke training at the University of Gibraltar for the current PGCE and nursing cohorts. We are also working with the RGP to provide unconscious bias training to officers and staff. In recent years the RGP has taken significant strides in its equality, diversity and inclusion journey as an organisation with the formation of an LGBTQ+ forum, a Muslim officers' forum and the Women in Policing

555 Network. This training on unconscious bias will be a vital opportunity to further embed equality, diversity and inclusion principles at an individual and strategic level.

Another key point to address is domestic abuse, and that is one of the things that is at the forefront of my equality agenda. Eradicating domestic abuse is a top priority for us and so much work has been done. As Minister for Justice and as Minister for Equality, I am only too aware that
 560 effecting legislative changes which will strengthen responses from key agencies is crucial in addressing domestic abuse. For this reason, I published a Command Paper for a Bill specifically dedicated to offences relating to domestic abuse. This landmark, standalone and consolidated piece of legislation seeks to enshrine in law the protection of victims of domestic abuse. However, since that was published, further representations have been received on the Command Paper.
 565 Changes that have been suggested are significant and they are being made to the draft to ensure that the concerns raised have been dealt with. The Bill will be redrafted and finalised and we will ensure that coercive and controlling behaviour is criminalised, and introduce domestic abuse protection notices and orders. These notices and orders will afford the courts and the RGP new tools with which to address and target domestic abuse, as they prohibit abuse and may prohibit
 570 contact or stop the perpetrator going within a certain distance of a victim's home. This will send a very powerful message to the perpetrators and the wider community that this Government is committed to eliminating this very serious social issue, and I hope that within the next months, and certainly before the end of the year, all the legislative requirements that need to be in place are in place. We will, of course, deliver training and support those with training because this is a
 575 key strategic priority. We have already, in 2020, offered training to all officers of the RGP – 250 of them – and this was commissioned from a specialist charity called Saving Lives. In addition to this, the Ministry for Equality commissioned very successful training on the Freedom programme, which is a therapeutic intervention for victims and perpetrators of domestic abuse, as well as their children. It is a very successful strategy, I am told.

580 Turning to disability, this brings me to speak about another landmark equality achievement in the progress that we have made. In my last Budget speech I mentioned how COVID had put a stop to a lot of our plans. This year has seen a resurgence in our efforts to make sure that we are back on track. Basically, we have to do double the work in half the time, but we are committed to doing so.

585 Setting our work in context, it was after much preparation in 2017 that we passed the Disability Act, the fundamental purpose of which is, of course, to promote and protect and ensure the full and equal enjoyment of fundamental rights and freedoms of people with disabilities. Even the Chamber of Commerce at the time described it as one of the most significant pieces of legislation that our Government had introduced. Of course, this progress had been previously overlooked by
 590 those opposite, who, although now attempting to rewrite history in this respect, in reality did little to nothing in the furtherance of the rights of people with disabilities. The passing of that legislation was always intended to be the first step to Gibraltar requesting that the UN Convention on the Rights of Persons with Disabilities be extended to Gibraltar. Quite unlike the transposition of an EU Directive – in the good old days but no longer – having Conventions extended to us is
 595 something that we do via the United Kingdom and it can be a long and complicated process with various stages and audits along the way. But as you heard the Chief Minister say on Tuesday, this process has already begun. I have already met with the Government's legal team and their work has started. They will be working closely with my team at the Ministry for Equality to progress it. They all received the memo from me that this must be a priority and I want this to be progressed
 600 as quickly as possible. In order to be able to progress on the extension of the Convention, we need to step up the standard once again. A tremendous amount of work is required on this journey, but what matters is that the work has already commenced and my Equality and Justice teams will be working together to deliver.

Returning to the Disability Act, when it was passed in 2017 there were two sections that were
 605 not in force. These are the sections that require that all buildings be made accessible. Immediately after the passing of the Act we passed the Part R Building Regulations. This means that, since then,

all new builds or modifications are required to meet the accessible standards. Sections 13 and 14, however, relate to existing buildings and these provisions were paused in order for those responsible for buildings to have sufficient time to prepare and phase it in. We did this in full consultation and agreement with the Disability Society at the time. It was for this reason that in 2019 the Chief Minister announced tax relief for businesses that adapted and made modifications to their existing premises – regrettably, another initiative that became a victim of COVID and slowed down the progress that we wished to make, and as such inevitably delayed the coming into force of these sections. For this reason the Chief Minister announced that he would once again make this tax relief possible and available for a further two years. I can announce that it is our intention to trigger those provisions after the end of that period and bring them into force – indeed, bring them into force in the lifetime of this Parliament. Therefore, the Ministry for Equality will shortly be launching an information campaign on what these obligations will entail and will offer guidance in their usual helpful way. We will also offer training so that everyone is aware of their responsibilities and what is expected of them as best practice, as we want to support everyone in getting it right.

Of course, the work on the Convention also goes hand in hand with the Government’s Disability Strategy, and this essentially provides our roadmap for the journey. The Ministry for Equality is responsible for the strategy and its delivery and spearheads it and has been doing so for the past 10 years. All the improvements that we have seen throughout our term in office are due to this. But we are stepping this up, too, and I would like to publish a multi-agency national strategy, very much like the Gibraltar National Mental Health Strategy that I commissioned last year, and I would like for this to be published by the end of this year. That means that there will be a lot of strategic activity in this regard in the coming months and there will, of course, be stakeholder consultation.

I have already also commissioned refresher training on the Disability Act for the public sector, as there will have been changes at senior management level since the last one. This will be rolled out in September and will be a reminder to all Departments of their responsibilities for having disability policies to promote inclusion and comply with their obligations under the Act. The Ministry for Equality will assist in revising their policies, if necessary. As this work will be undertaken by my team, there will be consistency of standard across the board. There will also be other training programmes offered and these will be sector focused so that we can properly target for maximum effectiveness.

One of the important strands of our Government’s Disability Strategy and the first thing the Ministry for Equality did when the restraints of COVID were lifted was to restart the disability customer care training on language and etiquette that we had halted a year or so earlier. This training now forms part of the Government’s Human Resources Department training prospectus. To date, 270 public servants have received this training. The next session, in July, will see another class and this figure will go up even more. Further efforts have been made to ensure that this training is available to other sectors as well, including the private sector. The Department of Equality is currently liaising with the Gibraltar Sports and Leisure Authority and the Care Agency to make arrangements to facilitate training for them as well.

Interaction between the general public, representative bodies and Government bodies is another important strand of our Disability Strategy. As with training and awareness, this is a strand that needs to be nurtured and developed continuously if we are to develop the services Gibraltar deserves. I am happy to say that this is something the Ministry for Equality does very well, and this can be shown by the work they have done this last year. The Ministry for Equality was there to advise on the introduction of a WhatsApp service available to people with hearing difficulties who needed to contact the GHA’s 111 service for either the COVID helpline or the Mental Health Crisis Pathway. Also in conjunction with the GHA and Public Health, the Ministry for Equality joined the Gibraltar Hearing Issues and Tinnitus Association (GHITA) in the campaign on hearing loss prevention during Deaf Awareness Week. The Government has also seen the implementation, this year, of sign video services, originally introduced in the GHA in 2014 and now available across most, if not all, public departments. This now makes British Sign Language interpretation available

instantly to any Department or agency that may need this service in order to communicate with members of the public. And while we are on the subject, let us not forget that this House has recently passed the British Sign Language Act, recognising British Sign Language as a language in Gibraltar.

The Ministry for Equality has, for years, been in close contact with the Ministry of Environment and the Gibraltar Sports and Leisure Authority (GSLA) in their development of accessible services at our beaches and pools. This year is no different. You will, no doubt, be aware, Mr Speaker, that when Government inherited the Europa pool complex the facilities were not ideally suited for people with disabilities. There have been numerous improvements and we made an announcement in this respect recently, and I would like to thank both the GSLA and the Ministry for Environment for their dedication and awareness this past year and in previous years. I think I can confidently say that Gibraltar probably has some of the most accessible beaches in Europe, (**A Member:** Hear, hear.) and while, of course, I am not going to pretend our services are perfect, the Ministry for Equality and other Government Departments that allow for improvement of the services every year will continue to work together in furtherance of the Government's Disability Strategy. I am sure that if improvements are required going forward, they will be identified and provided for.

The Ministry for Equality is the central co-ordinating Government Department on disability and is very much involved in an advisory role with numerous committees like the Joint Strategic Needs Assessment Panel mainly led by the Department of Education and the Traffic Commission, and is also a consultee to Town Planning and Building Control on new applications. It is right for this to be the case.

On another note, I am really excited about our partnership with Special Olympics. One of our joint initiatives is the Special Olympics Healthy Athletes Programme and this Government hopes to emulate this in Gibraltar. This House may remember a meeting that was held last March between the Government – including the Chief Minister – Special Olympics Gibraltar and Mr David Envangelista, the President and Managing Director of Special Olympics Europe Eurasia and Senior Adviser for International Development at Special Olympics. The Healthy Athletes Programme is a programme developed by Special Olympics – who are very much the specialists in the field of learning disabilities – and designed to facilitate various health check-ups for athletes with learning disabilities and, importantly, provide the necessary training to the medical practitioners who see them. This programme is already used extensively around the world by Special Olympics at both national and world games and has proved incredibly successful in highlighting health issues that athletes may have. Anecdotally, because of the issues that people with learning disabilities may have, and their limitations on communication, this can have an impact on their health, and the screening programme is obviously a preventative measure and has proved to be very effective. Whereas this programme was originally aimed at athletes attending the games, the desire of Special Olympics globally is for this initiative to be used in communities and across the board for anyone who may need it. This is why, having only just returned from Berlin for this purpose, to learn about this programme, I cannot wait to put it into action.

At this juncture I would really love to recognise and thank Mrs Annie Risso MBE for her sterling and selfless work on the progress of Special Olympics in Gibraltar. Her dedication to Special Olympics athletes and the movement is incredible, and every time I travel with her she is so established in the world of Special Olympics that everybody knows who Annie is. She truly needs to be recognised for the progress she has made in this regard. (*Banging on desks*) Thanks to her for opening the doors for us to access this programme and the training thereupon. It will have a very positive effect on us locally and this will form part of the health equality strand of the Government's Disability Strategy.

Finally, Mr Speaker, earlier I spoke about our LGBTQ+ survey, consulting with stakeholders and the results and report I am about to publish, but this is not the only survey that has been undertaken by the Ministry for Equality. You may remember that a disability survey was also launched in October 2021 and it ran until 31st January this year. This information has been collated

and a report is currently being compiled for me by the Ministry for Equality, and this will also be published once complete. I am sure that its contents will make for interesting reading and will be of exceptional value to our Government's Disability Strategy.

715 I have to really commend the small but extremely effective and efficient team at the Ministry for Equality. They really are committed, full of ideas and wanting to make progress at every single opportunity, and I thank them for all the work that they do. In wrapping up, I would like to thank absolutely everyone I have worked with during this year who has supported and advised me, in particular those who work closely with me in my office – Craig, Leyton, Nyreen and Ian – and, of course, Mr Speaker, you and your staff in Parliament for supporting us, too. And it goes without
720 saying my ministerial colleagues – we work very closely together as Government Ministers, we are always there to support each other and we can count on each other's support in Government for a long time to come.

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

**Procedural –
Mr Speaker's previous ruling on Points of Order**

725 **Mr Speaker:** I need to just refer back to an issue which arose early on, when the Hon. Roy Clinton wished to correct something which had been said by the Hon. Minister. He asked for the Hon. Minister to give way and I said that I could not force the Hon. Minister to give way.

I have had a look at a ruling which I made last year in relation to the raising of Points of Order, where I said, referring to the Speaker of the House of Commons:

The Speaker of the House of Commons allows the use of Points of Order to effect factual correction of a Member's statement.

I said this will be permitted in this House.

730 The Hon. Roy Clinton did not rise to make a Point of Order, so that did not kick in, but I am advising everyone here, all Members of the House, that this is open to them.

I have since spoken to the Hon. Roy Clinton and he mentioned that it was a matter that had been spoken of by the Hon. Minister which he wanted to correct. The event has now passed and therefore I cannot allow the Hon. Roy Clinton to make a Point of Order, but I wanted to remind
735 everybody that the Rules are there to be used sensibly and correctly.

Chief Minister (Hon. F R Picardo): Mr Speaker – if I may – thank you very much, I think it is very useful to be reminded of that. Can I also remind hon. Members – and you will know this as much as I, and other Members who have been around as long as I have – that in this debate, the Budget
740 debate, the normal course of business has been that we do not seek that Members give way because every Member, traditionally, speaks and therefore every Member has the opportunity to put their points and Members of the team, also Members of the Opposition team, will have an ability to speak. In fact, we will be hearing from the hon. the sweeper of the Opposition later on, who will be allegedly sweeping up for all other Members, and I will be replying for the
745 Government, of course, and so where we have taken issue with many of the things, where we feel exactly the same way as Mr Clinton may have felt, we will be dealing with those points in the course of my reply. But thank you, Mr Speaker, I think that is a very helpful indication from you.

750 **Hon. K Azopardi:** Mr Speaker, just on that point, I agree with the Hon. the Chief Minister that that certainly has been the practice, but I heard Mr Speaker's ruling and I thought Mr Speaker was raising a quite different issue, which is that there might arise, during the course of the debate, something which has been asserted as a matter of fact which a Member, across the floor, might

want to correct on a Point of Order, and that opportunity arises as Mr Speaker has said, and I think it is quite a different issue to what the Chief Minister has been saying.

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Hon. Chief Minister: Mr Speaker, I agree as much as I disagree with the Hon. the Leader of the Opposition, because in this debate we might all see facts in a different way and if we start to assert that facts are what we are presenting during the course of a Point of Order – which are not actually facts but they are subjective views about facts, not objective positions where would could not have an argument even if we tried – then the debate is not going to progress in the way that the traditional Budget debate has progressed. I agree as much as I disagree with the Leader of the Opposition and I am sure that we will both agree that you will know how to balance, in your discretion, how to deal with those points even in the course of this debate.

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Hon. K Azopardi: Mr Speaker, a final word, because I do not think the Chief Minister has the right of reply in particular, but can I just say I agree with that, of course, but what arose – and without getting into it – is whether something happened or did not happen, and that objectively can be justified one way or the other. I would have thought there was a significant difference.

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Hon. Chief Minister: Mr Speaker, with respect to the hon. Gentleman, whether something happened or did not happen is a matter of fact. Whether it can be justified in a particular way or another is not a matter of fact, it is a matter of opinion, and therefore it is very clear that the facts asserted by the hon. Lady are the facts, full stop. That there are other surrounding facts and circumstances, that there might be opinions as to how things arose or did not arise – well, all of those things, Mr Speaker, are not facts, and your ruling – I do not recall the exact wording to repeat it, but I recall the use of the word ‘fact’ in it – I think is what will be, no doubt, the determining factor for you.

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Mr Speaker: When a Member rises to make a point of order it has to be a serious point backed up by facts. That is the important thing.

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Hon. R M Clinton: Absolutely.

Mr Speaker: Thank you.

**Appropriation Bill 2022 –
Second Reading –
Debate continued**

785

Mr Speaker: The Hon. Elliott Phillips.

Hon. E J Phillips: ... *[Inaudible]* and not burdening the public purse with those tickets. I think that corrects the record insofar as the suggestion. I am sure the hon. Lady was not trying to mislead the House in relation to that point, but that corrects the factual basis for the purchase and our contribution to those tickets.

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Mr Speaker, this is my seventh Budget and sixth contribution to the debate on the Appropriation Bill. Before I get to the substance of my address, I echo the thanks expressed by Members of this House in relation to your team here in Parliament for the work they do all year round to support Members – *(Interjection by Hon. Chief Minister)* Mr Speaker, of course the hon. Gentleman, the Chief Minister, wishes to interrupt me daily, on every single subject. We will let him have his reply eventually, but what I would say is we thank you all for the support that you have offered Members of this House irrespective of the side they sit on.

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Our civil servants in this place go about their daily obligations without fear or favour and they are a credit to the service. In my interactions with your staff, Mr Speaker, their response time has always been excellent and I appreciate their guidance. The parliamentary team is placed in a difficult spot, not because of the job but because of the way in which the Government conducts itself in managing the parliamentary diary with very little notice to you or your staff, not to mention the elected Members on this side of this House. *(Interjection by Hon. Chief Minister)* Whilst it is appreciated that urgent and emergency-type Government business may – rarely – upset things, the Government must make sure that the House works for all Members of Parliament, so that you can provide, and we can provide, a better service to the public. I have not been shy in saying this in this House and I have not been shy in saying that this House does not work as it should and is in desperate need of reform.

This should be a place for informed debate, collaboration for the good of the community, scrutiny and holding the Government to account. The quality of the answers we have received in this House for many years now from the hon. Gentlemen and Lady across the floor of the House has little regard for accuracy and leads me to the conclusion that this House is an opportunity for the Chief Minister and the Government that he leads to grandstand on every single possible occasion to diminish and suppress the role of the Opposition. We will not be diminished, suppressed or silenced. **(A Member: Hear, hear.)** We will continue to robustly oppose the Government so that the alternative can be put before the House and ultimately before the people at the next General Election.

Yesterday, the Deputy Chief Minister spoke about planned physical changes to improve the functionality and accessibility of this House, and they are welcome, but the elephant in the Chamber is not so much the physical changes but a deeper introspection as to how we improve the quality of the work that we do in this Chamber. People hold this institution in high regard but there are some fundamental issues which must be tackled so that the quality of our democracy can be enhanced. I am personally disappointed that the Parliamentary Reform Select Committee has not met, despite it being established many years ago.

The last two years have been difficult and challenging years for our community. We have had continued uncertainty as to our place in the world post Brexit, and whilst its negotiators endlessly pick through the detail of the deal it is important to understand that continued uncertainty is causing serious anxiety within our community about our future and our relationship with the European Union – and, indeed, others. Coupled with the pandemic, we have all had it tough. Our citizens have had their liberties restricted and 104 of our men and women have lost their lives to COVID, whilst many thousands of people have had their physical and mental health impacted from being locked down. Our people needed and continue to need our support during this period. We, as a community, did what we did to protect our GHA and the lives of many more that arguably would have been lost if we did nothing. Our thoughts and prayers are with those who have lost loved ones, those who are afflicted with long COVID and our healthcare warriors who continue to attempt to manage a virus that will no doubt live with us long into the future. At this point, I wish the Hon. the Father of the House, Sir Joe Bossano, a speedy recovery.

We should also spare a thought for the many people in our community who have struggled to access basic appointments, treatments and operations during this time and what many within and outside the GHA are describing as a healthcare service on its knees. If COVID has taught us anything it is that life changes at the blink of eye and, whilst we must be thankful for what we have, we must at all costs protect those who need our support the most. We may not be the largest or most powerful country in the world but we have each other, and whilst this Chamber is a place for heated debate and vocal argument, it has shown that when the chips are down we are able to unite and defend our way of life, be that a challenge to our status, our economy or our health security.

What the last two years has also done is expose our vulnerability and our weaknesses. The last two years have shone a floodlight on areas which are creaking under the pressure of expectation and need. One such area is the crisis in healthcare which my colleagues and I have been talking

about for some time. As Shadow Minister for Health, I have observed that health security, public health and our GHA have been put under the spotlight in two ways: first, in how the GHA came together to respond to the COVID emergency; and second, how it has been able to emerge from the pandemic in the Reset, Restart and Recover strategy deployed by the Government.

Governments across the world are learning important lessons from COVID. They are learning from the data collected that the state of people's health has a direct correlation as to how they respond to a health crisis and there is much we can do to improve the health of the nation from improving our collective approach to our own health and well-being.

The only way, in my view, in getting down the collective weight of our community is by increasing our activity levels, putting healthy eating at the forefront with exercise. This is the only way we can bring down the cost of healthcare and the burden that poor choices can have on the public purse in the long term. The world is moving towards a better understanding of the importance of public health and we need to listen to the experts in this area. I do not believe we do enough in our community to explain the impact that poor dietary choices or a lack of physical activity have on the ability of the GHA to deliver care to the population. Minister Balban's contribution yesterday touched upon improving the nation's health by improving walking and cycling infrastructure. I share his passion, but he appears a lone voice on those benches in relation to their commitment to a green and child-friendly city.

As the Minister for Civil Contingencies said in her contribution moments ago, it is clear to all that COVID is here to stay. We must learn to live with the risks associated with COVID and ensure that our community is provided with a Health Service that is fit for purpose, that our healthcare professionals are not demoralised and our people have confidence in the leadership at the GHA and that confidence translates into a decent Health Service being provided to our community.

Mr Speaker, as I said, I am responsible for the Health, Transport and Environment – amongst others – portfolios. The one portfolio that has eclipsed all others in respect of public complaint and engagement is Health and it is one that will dominate my address to the House in this Budget, alongside Transport and the Environment.

In order to understand the draft Estimates it is important to reflect on the 30th November 2021 statement by the now former Health Minister. That statement was supposed to revolutionise healthcare in Gibraltar. Well before the 30th November 2021 statement, the Opposition regularly raised serious concerns about the Government's inability to provide leadership over our Health Service and the provision of a fully functional Health Service to service users and patients. We have long raised many concerns about the operation and effectiveness of the GHA on a range of disciplines, and whilst COVID has had an impact, matters have, of course, become more acute during the GSLP Liberal administration of this service.

The present Minister for Health yesterday talked about the world being upside down, but it is easy to blame COVID for the problems in the GHA. As I have been at pains to say, COVID has served to highlight where we are going wrong and the systemic problems that have plagued the GHA for years. It is easy to blame everything on COVID, but the truth is that we know, the healthcare professionals know, the public know, the unions know and the Minister, from his contribution yesterday, knows that the GHA is broken and it has been caused by a decade-long mismanagement of priorities and the wider economy. The moment they publicly acknowledge it, the sooner we can get on and move forward. It is clear from the outpouring of criticism from the public that things must change quickly within the GHA.

We, too, have been vocal in our complaints about the Health Service: the lack of dental care for our children, the collapsed PCC appointments system, the telephone line, the face-to-face appointments, cancelled operations, the lack of financial control in relation to procurement, clinical governance, shocking preventable harm and death raised by the former Head of Clinical Governance, the lack of a chief executive and chief financial officer to lead the GHA, the removal of the micro-manager Minister from St Bernard's as a signal that things needed to change, and the tsunami of poor morale within the service leading to industrial strife. We were critical of the

former Minister's supervision of the GHA, and under the Chief Minister's watch our Health Service has spiralled downwards, from internal crisis to internal crisis, with no end in sight.

Never in our history has our Health Service been in such a state of disarray as under the GSLP Liberal Alliance administration of healthcare in Gibraltar. In their time in office we have seen a massive escalation in the cost of the service, we have seen complaints, litigation and claims skyrocket, we have experienced systemic waste and we have heard about shocking, serious concerns about preventable harm and deaths – all on their watch and they know it. This is nothing to be proud of, and this all rests on their shoulders as the guardians of the provision of healthcare. We have heard of normal working families, our elderly and vulnerable not being able to access simple appointments, children left without seeing dentists for three years, a management structure destroyed by years of micromanagement by an incompetent political leadership – and, to add salt into the wounds, now a Budget which promises mass un-co-ordinated and haphazard cuts across the Health Service that will inevitably impact on service levels and basic health in our community.

The 30th November 2021 statement – or the reconfiguration, as described by the former Minister for Health – announced the so-called landmark radical reforms to the GHA in direct response to our comprehensive proposals set out at the last General Election and our public statements reflecting the crisis in healthcare. It is clear that, once again, where we lead on policy, particularly health policy, the Government follows. We, on this side of the House, welcome the wholesale adoption of GSD policy. It was excellent back in 2019 and it is of critical importance now that the GHA has been put under the microscope – not only by us but so very vocally by the patients and public at large.

Back in 2019 we constructed a package of positive, constructive and radical proposals for the reform of healthcare. We proposed an independent professional management team, as well as structural and qualitative changes to improve the quality of care. In particular, we proposed the reintroduction of a CEO at the GHA and the appointment of a CFO to monitor procurement and spending of public money in the GHA. We are pleased to note that all of our proposals have been introduced. Where we lead on health the Government follows.

The GHA has had five Ministers – Ministers Cortes, Balban, Costa, Sacramento and now Minister Isola. Whilst the public watch the ministerial musical chairs at the GHA, our Health Service stumbles from one crisis to another without leadership and with public confidence in the service at an all-time low. We now have a new kid on the Health block – who happens not to be in the Chamber at this time – Minister Isola. Let's hope his head is not next on the block; they are running out of front-bench Ministers to replace him.

The hon. Gentlemen knows that I have a great deal of affection for Mr Isola and respect him, but I have to say that he should stick to what he is known for and what he appears to be fairly good at, namely financial services and digital assets. The hon. Gentlemen is a consummate salesman, he knows how to sell Gibraltar plc outside Gibraltar and I personally commend him for his efforts, but I suspect his silver tongue is not going to come to his aid with the Health Service, and whilst I wish him Godspeed and the best of British, I suspect that deep down he knows he is presiding over a Health Service that is on critical life support.

His contribution yesterday, whilst not earth shattering was, at the top end, *ad lib* before he got to his pre-prepared speech, just the usual defensive jabs, none of which landed on his opponents on this side of the House. I suggest he sticks to non-contact sports. Far from it, all he did was demonstrate that he is able to do the quickest U-turn in political history. It took less than 24 hours after they announced a ridiculous £25-a-week charge affecting all businesses to row back on it. Where in the world does a Government, after supposedly thinking properly about their measures, row back on their commitment within 24 hours? It must be a world record. It is like Line Wall Road all over again. *(Banging on desks)* More of that later. **(A Member: Hear, hear.)**

I do not think that he honestly recognises that – *(Interjection by Hon. Chief Minister)* Mr Speaker, I know the Chief Minister is baiting me. He wants to get to his feet, but he is going to have to wait until I have finished this. I do not think that he did honestly recognise that all is not

well at the GHA and I got the distinct impression that he may be overwhelmed by the prospect of trying to fix the GHA. There were no answers by him – or, indeed, the hon. Lady, who could have answered those questions – in relation to the areas which, on the surface, look like significant cuts to the healthcare budget referred to by the Leader of the Opposition in his contribution. I take the absence of a reply as an acceptance that we will have a task on our hands of managing the Health budget moving to 2023.

They only have themselves to blame and the public know it. We told them last year that the GHA should be regulated by an independent body and pointed to our very carefully designed Care Quality Commission: our idea. It seems clear that they are giving active consideration to this. We told them to hire a CEO – they hired one. We told them to hire a CFO – they hired one. We told them to move the Minister for Health out of the Hospital and they fired her. I am all for constructive politics, but they haven't got a clue when it comes to managing the healthcare budget. They have simply run out of good ideas and brought the GHA to its knees. The only thing I will commend them for today is adopting well-thought-out, prudent and cautious GSD policy.

Whilst they are at it, I would ask them to introduce an integrated healthcare system, an IT system between primary, secondary and tertiary care so that the systems can talk to each other. The failure of digital platforms is totally unacceptable and in 2022 there is no excuse for poor technology in health. The answer to the delivery of better healthcare is to embrace technology and to ensure joined-up IT with all aspects of healthcare, so that when you visit a doctor or go to a pharmacy your health record is accessible by health professionals and you can be provided with the best possible treatment and medication for your ailment.

When it comes to healthcare in our community, the cost to the taxpayer for years 2019-21, namely two years, was a staggering £322 million-odd crudely divided into £161 million each year. The estimate for 2021-22 was £140 million. The forecast outturn for 2022 is £170 million. In short, we spent £170 million up to March 2022 and the estimate for this time next year is £128 million. The Leader of the Opposition has spent much time attempting to demonstrate the overspend and has expertly, in my view, dissected the Chief Minister's contribution and serves to highlight the failure of the Government to get a hold of public spending on healthcare. Putting it simply, we spend half of all revenue generated from Income Tax on the Health Service. The Government has committed on numerous occasions to attempt to cut the cost of health – I remember the Hon. Mr Costa's attempt – but they have been unable to place financial controls and secure efficiencies within the system, and this is why the Hon. Roy Clinton has said that this Budget is irresponsible and unrealistic. Every single Minister for Health – the revolving door, as is well known – has tried and failed to drive efficiencies within the Health Service, and despite what is set out in the Book it is very difficult to see how they are going to stem the crisis in the GHA. Meanwhile, people continue to suffer, and complaints about service rise.

The Government now and again repeats the efficiencies mantra and now proposes to essentially cut the cost of healthcare from the outturn of £170 million to £128 million a year. How are they going to do that? Well, they have no choice. They are going to have to cut services that people rely on. We have already received the pre-Budget announcement of a massive hike in prescription costs to the public and a reduction in those eligible for exemption. We have also learnt that now life-saving and life-improving medication to those who need it will be curtailed. I have spoken with many patients and pharmacists alike and it is clear that patient access to important medicines will now be severely restricted. This is the start of it. What will follow is a period of sustained cuts, cuts and more cuts to our health services. Appendix F on page 225 of the Book provides some insight as to how they will go about butchering our most beloved Health Service.

As we all know, the Health Service is as good as the people who work in it, and it has always been a place where they have been overwhelmed by the demands placed by them by the service. We have excellent healthcare professionals who are trying their best whilst being completely demoralised. We pay, as a community, personal emoluments, which includes salaries, over £60 million a year. In terms of relief cover, visiting consultants and recruitment expenses, we paid

1005 out, in 2021-22, over £15 million. Insofar as those subheads, the Government is now budgeting, for the year ahead, just over £3.4 million, which is a massive cut, which can only impact on the delivery of care in our community. Is this seriously realistic?

1010 Selecting a number of other areas, you can see that it is not just on people where we are seeing cuts but on other areas directly affecting patients. When we look at prescriptions, the Government intends to cut the cost from £12.5 million to £9 million, a whopping £3.5 million from prescriptions. In terms of medical departments they intend to reduce the cost from £18 million-odd to £5.7 million – all this to directly impact on healthcare to our community.

1015 And then we come to the last line of defence in healthcare, our most treasured sponsored patients scheme. Many of our families and Members of this House may have been recipients of healthcare delivered elsewhere because we simply cannot provide that quality of care here. I am sad to report to this House that the Government intends to cut sponsored patients from approximately £15 million to £10 million, representing a significant decrease, in my view.

1020 It is also very disappointing that despite all that is said by them in this House about the importance of support for members of the community with disability and mental health, there is no detailed budget for these areas. We will all remember the publication of the Mental Health Situational Analysis report, which sat on the then Minister for Health's desk for 19 months. That report heavily criticised the Government for not having a defined mental health budget – and low and behold, the report from Public Health England has been ignored once again this year and no mental health budget is properly put forward by them in this year's Budget. It is shocking that in 1025 300 pages there is no mental health budget. They talk about the vulnerable, the weak and those in need with compassion, but it is never backed up. They are all words but no action. How many more young men and women have to needlessly suffer in silence because of a lack of provision in relation to the mental health budget?

1030 All this Budget does is demonstrate that they are entirely disconnected from reality and what is important to this community. Healthcare is our number-one priority and the Government has embarked on a culling and mercenary butchery of the healthcare budget, targeting medicines, staff and the availability of our well-loved sponsored patient scheme. No amount of spin we have heard from the latest in a long line of Ministers or the spin doctor extraordinaire, the Chief Minister himself, will assure the public that what they are doing is ... embarking on a haphazard 1035 scatter-gun approach to cost cutting at the expense of patient care. In respect of the purchase of the Hospital by the Government, we will, obviously, carefully scrutinise the deal when the details are made available to us.

1040 Mr Speaker, I said in 2018 in this very House that the Government had been reckless with the peoples' money. I said in 2018 it took them seven years of spend, spend, spend, which saddled our community with debt, debt and debt. We will now have to live with the consequences of his huge appetite for spending, and that is cuts, cuts and even more cuts. The Chief Minister's chickens have certainly come home to roost, and they seek to blame Brexit and now COVID for their poor planning and mismanagement of the economy.

1045 The two clear characteristics of an economy bruised and battered by a decade of spending are cuts to public services and tax increases, and the Government has now done both. The Chief Minister almost seems proud of the fact that under his watch he needs to take significant revenue-raising measures, albeit for two years – or, to lighten the presentation, 24 months, not that that makes a huge amount of difference, of course.

1050 The Chief Minister tells us that this is not a giveaway Budget – but, Mr Speaker, it is a takeaway Budget. The Chief Minister is taking away from hardworking families who are enduring a cost-of-living crisis and higher interest rates. After a decade of spending he now wants to raid our piggy banks in true Sheriff of Nottingham style. As I have demonstrated, there is less money for medicines needed by patients, less money for sponsored patients and less money for cover, which ultimately has a direct effect on the level of healthcare provided to our community. How can he 1055 be proud of that record? What the Chief Minister cannot get away with is his decade-long splurging of millions at festivals, his Venetian palace, swanky business trips through VVIP World

Leader lounges and a war-like bunker that can only be rivalled by the West Wing, to name but a few. All he can point to is the wonderful green park that the Hon. Mr Isola spent some time discussing yesterday. We all remember the VVIP tickets issued to all and sundry and his friends, and now that he has spent the peoples' money the Chief Minister talks about a nation of fairness and the people's toughest Budget. There is nothing tough about this Budget. The Chief Minister is attempting to position himself as a strong, determined leader who has to take the tough decisions which might not be popular. Well, he would not have had to take those tough decisions in relation to people's money if he had managed the public purse better over the last decade of spending.

I think it was the Deputy Chief Minister who attempted, on Tuesday, to persuade the public that it was a combination of a lethal cocktail of Brexit and COVID that had caused the economic bomb to go off. We do not doubt that Brexit and COVID have had an impact, but to brush aside the Government's addiction to frivolous spending and mismanagement of the public finances will not go unnoticed by the public. Whatever the shape of the treaty, it will be too late for the Chief Minister and his cheerleaders. The Chief Minister's conversion to prudence and the age of responsibility is an act to shield him from a decade of mismanagement and spend, spend, spend. It is a shame he did not listen to the perfect-storm warning set out by the Hon. Mr Feetham all those years ago.

When the hon. Gentlemen sat down in his chair after what he described as the people's Budget, our community literally exploded in anger. Social media went into a frenzied criticism of his speech. The pendulum has truly swung and this is the champagne-swigging socialists' last Budget. (**Two Members:** Hear, hear.) They are bruised and battered, tired and spent, with nothing more to give, clinging to the hope that successes on the treaty will somehow make people forget the domestic nightmare that people have been living with. The community has had enough, they want him gone, and it is only he and the Government who are responsible for the ruinous state of public finances.

He talked at length about rebirth and renaissance. Listening to the Chief Minister was like looking at an entirely different human being. It was not a rebirth, it was not a renaissance; it was a wholesale reincarnation. The Chief Minister is selling himself as Robin Hood but he is the Sheriff of Nottingham. He is, as my learned and hon. Friend the Leader of the Opposition said, the highway man: 'Stand and deliver' I think were the words that he used.

We are pleased that he now appears to be counting the pennies, as the Hon. Mr Roy Clinton does on many occasions, but what about those many millions of pounds he spent on parties? Is he accountable for that spending spree? I say 'appears' because even now, when he asks you to dip your hand in your pocket for more tax, electricity and water contributions, he increases his entertainment bill at No.6 Convent Place. In short, while he has gone from drinking Dom Perignon to Prosecco, he still wants you to pay for it. Shame on him. Tell that to the people who can no longer afford medication or obtain the medication they need. Tell that to the people living on the breadline who now have to pay more in tax and utilities. Tell that to the sponsored patients who have just had their budget slashed. Tell that to small business and the unions who have openly and directly criticised this Budget. This is not the people's toughest Budget, it is a desperate scramble Budget to get us through the next year, scrimping around to cover the hole created not by Brexit or COVID but his pathological addiction to spending other people's money. We now rely on the generosity of benefactors to pay for our parks and our theatres. I make no criticism of their generosity, their contribution to our community is welcome, but in one way it is an abdication of responsibility and a reflection of the state of public finances, for which they are ultimately politically responsible.

This Budget demonstrates to all who would care to listen that the Government that he leads has lost the trust and confidence of the people of this community. Our community has lived through a decade of spend, spend, spend and debt, debt and debt, and it now appears that we are all about to board tugboat *Picardo* for a sustained period of collective economic pain. On Tuesday, he romantically talked about himself as being Capt. Picardo of *HMS Gibraltar*, leading us through choppy waters, when the reality is he is readying himself to abandon ship.

Mr Speaker, moving to other areas of responsibility and the Government's now abandoned commitment to a green and child-friendly city, I have heard it being said by the Chief Minister, the Deputy Chief Minister and others in this House that they will not be able to honour the promises they made to the people in 2019. It appears that the green and child-friendly city will be the victim of GSLP mismanagement of our economy. No other Government in a refined democracy has abandoned its commitment to the environment, so why should we? Any political party going to the polls in the future rowing back on its commitment to climate change, for instance, and decarbonisation will be punished by the electorate.

I was surprised to hear from Minister Cortes on Tuesday that several countries have stepped back on low-carbon measures, which the Minister described in his contribution as short term and opportunistic. I would be very interested to hear which countries have stepped back from that commitment, because he simply did not disclose them. There was nothing in his very short, limited, unfocused and, quite frankly, poor five-minute contribution on the environment, apart from wishy-washy commitments to climate change that inspired very little hope to those listening that he was truly interested in improving the environment for the betterment of members of our community. The Minister said that the Government remained fully committed to green Gibraltar, but then confirmed in the same breath that they had to pull back on plans and manifesto commitments. Well, which one is it?

We heard a very limited update from the Minister in relation to their decade-long and hitherto undelivered sewage treatment plant, which appears to be no further forward and in fact is not being provided for in the Book, save for a limited provision. It appears that Gibraltar will continue to pump raw sewage into the sea with no indication as to how much it will cost the public purse and despite saying that it could be ready in a year. Again, is it a realistic timetable for the delivery of this project?

Insofar as solar power, it is clear that there has been very limited progress on rolling this out more widely. It is also clear from Opposition questions in the House that the move to EV is very slow indeed and that businesses have very little encouragement to move their entire fleets to electric. We will continue, therefore, to see fleets of trucks spewing dirty fumes across our streets, and with increased construction our health is going to be further impacted by bad air quality. The Government must do much more to improve our air quality and clean up Gibraltar for all our residents. We will watch with bated breath how the new instruments purchased by the Minister will improve public information about air quality.

We heard about the Sustainable Tourism Tax, which has been described as a positive step, but the Leader of the Opposition and my hon. Friend Mr Bossino said that it is strategically a bad move.

I welcome the prohibited importation of diesel and petrol mopeds from 1st July 2023. Again, it should have happened much earlier. We have been saying this in this House in a number of questions I have put to the Minister, but we are where we are and we are pleased that they are following policy which we have long promoted in this area. Diesel and petrol mopeds are polluting and noisy and the sale is counterintuitive – another example of where we lead on constructive and progressive policies and they follow.

I cannot, of course, not deal with Line Wall Road and the debacle. (**A Member:** Hear, hear.) The other Ministry I am blessed to shadow is Transport, which was quickly taken back by the Hon. Mr Balban after a disastrous term, himself, at Health and after Mr Daryanani's massive U-turn on Line Wall Road. Who will ever forget the appalling mismanagement by the former Minister for Transport, who famously said in this House that Line Wall Road belonged to the Government, only to be corrected by the Leader of the Opposition, who put him right on who owns Line Wall Road – and that is the people, as the learned Leader of the Opposition has said? (*Banging on desks*) They got themselves into a right mess on Line Wall Road and it is the first time I have ever seen the Chief Minister apologise for anything. He held up his hands – 'We got it wrong,' I think were the words he used at the time. We were grateful for that apology, we all get things wrong, but that was cataclysmic. They jump into ideas and they do not think about the consequences for normal working families. By way of example, the closure of Line Wall Road had a massive negative effect

on other important road infrastructure and caused massive and untold chaos. Mr Speaker, I know he does not want to listen to this because it is just so painful for him to listen to his mistake on Line Wall Road, but the mistake cost the taxpayer £300,000. Let that sink in. It is truly embarrassing. The ill-planned, ill-conceived closure of Line Wall Road cost the taxpayer £300,000, an example of carelessness and a waste of public money, and now they are increasing prescription costs and cutting sponsored patients. Where is the priority? They have no idea what they are doing any more. You could not make it up.

During COVID, 2019-22, they spent nearly £2 million on road resurfacing. They estimate to spend £1 million this year on road surfacing. Have you seen the state of our roads? Where are the improvements? Minister Balban spoke in his contribution of patch jobs to our roads. The public are up in arms in relation to transport and the quality of our roads, and rightly so. Mr Balban's speech is not going to appease the many who believe that the STTP was a waste of public money. Addressing that point, in 2019-21 the Government spent nearly £8 million on the tunnel and roads to North Front. The outturn for 2021-22 is £4.1 million. In 2022-23 they expect to spend £4.5 million on the tunnel. That is £16 million on a tunnel and it is not even open.

The infamous Sustainable Traffic, Transport and Parking Plan continues to be an unaccountable money pit. In 2019-21 the taxpayer paid £477,000 for the STTP. In the year 2021-22 it cost a further £205,000 and for 2022-23 it is estimated to reach £800,000. I have said it before that Gibraltar requires a radical shake up in the way we move about our community, but spending millions of pounds on a plan that does not work is not the answer.

Gibraltar can only change if people in our community have confidence in the reliability and availability of public transport. Safe infrastructure for alternatives is essential – and I agree with the hon. Gentleman Minister Balban in relation to that – to move our people away from car use to more sustainable modes of transportation. Yesterday, the Hon. Minister Balban romanticised about his desire for walking and cycling infrastructure and I applaud and support his commitment to this, but it is not backed up by the Members who sit opposite with him. It is clear that his predecessor was certainly not on board with that vision, which I agree is a good one and we applaud him for it, one which sees our people walking more, cycling more and embracing sustainable and healthier modes of transport. I really do think that the only way the Minister will see his vision put into practice is when we shortly move from these benches over to there, where we will do that very thing. Mr Balban is a lone voice on that side of the House but we support his vision.

In relation to e-scooters, there is no real indication as to when proposed legislation will be brought before the House. We need an integrated plan that provides public confidence and allows people to explore safe and cleaner modes of transportation. We also need to encourage a full transition to EV and we require our infrastructure to be significantly upgraded to meet the green and child-friendly commitments set out in their glossy 2019 manifesto. One example is our taxi service, which should be entirely electric, in my view, and we should encourage that transition as soon as possible. Gibraltar deserves better than a half-baked traffic plan that is costing the public millions.

Gibraltar's streets and highways are unsightly and dirty, and whilst millions go out of the Improvement and Development Fund nothing is improved or developed by the GSLP Liberal Alliance. Whilst they have enjoyed a decade of spending and decadence, they have not seen the decade of decay on our highways and byways. It is important to remark on the following, so the public know, Mr Speaker. We spend over £6 million a year for the cleaning of our streets and public spaces. We pay £½ million a year to monitor air quality. We spend £1.85 million on the Environmental Agency contract. We spend £1.25 million on Alameda Gardens. We spend £100,000 a year on keeping our cemeteries. In most, if not all of those areas, I receive complaints from the public. If it is not our dirty streets, if it is not our exceptionally bad air quality affecting the long-term health of our young and old alike, it is the poor state of where our relatives are placed at rest. Where is the supervision? Where is the quality control? Where are the efficiencies, ensuring that we are getting value for money? All the public can see from this Book is the

Government spending their money with no real improvements in our environment and, worse still, a deterioration in the way our community looks.

1215 Our air quality is diabolical and anyone who suggests that we do not have a problem that is directly impacting on the lungs of our children is blind to reality. I am shocked by reports from doctors on the levels of asthma and other respiratory conditions as well as the prevalence of allergens. More must be done, and quickly, to stop the increasing bad and poor air quality in our city. I am not confident that the current Minister has the ambition to drive real change in this area.

1220 No one in their right mind believes that this community is well within the 2021 limits imposed by the World Health Organization and that we have no problem with air quality. The hon. Gentleman, the Minister for the Environment, paints a rosy picture but it is very far from rosy. In fact, the Hon. Professor's contribution yesterday was completely at odds with that of the Hon. Mr Balban. Don't they speak to each other? Don't they compare notes before they draft their speeches? Should

1225 Transport, Health and Environment be joined up with one message?

The fact that the Government has changed its air quality monitors demonstrates that the 20-year-old equipment was not fit for purpose in the first place and they now accept the longstanding concerns of NGOs as to our poor air quality. Pausing there, we should thank and applaud our health, disability and environmental charities, NGOs and associations for the excellent work they

1230 do in raising awareness and funds for their causes. We should thank every organiser and tin shaker for their efforts in ensuring that their health, disability and environmental concerns are raised loud and clear.

Mr Speaker, coming to the end, I wanted to say something about the contributions of the Chief Minister and Mr Bossino yesterday in relation to another country's approach to the question of

1235 abortion. The Chief Minister talked about not having a reverse gear on rights and Mr Bossino I think talked about the belligerent left. Old wounds which were settled in the referendum and the subsequent commencement of the Act should not be reopened. We, in this community, were torn apart by this question and let us not continue to create ill feeling. Let our community continue to heal the wounds of these divisions and attempt to live together in peace and harmony with the

1240 collective decisions we have made about a seminal issue such as abortion despite the many views that have been expressed.

Before I close my contribution, a word about yesterday's news in relation to the end of reciprocal healthcare benefits. We have consistently said that the Government has mishandled the negotiations by giving away rights to frontier workers with no equivalent rights in return for

1245 our people. People will now need to be concerned with taking out health insurance for Spain to cover emergency health cover there. I think the end note in relation to that point is that we should have been much more prepared for the situation, and I am sure the Chief Minister will deal with that in his reply but it is a significant move that was announced yesterday and which the Opposition has replied to in a press release today.

1250 Mr Speaker, it is clear to all that after a decade of spending and a decade of decay, to use a Shakespearean theme, something is rotten in the state of Denmark and there is a real need for a change of direction. We need a Government that delivers what it says it will deliver, a Government that can be trusted with the public affairs and finances of the community and a Government that puts the health of our country first.

1255 Thank you. *(Banging on desks)*

Chief Minister (Hon. F R Picardo): Mr Speaker, thank you very much.

After that contribution, which has no doubt been inspired by *Lucy in the Sky with Diamonds*, frankly, I wonder whether we might recess for 15 minutes before we hear the sweeper of the

1260 Opposition.

Mr Speaker: The House will now recess for 15 minutes and will return at five to seven.

The House recessed at 6.39 p.m. and resumed at 7.04 p.m.

**Appropriation Bill 2022 –
Second Reading –
Debate continued**

Mr Speaker: The Hon. Daniel Feetham.

1265 **Hon. D A Feetham:** Mr Speaker, it is now five past seven, not quite the graveyard shift that it has been in the past – (*Interjection and laughter*) well, not quite – but I am conscious that hon. Members have been in the Chamber for three consecutive days. As Zsa Gabor would say to her nine husbands prior to contracting marriage, ‘I shall not keep you long, darling,’ therefore keeping my intervention short.

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Chief Minister (Hon. F R Picardo): The best news for everybody.

Hon. D A Feetham: Indeed, very good news.

1275 Mr Speaker, I wish to start by congratulating the Hon. the Leader of the Opposition on his articulate exposure of the Government’s responsibility for the state of the public finances and indeed for the austerity measures announced by the Government on Tuesday. Yes, Mr Speaker, austerity measures, described by Unite the Union as a Budget hitting workers in the midst of a mounting cost-of-living crisis; austerity that, with the normalness that belied his 60 years of age, the Minister for Financial Services, within 24 hours of the Government announcing those
1280 measures, came to this House and performed the most remarkable U-turn. Nonetheless, the Leader of the Opposition has asked me, as he did last year, to draw together some of the themes in this year’s debate and respond, where relevant, to some of the speeches from the Government side, and I am delighted to do so.

1285 I also want to congratulate Ministers for, on the whole, concentrating on the positives and what they in their Ministries have done, rather than trumpeting the same tired tune about what they say – wrongly, as it happens – the GSD did whilst in government. Frankly, it has become as tiresome as it is irrelevant to the issue of whether they deserve the continued trust of the people of Gibraltar. They have been in government for over 10 years. It is their record that we judge and at the next election the people of Gibraltar will turn their backs on them in their droves, (**Several**
1290 **Members:** Hear, hear.) and with reason.

1295 What, therefore, are the differences that separate this side of the House from that side? There are two issues that separate this and that side of the House. The first is how far should the Government bear some responsibility for the financial mess we find ourselves in and for the measures that the Government introduced, hitting working-class families and companies, in particular in the light of the consistent warnings that we gave from this side of the House, both pre Brexit and pre COVID. The second is the extraordinary overspend in the last financial year, which is difficult to justify on its own but particularly when we consider the service the public is getting in return. We spent £170 million on health last year, £30 million above the estimate. The least you would expect is that the appointments system at the Primary Care Centre would work or that at least people’s calls are answered. Here we are in a real financial crisis and the Government cannot even control public overspending – not spending but overspending: £90 million, as the Hon. the Leader of the Opposition said in his address yesterday, which feeds inevitably into the reasons for the measures that the Government introduced on Tuesday. Even if you calculate that overspend differently by taking into account the contributions from the COVID
1300 Fund into the Consolidated Fund, it still leaves you with an overspend in the tens of millions of pounds.
1305

1310 Let me take the first issue first. The Chief Minister, during the course of his address, said the challenges of COVID, Brexit and Ukraine scar our economy. The Deputy Chief Minister said ‘grossly unfair to belittle or underestimate the pandemic’. It cannot be denied that the pandemic has catapulted us into an economic crisis which has caused us to sit on a mountain of debt. More on

the mountain of debt in due course, Mr Speaker. Minister Isola said that Brexit and COVID are not made up; they are not excuses but unprecedented events. The hon. Lady, tonight, said, 'Where have they been in the last two years?' Indeed, where has she been in the last 11 years? The common theme is do not blame the Government, blame external unavoidable factors – the political get-out-of-jail-free card. Of course no one denies the challenges of Brexit or COVID or the Ukraine war, no one on this side belittles or underestimates the pandemic or the economic crisis that they have brought in their wake. Yes, these are unprecedented events. Yes, the immediate deficit in the public finances has been caused by COVID – I stand by everything that I said last year – but what you cannot do is, by a political sleight of hand and a political deception, airbrush away the gross mismanagement of our public finances over 10 years, which we predicted would have consequences in the future if we faced an international downturn. Their mismanagement of the public finances was a disaster waiting to happen and there is absolutely no doubt that regardless of COVID or Brexit, sooner or later they would have had to take corrective measures. It is that mismanagement that has massively contributed to what the Leader of the Opposition has appositely described as putting their hands in the collective right-hand pockets of ordinary working people and small businesses in Gibraltar, and what is worse is that after the next election, should they win – God forbid – they will put the other hand into the collective left-hand pockets of the people, and businesses too. Nowhere have the failings of this Government been more apparent than the mismanagement of the public finances. Nowhere have they betrayed their own traditional core principles more than in the management of the public finances. Nowhere have they placed the Gibraltarian more in jeopardy than they have in the management of the public finances.

The Chief Minister said that underpinning this Budget was 'the spirit of prudence and responsibility'. It is a real shame that he was not possessed of that same spirit when we were urging prudence and responsibility over the last 10 years, or that he managed to instil that very same spirit over the last year to ensure that his Government did not overspend by £90 million.

They are the party that has always professed to stand for financial stability as the foundation for mounting a proper defence of our national interest. It was only with these foundations – or so the Father of the House would say in the 1980s and 1990s – that we could properly defend against pressure from our neighbours and indeed at times from the periodic machinations of the UK government. Over the last 10 years, and all for the sake of piling on the votes – not just winning but winning by landslides – they have played Russian roulette with those public finances, unconcerned by warnings from this side of the House about the weakened position it was leaving this community in if the global situation deteriorated or turned. Whilst we could not have predicted COVID or Brexit – although I did refer to the possibility of Brexit in these very same debates prior to it happening – our warnings were clear and unheeded. Whilst we want the best outcome and the best deal for Gibraltar in treaty talks, and if we get a decent deal we will be the first to support it, it is their mismanagement of this issue, the public finances, that has contributed significantly to the weakening of our position – of that there is no doubt.

I have always admired the Chief Minister's energy, more than he knows. For the first six years of his Government there was no interest group or person who held his hand out that the Chief Minister did not personally see or write to, to promise a cure for every conceivable ill or request. Where was his newfound 'no free rides' mantra because 'previous generations had no free ride' when he was throwing taxpayer-subsidised parties to the annual tune of £4.5 million? We all like a party but that, with respect, was a tad excessive. It was bound to catch up with him and it did many years ago. Many times we pointed out that in Bermuda, when governments there changed the borrowing limits – much as they did in 2016 – electoral auctions reached such levels that their government ended up borrowing to pay for recurrent expenditure. The popularity of this Government has rested on a mountain of pre-COVID debt and out-of-control expenditure. That is his legacy when it comes to the public finances of this community, and that is what also underpins the measures that he announced on Tuesday – and as with every political sleight of hand, it has

rested on ensuring that either people did not understand or, frankly, did not care whilst they had money in their pockets.

1365 But debt mountains are deferred taxation or cuts in public service, or both. We already sat on a mountain of debt of £1.45 billion before COVID – or have they forgotten? It was inevitable, and this is what we see in this Budget. Of course these worrying figures are attributable to COVID in the first instance, but all COVID has done is accelerate the inevitable downturn that would have occurred anyway and added to what was already an alarming situation. Of that there is also no doubt. A strong economy, sound public finances and money in the bank to see us through difficult times – those are the foundations of true success. That is the way that we have consistently said we would protect the Gibraltarian way of life. They are the principles that have guided our warnings in these debates for the last 10 years. They cannot now point to those same principles to justify the austerity measures which they, in part, have caused.

1370 Sadly, it will be people of moderate means who will be the hardest hit. He says this is not austerity. He accused us of wanting austerity when we put forward a detailed plan of debt and expenditure reduction pre Brexit because we were concerned even then by the mountain of debt he had accumulated and increasing expenditure. The classic definition of austerity is economic policy consisting of tax increases, spending cuts or both, used by governments to reduce large deficits. If what the Government served up on Tuesday is not austerity then quite frankly I do not know what is.

1380 Trust is as important in politics as it is in business and personal relationships. Let me remind the people of Gibraltar of the phenomenal sleights of hand performed by this Government in the management of these public finances and why we say from this side of the House that the people cannot trust them. In 2011, when gross public debt stood at £540 million, inclusive of debt in Government-owned companies, the Chief Minister said – then I think he was the Leader of the Opposition – that the GSD was addicted to debt. Today, it stands at £1.8 billion. That is 333% more gross debt than when he said that the GSD was addicted to debt. Only £350 million of that is attributable to COVID, so when the Deputy Chief Minister says we are sitting on a mountain of debt caused by COVID, my answer to that is that £350 million is but a hill compared with the mountain of debt we were sitting on pre COVID. The Chief Minister said it is the oldest trick in the book, like blaming Labour for the debt that followed the collapse of the markets in 2008. The difference is that we were carrying a staggering amount of debt prior to COVID and we consistently warned about its consequences. That is the difference. In 2011 he castigated us because there was £20 million of borrowing in Government-owned companies. Today, in Government-owned companies the debt stands at £990 million. That is a 4,950% increase in off-balance-sheet debt, i.e. not included in this Book, from the time that he was lambasting us because we had £20 million of debt in Government-owned companies. I accept there was debt in Government-owned companies in 2011, but it was minuscule compared with the systematic re-engineering of our public finances through the use of Government-owned companies, companies that are not only repositories of off-balance-sheet debt but are used to pay for expenditure that would otherwise come from Government revenue. In other words, it not only distorts the extent of true debt owed by Gibraltar plc, it also distorts the true extent of expenditure of the Government. That is why we have consistently voted against the Budget since, yes, Mr Clinton persuaded me that we should do so.

1405 He can see from that exposition that I do understand the link between expenditure and debt and vice-versa. It is a shame that he did not better understand it over the last 10 years. In 2011 the hon. Member lambasted us because he said that every man, woman and child was notionally indebted to the tune of £16,000. By his own measurements today it stands at £60,000, 375% more than when he made the point in 2011. Indeed, the difference is that we never mortgaged working-class housing estates in order to secure that debt.

1410 In December 2011 he said that he had found an impenetrable curtain and as he addressed the nation he told us there was a serious public finance and public debt problem. He then, after saying that, proceeded in four short years to borrow not only that huge amount of debt that I alluded to

a few moments ago but also spend £750 million on capital projects. The curtain hiding the debt mountain on which we sit in Government-owned companies has no equal in the history of the public finances. No one knows how the Government has precisely spent £400 million in Credit Finance Company Ltd or the £300 million borrowed through Gibraltar Capital Assets, to give but two examples. Indeed, we do not even know whether all of this has been spent or part of it is still in cash.

Those are just a few reasons why people listening to this debate, when they come to weigh whether they believe the Government or they believe the Opposition ... That is why the people of Gibraltar should believe the discourse of the Opposition, because we have been consistent and, despite the fact that it came at an electoral cost, we never deviated from what we thought was right. (*Banging on desks*) (A Member: Hear, hear.)

I now want to also just explain how we ended up in the mess that we are in today – in other words, how we ended up with that mountain of public debt. I want to explain that. Every country has legislation that is designed to prevent governments borrowing in a manner that becomes unaffordable to the community – and so did we when they first came into government. But the problem the Government faced was that because of those legal borrowing limits it could not borrow what it needed in order to deliver on its manifesto commitments in 2011. Not only couldn't it legally borrow but it did not have the cash in the bank in order to pay for those commitments. They promised £750 million in capital projects to reduce rents, rates and electricity, and then, to boot, to donate every single last penny of government surpluses to Community Care. It does not take a rocket scientist – and indeed, to reduce debt, if you are saying, 'I am going to be spending £750 million; all the spare cash I have in my pocket I am going to donate to a charity and I am also going to reduce the debt that I am lumbered with,' how on earth are you going to be spending that colossal amount of money on capital projects?

The way they did it was this. The first thing they did – not the first thing, but close to the first thing they did, and they did not tell the electorate in 2011 they were going to do it – was to amend the Gibraltar Savings Bank Act. I think it was 2012, or 2013 it may have been, not quite soon afterwards. The Gibraltar Savings Bank Act at that stage, pre amendment, only allowed the proceeds of Gibraltar Savings Bank debentures to be invested in money or moneys-worth investments, a very safe form of investment, usually UK Treasury bonds. They introduced an amendment that did away with that and meant that the Government could then use the debentures in the Gibraltar Savings Bank to invest in whatever they wanted. Thus they began shifting Government debt, which of course appears in this Book as the debt owned by the Government from Government, direct debt, into the Gibraltar Savings Bank, where it is a direct debt of the Gibraltar Savings Bank, not a debt of the Government. That is the way in which they then circumvented the legal borrowing limits, because your Government debt is within the legal limits but you then have this indirect debt sitting in the Gibraltar Savings Bank, which of course is not accountable as Government debt.

From 11th December 2011 to 1st May 2013, just under two years, the total value of Government debentures had been reduced by £151 million. During that same period the total value of debt security issued by the Gibraltar Savings Bank rose spectacularly from £24 million to £272 million, and that was just the beginning of their administration but the trend accelerated. It allowed the Government not only to keep the debt off balance sheet but its expenditure, too, by injecting hundreds of millions of pounds into Government-owned companies which then spent the money on the projects. That is how they did it, and it is irresponsible. Why is it irresponsible? Because the legislation that is there to prevent governments from borrowing in a manner that becomes unaffordable is there for a reason. It is not there to try to avoid and evade. That is the reason why it was dangerous. Millions of pounds went from the Gibraltar Savings Bank into Credit Finance and Gibraltar Investment Holdings Ltd, the company which has traditionally been used to fund other Government-owned companies. It is a company that sits at the top of the pyramid of Government-owned companies, so traditionally the way that Government would fund Government-owned companies is by injecting money from the Consolidated Fund into Gibraltar

Investment Holdings Ltd and that would then trickle down to the other companies that were owned by the Government. Of course, if you are injecting into Gibraltar Investment Holdings Ltd money in the hundreds of millions from the Gibraltar Savings Bank, you do not have to do it from your own pocket as the Government.

1470 That is the link that he says we did not understand between debt and expenditure, in simple terms. That is why I predicted in 2013 that this would have huge consequences for transparency and accountability in relation to the public finances. I feel immensely proud of the fact that that was my rooky speech as Leader of the Opposition and I predicted what the Government was about to do, and I was spot-on. This is why contributions to the Consolidated Fund – in other words, the
1475 kitty – (*Interjection by Hon. Chief Minister*) I am going to repeat it so the Government listens to this, (**A Member:** Hear, hear.) bearing in mind that they said that we did not understand the link between debt and Government expenditure. This is why contributions from the Consolidated Fund – in other words, the kitty into which all Government revenue is paid to the IDF, the kitty out of which the Government pays for its projects – went down, not surprisingly given what they did,
1480 from £181 million in 2012 to an actual of £51 million for the two years 2019-21 and then £19 million for 2021-22.

Mr Speaker, to make good my point that the Government just cannot be trusted and people listening should prefer the discourse of the Leader of the Opposition to that of the Chief Minister, I want to demonstrate how at every step of the way after this amendment to the Gibraltar Savings Bank they misled and lied to the people of Gibraltar. Let me give you some examples of that, too.
1485 During the 2013 by-election, even when we had found indisputable evidence –

Mr Speaker: I think with respect to the speaker, he cannot accuse the Government of lying just like that, without any concrete proof. (*Interjection by Hon. Chief Minister*) You should not use the word ‘lie’. It is out of order.
1490

Hon. Chief Minister: Unparliamentary.

Hon. D A Feetham: Mr Speaker, of course I will abide by any ruling that Mr Speaker gives.
1495 I think there are two points here. (*Interjection by Hon. Chief Minister*) One is the point made by Mr Speaker about it being supported by facts. I think anybody listening to this speech will come to the conclusion that what I am saying is supported by fact. The second is the point that the Chief Minister made from a sedentary position about the bringing of a motion. That is a more substantive objection to the use of the word ‘lie’.

1500 May I use ‘economical with the truth’? I think that is probably more parliamentary, Mr Speaker.

Hon. Chief Minister: Mr Speaker, I have no difficulty with the hon. Gentleman saying ‘economical with the truth’ or any other phrase which has been judged to be a parliamentary alternative to the word that he used, but in every parliament under the Westminster system that
1505 follows *Erskine May*, when that word is used it has to be withdrawn and the speaker can then use an alternative, if he wishes; or, having withdrawn it in the course of a debate, he can then bring a substantive motion, if he wishes, which is what the Rules provide for. If I had used it, I would have to say formally I had withdrawn it and then use an alternative. I think that we can all agree to continue to abide by tradition and parliamentary language or we can all agree not to abide by
1510 parliamentary language rulings which are accepted by everyone.

Hon. D A Feetham: Mr Speaker, I am not going to withdraw something that I believe, that has formed part of my discourse over the last 12 years.

I will, of course, use alternative language. I have suggested ‘economical with the truth’. I
1515 believe that I am entitled to say that a Government has misled the people of Gibraltar – I am perfectly entitled to do so – and I think that I am entitled to say that the Government has been economical with the truth with the people of Gibraltar.

I do not want to make a song and dance out of this, Mr Speaker, because I wish to get on with my speech, but the people out there listening to this debate and listening to my intervention and listening to the way that my intervention has been stopped in mid flow – (*Interjection*) yes – because of this, because I have said that the Government has not –

Mr Speaker: No, I think the use of the word ‘lied’ ... I have been quite liberal in allowing lots of things which have words, phrases, sentences and paragraphs that have been exchanged. We started off with the Leader of the Opposition suggesting that the Chief Minister had used his meeting the Pope very impiously. I let that go. I thought it was in bad taste but I let it go because there was no objection. We have then gradually listened to the increase in the kinds of words and phrases that have been used to describe actions by the Government. We heard the Hon. Elliott Phillips with such gusto being, at times, quite disrespectful to the Government, and I have allowed it to happen because there was no objection by the Chief Minister.

Up to now, I have not noted anything which gave me reason to stop the Hon. Daniel Feetham, but with the use of the word ‘lied’ ... I have to stop you saying that word. I would ask you to agree to withdraw the word ‘lied’ and then we can get on with listening to your speech.

Hon. D A Feetham: No, Mr Speaker. If Mr Speaker wants me to withdraw the word ‘lie’ ... I will not withdraw the word ‘lie’. I will sit down and not continue with my speech. The people of Gibraltar will know that I have not continued with my speech because Mr Speaker has not allowed me to essentially make a point that I do not consider I should be withdrawing. I have said that I will use alternative language.

Hon. Chief Minister: Mr Speaker, if I could be of assistance in my capacity as Leader of the House, rather than as Chief Minister – we want to hear what the hon. Gentleman has to say. I want him to say it so I can reply to him, to show that the thing that he has said – which he should not have said – he believes about us we are able to demonstrate about him. So I do not want him not to be able to give the speech, but he has to do it in terms which are parliamentary, otherwise we can all say things which have been ruled not to be parliamentary and I will be able to say about them the thing which he has said about us – which is unparliamentary – which I believe about him as much as he says he believes about me.

Therefore, I wonder whether the hon. Gentleman might agree – this might assist the hon. Gentleman, so I am genuinely trying to help him and he might want to listen – if it might help you, Mr Speaker, and it might help the hon. Gentleman, that he might say that although he continues to believe it, he withdraws it. He would then be able to continue with his speech, which I would very much like to hear because he entertains me greatly, he speaks a great amount of nonsense and I do enjoy replying to him and demonstrating that the people of Gibraltar can put absolutely no stock by what they say because the more they say it, the more they assist me in demonstrating that what they have said is that which he says we have incurred in.

Hon. K Azopardi: May I just, on this issue, Mr Speaker ...? What I had heard, and I may not have heard it properly but what I thought my hon. colleague was talking about when he uttered the phrase ... He was describing the Government. As I had understood previously the rule ... I am asking for clarification from Mr Speaker and I am staring at the Standing Orders, in particular Standing Order 45(6), which is ‘No Member shall impute improper motives to any other Member’ ... I can understand that if he had said that a particular Minister had lied, that is about imputing improper motives of any Member and I can understand that in that context he would be asked by the Chair to withdraw a particular remark which would be unparliamentary, but he is not imputing improper motives of any particular individual, he is talking about Government generally and it is a different point. So I am asking for clarification, Mr Speaker.

We do not understand the Rules to say that, when there is a much more general description of the Government, and indeed there have been plenty of occasions when the Members opposite

1570 have used language that has been, if not similar, a carbon copy of remarks which Mr Speaker, when looking at Members on this side of the House, seems to be offended by. There have been plenty of remarks both in this session and in previous sessions, not least the last Budget session, where similar remarks have been made by the Government.

1575 **Mr Speaker:** I think Members generally believe that they have a right to challenge the Speaker when the Speaker says something that may not be understood or accepted by Members, generally speaking. The fact is that it is not right and it is not in order. It is out of order to challenge the Speaker.

1580 I cannot at this stage give you a clarification. What I can say is that if you ... What you are suggesting is that the whole of the Government has lied, then, because that is what ... The hon. Member has generalised by saying the Government has lied, (*Interjection*) that Members have lied on this side, so it is not as an individual.

Hon. D A Feetham: The Government.
1585

Mr Speaker: The Government consists of the Members of this House on the Government side.

Hon. D A Feetham: Mr Speaker, of course the rule is there in order to avoid a situation where you impute improper motive to the individual. That is unparliamentary. But if you effectively prevent somebody on this side, in the Opposition, from saying a Government has lied over a particular issue, this is effectively castrating an Opposition because – (**Mr Speaker:** No.) No, of course, Mr Speaker, there may be – (*Interjections*) May I be allowed to finish? (*Interjection*) Well, okay. Well, Mr Speaker –

1595 **Mr Speaker:** I do not think –

Hon. D A Feetham: Mr Speaker has already intervened – (*Interjection*) Mr Speaker has already prevented me from continuing; now he is preventing me from making the point that I wish to make. (*Interjections*)
1600

Mr Speaker: That is unfair and wrong. Of course it is unfair and you know it is unfair.

Hon. D A Feetham: No, it is not.

1605 **Mr Speaker:** Yes. You should not even be challenging me on that one. What you need to do now is simply change the word and use another word to describe the message you want to give. This is easy, very simple.

Hon. D A Feetham: I have done that, Mr Speaker. I have explained that.
1610

Mr Speaker: Then there is no need to continue this argument. Get on with the speech, please.

Hon. D A Feetham: I did that 15 minutes ago, Mr Speaker, but because of the intervention of the Chief Minister, which ... you were effectively carrying on with the point that he made ... This is why we are where we are. (*Interjection by Hon. Chief Minister*)
1615

Mr Speaker, to make good my point that the Government just cannot be trusted and people listening should prefer the discourse of the Leader of the Opposition to the Chief Minister, I want to demonstrate how, at every step of the way, they have misled the people of Gibraltar. Let me give you examples of that.

1620 During the 2013 by-election, even when we had found indisputable evidence that the Government had used the proceeds of the Gibraltar Savings Bank debentures, through Credit

Finance, for the purposes of loans to the *Sunborn*, it was denied in this House – in and outside this House, actually – until after the election was over. When it was then admitted, it was justified on the absurd basis that Credit Finance Company was some form of sovereign fund. That is misleading the people of Gibraltar. The problem that we have in Gibraltar is that, of course, there is no independent reporting where a media outlet will stick its neck out and say that Government is misleading people, the Opposition is right; it will report what one party and the other say in press releases. A Government that wants to confuse and obfuscate can do so. No one confuses and obfuscates like they do – they are the masters of it.

And then, in 2015, when we were telling people that all this indirect Government debt, when added to direct Government debt, has seen the Government exceed the borrowing limits not by £20 million but by 10 country miles, they denied it. However, a year later, in 2016, they came to this House and altered the legal borrowing limit by delinking it from recurrent revenue and linking it to a percentage of GDP. These are the same amendments which Bermuda introduced, which led to the spiralling of debt problems in that jurisdiction. What is worse is that in this case, during that General Election, we had made public debt an electoral issue and they never said to the people of Gibraltar, 'We not only defend the levels of public debt but we are going to change the legal borrowing limits in order to allow us to borrow more.' That would have been the honest thing for them to have said at that election, to show the courage of their convictions. The Chief Minister said during his address, 'We are not afraid to make decisions. I have said many times that politics is about making and defending decisions.' But he did not tell people, 'Not only do we think that public debt is low but we are going to change the legal borrowing limits to allow us to borrow more.' Instead, they kept the people in the dark and, just as they did in 2011 when they had already planned to amend the Gibraltar Savings Bank Act as a precursor of the re-engineering of the public finances of Gibraltar, they kept quiet about changing the borrowing limits, all the while telling people that we were lying when we said that the true debt of Gibraltar plc exceeded the legal limits. That is what they were saying, that we were lying about it.

None of this takes into account the mortgaging of the housing estates in 2016, which they did not tell people would occur during the 2015 election or the sale of their interest in the 50-50 home ownership estates in 2019, all of which was pre COVID. In simple terms, to use a term people will understand, they were mortgaged to the hilt before COVID without any leeway in case we had a rainy day. So when they say we have been caught in a veritable rain storm, we say, 'You should not have mortgaged your umbrella.'

On this issue they have never been straight and you cannot believe anything they say. They have confused, obfuscated and attempted to hide the evidence, and this is the reason why every year there is a sharp contrast in the discourse from this side to that side of the House, and for the reasons that I have outlined, people should not trust them. That is a political point that I and this Opposition are entitled to make, and we will continue to make them, Mr Speaker. (*Interjections*)

To say that we should airbrush away all that and stand like political automatons in unity with the Government is as nonsensical as it is farcical and the people should be astute to social media sirens making calls to that effect. Whilst I am a Member of this House I will continue to be true to our message and our arguments during the last 10 years because they were honest and they were sound. They may not have garnered votes and they may have directly contributed to their landslides. No one wants to be told we have to be prudent in the face of a Government throwing parties at a cost of £4.5 million to the taxpayer, but if they had listened to us we would have been in a much better position today to navigate the difficult waters ahead. There would have been fewer people expecting more for less, and our collective expectations would have been recalibrated sooner and in a far less painful way. For these reasons, I would urge those listening to this debate to prefer the discourse of my learned and hon. Friend the Leader of the Opposition over those of the Chief Minister.

I want to briefly just touch on a number of points to conclude, with Mr Speaker's leave. In relation to the message that was circulating through social media – I think it was WhatsApp – I was told by the hon. Lady, Marlene Hassan Nahon ... I reached out to her, as indeed I know the

Leader of the Opposition also reached out to her, and I said that it was the product of a sick mind.
 1675 I want to publicly state that today (*Banging on desks*) and disassociate everybody on this side of the House from those messages.

Secondly, my hon. and learned Friend Mr Phillips, in his quite magnificent speech, did make a point about e-scooters and criticised the Government for the time it has taken for that legislation to come to the House. It is my fault because I have not communicated this to Mr Phillips, but the
 1680 delay is in large part my own fault. I represent – I declare this interest – the Motor Insurance Bureau, which has been in contact and in talks with the Government of Gibraltar and, as stakeholders, they wish to make some amendments to that legislation. That is reason why it is taking the time it is taking.

The third point is related to the statements made by the Chief Minister and also the hon. Lady about not having a reverse gear on the gains that they have introduced in relation to same-sex couples, for example. Mr Speaker, I stood in a minority of four in this House when I introduced a Private Member's Bill seeking to equalise the age of consent in 2009-10. At the time, actually, it was, politically, not a very sexy theme – if you do not mind me using that term – and, indeed, politically unsafe. We did it anyway, in a minority of four, and I know that the Hon. the Leader of
 1690 the Opposition was supportive of that from outside the House. When the legislation for same-sex partnerships was introduced by hon. Members opposite in this House, everybody on this side of the House voted in favour of it, including my hon. and learned Friend Mr Bossino. When they introduced same-sex marriage, it was supported unanimously from this side of the House. There is no question of a GSD government going in reverse gear in relation to any of that.

Having said that, I do wish to simply add this. My learned friend Mr Bossino yesterday made the point that we should be careful about the majority stamping out the views and the voices of the minority. I have huge respect and sympathy for that view and I think that it is right that people who have a different view in a democracy ought to be able to express those different views, but I think it is also right that we should, from this side of the House, also clarify that there is absolutely
 1700 no intention of reverse gear on any of the measures I have referred to, or any other measure that the Government has introduced in the last 10 years that they have been in government.

Mr Speaker, that is my contribution. I thank you, and may I also ...? Mr Speaker knows that I hold him in very high esteem. We were friends before Mr Speaker became Speaker of this House and he has always been phenomenally helpful to me, not only as Speaker but also as Clerk of this
 1705 House when he was Clerk. Mr Speaker, if I have offended you in any way, I apologise for it. It is not my intention to offend Mr Speaker. Mr Speaker must understand, as well, from my point of view, that at times I have felt as if I have been the lonely voice in the desert in this particular debate. It is a matter that is very close to my heart and therefore, when I say that the Government – I am not going to use the word – has misled the people of Gibraltar on this, I do genuinely believe it. There is no intention of offending you in any way, shape or form, and if I have,
 1710 I apologise for it because your friendship means more to me than me making a political point. (*Banging on desks*)

Mr Speaker: The Hon. Gilbert Licudi.

Hon. Chief Minister: Hear, hear.

Hon. G H Licudi: Mr Speaker, it is getting late. That is how Mr Feetham started his speech. Then he said he would be brief, and I am not sure that he kept to his promise. (*Interjection*) But what
 1720 Mr Feetham also said is that we should not be looking back – and then he treated us to a history lesson, going back to 2011, including reminding us of his rookie speech as Leader of the Opposition. He told us a few minutes ago that he was spot-on in that speech, but history will tell us that it was not a position that he held for very long at all. For my part, I do intend to be brief. I do not have ministerial responsibilities anymore and I will limit myself to making some general comments.

1725 We have, over the last few days, listened to all Ministers – except, of course, the Hon. Father of the House, Sir Joe Bossano – and we have listened to Members of the GSD opposite. I want to also start by sending my best wishes to Sir Joe and hope that he recovers and deals with – as I am sure he will – COVID successfully and that we will see him back in full force in this House very soon.

(Banging on desks)

1730 I also want to echo the words that we have heard in particular this afternoon from my hon. colleague and Friend Samantha Sacramento, which we have also heard from the Hon. Mr Feetham a few moments ago, in connection with the hon. Lady who is not here today, the Hon. Marlene Hassan Nahon. For very understandable reasons we have not been able to enjoy her presence and her speech. I use the word ‘enjoy’ advisedly, even though I am sure there would have been many
1735 parts of the speech, or all of the speech, that we would not have agreed with, but we certainly would have enjoyed her presence and her speech *(Banging on desks)* and I do want to add my own sympathies and condolences to her, to her sister Fleur and to the rest of the family on the recent passing.

Mr Speaker, over the last couple of days we have heard much from Members opposite but
1740 essentially what we have heard are the same tired old speeches. It is almost as if they dig up what they said last year or the year before, look at the adjectives they used in those speeches in those years and simply change a few dates, change a few figures, change a few facts here and there and regurgitate what we have been hearing from them over the last 10 or 11 years.

Mr Feetham has just made the point that they have been saying since 2011 that the Chief
1745 Minister and the Government have been misleading the electorate. Well, the electorate, over three elections – 2011, 2015 and 2019 – have preferred what they have heard from this side of the House and not from there, and therefore there should be a little bit more respect to the electorate. Essentially, he is saying that they have been treated for all this ... I cannot remember the exact word he used, but certainly misleading by the Government. He should not take the
1750 electorate for fools who are misled year in, year out, election in, election out and always choose the same option. One predicts that the same will happen next year, or whenever the Chief Minister feels it appropriate to call the next election, because we have seen nothing new from Members opposite, nothing constructive, nothing positive, nothing progressive.

Despite the pretence – and today we heard that from Mr Phillips – of trying to give the
1755 impression that he was trying to be constructive, there was absolutely nothing constructive in his speech. I am sure the Chief Minister in his reply, whenever that will come, will say something. I am sure he will have something to say about what Mr Phillips treated us to – and Mr Feetham, as well as other Members of the Opposition – because what we have been treated to, what we have seen in the last few days from Members opposite is no real understanding and no real
1760 appreciation of what we have been through in the last two years.

And no, this is not about blaming everything on COVID, despite what Members opposite have said. This is about facing reality, facing economic reality, facing political reality. Hon. Members opposite are very keen to start to criticise expenditure. They even criticise the Government when the Government seeks to avoid expenditure. We have seen that with Campion Park. *(Interjections)*
1765 I have been listening to – *(Interjections)* I have been here more than Mr Phillips and I have been listening to every single word that has been said in this House. *(Interjection)*

Hon. Chief Minister: You have hardly been here in all the debate. *(Interjections)*

1770 **Hon. G H Licudi:** Mr Speaker, hon. Members opposite ... Maybe I have struck a raw vein somewhere, but they should calm down and listen. In fact, we have just been told by Mr Feetham that we should listen to them and everybody should listen to each other, so they should listen to what we have to say from this side of the House. They are very keen – we have seen it in the last few days – to criticise expenditure and they criticise even when Government seeks to avoid expenditure. We have seen that with Campion House. We saw it from Mr Reyes himself, a point
1775 that was dealt with by my friend and colleague Mr Isola on the National Theatre when the call

from Mr Reyes was actually that it should be funded by Government. When Government is trying to avoid expenditure from public funds, Mr Reyes calls for this to be funded by Government.

1780 But then they go on not just to criticise the expenditure and ask Government to incur more expenditure; they go on to criticise revenue-raising measures. They describe what we have heard from the Chief Minister this week in terms of these Budget measures as a highwayman's Budget, as picking the pockets of workers – from Mr Phillips, today, a Sheriff of Nottingham style Budget. It again displays no understanding of what politics is like in the real world, and that is the world we live in. We live in the real world. This is not the world of Harry Potter, where one can simply
1785 wave a magic wand and everything will be solved, or things will appear or things will disappear. Despite Mr Feetham's attempts to justify that they understand this, it is clear that they do not understand that Gibraltar is not immune from global issues. They say that, they pay lip service to it, and then ignore it completely and go on in the usual year-after-year rant. But it is clear that we do not live in a cocoon in Gibraltar. We do not have a magic cape which envelops the Rock of
1790 Gibraltar and protects us.

It is a fact that there has been an invasion of Ukraine and that it has had global consequences, even for us, even for Europe. It is a fact that there have been increases in the price of oil and that affects us. It is a fact that there have been increases in the prices of food products and that affects us. It is a fact that there has been unavailability of goods and components and that affects us. And
1795 of course it is a fact that we have had COVID, not just from the point of view of the health issues and other public health issues that have arisen, but also from the economic perspective and the public finance perspective, the way it has affected our public finance. That is a fact, and what we are seeing is that over the last two years extraordinary measures have had to be taken. Who would have thought that measures would have had to be introduced to restrain some of the basic
1800 liberties we take for granted? And who would have thought that we would have to introduce some of the economic measures to deal with the economic effects – not just with the practical and health effects of COVID but with the economic effects of COVID? These are measures which have been brought to this House from an economic point of view and which have been debated in this House, and these are measures which hon. Members opposite have supported and endorsed, and
1805 now they are critical.

On occasions it is necessary to take tough measures. As the Hon. Chief Minister mentioned this week, sometimes tough but necessary decisions and measures are needed, and the same is true of the Budget that has been presented this week. No one in this House and no one outside this House likes to hear about increases in taxes, about levies on companies, on passengers or anybody
1810 else. These are measures which certainly can be unpopular, but they are sometimes necessary and it is what being in government is about. It is about having to face the reality of the world we live in. It is about having to take tough decisions, decisions which are in the interest of Gibraltar as a whole because that must be the guiding principle – and all of this seems to be lost on Members opposite.

1815 Mr Phillips did not ignore COVID. He mentioned the effects of COVID on our community but made no mention whatsoever of the effect of COVID on public finances. There has been no suggestion, nothing said from the other side on what they would have done. How would they have dealt with the public finance, with the economic response in relation to COVID? How would they have handled those economic and public finance issues we have faced? It is one thing for
1820 Members opposite simply to stand up and criticise specific revenue-raising measures, but it is another to criticise proposed revenue-raising measures without offering an alternative, without offering anything else. It is as if they say there should be no revenue-raising measures at all. Well, how do we pay for the extraordinary expenses that we have had to incur in the last two years?

1825 It is a mark, I would suggest, of an irresponsible Opposition, and of course it leads to a lack of credibility in the Opposition we have. One of the reasons I say that is because we have heard many statements made this week without any sort of analysis. I will give an example. The Leader of the Opposition criticised the passenger levy that has been announced and which I would suggest is modest by any standard, and then he said this will drive cruise liners away. Why, Mr Speaker? I

ask that rhetorically; I do not expect Mr Speaker to give me a response. Why will it drive cruise liners away? The hon. Member ignored that point and simply made the bold statement that this will drive cruise liners away. What sort of comparative study have they made to come up with such a conclusion? It would be understandable if they made such comment and backed it up with figures; if they said, 'We have looked at the overall cost. We have looked at our competitors. This is what is charged in Malaga, in Cadiz and in Malta. We have done all that, we have done that study and this is why we think this will drive cruise liners away.' But they have not done any of that. It is just criticism for the sake of criticism, it is shooting from the hip, and again it loses them credibility when they do not back it up – not just with figures but any kind of analysis at all. Have they looked at passenger levies in other jurisdictions, in other ports? Have they looked at mooring fees? Have they looked at the types of services that are provided to cruise liners and other vessels? Have they looked at the fees in relation to bunkering? Have they looked at the overall product that we provide in Gibraltar? Nothing that the hon. Members have said this week suggests that they have.

The Leader of the Opposition, when he made that comment, said, 'Mr Bossino, in his intervention, will give more details,' and what we heard from Mr Bossino was essentially limiting himself to saying that we needed to be competitive. Of course we agree – everyone agrees with a statement such as 'we need to be competitive'. We need to be competitive in the Port, in financial services, in gaming services, in every service we provide, because we live in a global market where competition is very keen. Everybody agrees with that. But what they did not address, what they said nothing at all about is why this levy will make us uncompetitive. Why is it that this levy will make us uncompetitive? If, as a result of this levy, Gibraltar was three times more expensive than all our competitors I could understand the point, but nothing like that is analysed and considered by Members opposite.

I can tell hon. Members that when I had responsibility for the Port this was something I looked at. I sought information about what other Ports charge – nearby ports like Malaga and Cadiz and further-afield ports in the Mediterranean – and the conclusion I remember coming to was that Gibraltar is very competitive indeed when you look at the overall package, not just one isolated matter, that Gibraltar is very competitive indeed and that there was scope for a modest increase; we would not drive anyone away by having a modest increase to the Port dues and the cost of coming to Gibraltar. Gibraltar continues and will continue to be a very attractive proposition, a very attractive destination for cruise liners. That was the conclusion that I reached. Members opposite may say, 'What happened? Why didn't you introduce it?' Well, COVID happened and cruise liners stopped coming, and therefore it was not a matter that could be considered at that particular time. My advice – and I say this wholeheartedly – is simply that you have to do your homework before coming to this House and making statements such as that, because we have to be careful about the message we send out there. We do not want to drive cruise liners away, we do not want people to think that they are unwelcome in Gibraltar – and that is the sort of message that is being put out by Members of the Opposition, and that is irresponsible.

The other thing in relation to this is when they criticise this revenue-raising measure, importantly they do not say, 'Don't do that, do it in another way – raise the revenue you need in some other way.' We have heard nothing about that in all of the speeches by Members opposite. What is their alternative? When looking at this particular measure, what is their alternative? Are they saying instead of 2p it should be 3p in the pound? Instead of £25 per company it should be £30 per company? What is their alternative? There is, quite frankly, no credibility in their approach.

I also want to mention very briefly a matter that Mr Reyes said in his contribution. This was in relation to new schools when he said that when a new project, a new school, is being built, there should be more consultation with teachers. I did not take that to be a criticism of the schools themselves; it was just an observation or suggestion by Mr Reyes, or perhaps even an implicit criticism that there was not sufficient consultation with teachers when it comes to new schools. He suggested it should not be left to architects simply to produce fancy designs without looking

at the requirements of the schools. It is a fact – and I do not say this in a disparaging way of Mr Reyes – that Mr Reyes, who had ministerial responsibility in the GSD Government, had no experience during his time in government of building a new school and he would not understand and would not know what was the process of building a new school. Come to think of it, no GSD Minister had experience of building a new school because in 15 years in office they built no new schools at all. (**Hon. Chief Minister:** Exactly.) (*Interjection by Hon. D A Feetham*) Mr Feetham says he has heard enough and he wants to leave. Goodbye.

Hon. Chief Minister: The truth hurts. (*Interjection by Hon. D A Feetham*)

Hon. G H Licudi: Mr Speaker, the GSD of which Mr Feetham – who now wants to leave, who has had enough of listening ... Mr Feetham was also a Member of that GSD Government and he did not have any experience in building new schools, (**Hon. Chief Minister:** Exactly.) and neither did any of his colleagues, but during my time in government when I had ministerial responsibility for Education I did have experience in building new schools. I say this in the most constructive way possible in terms of offering an explanation to Mr Reyes and Members opposite as to how this process works, because I was involved in the building, during our first term of office, of the two St Bernard's schools, then, in my second stint in Education, in connection with the plans for the new St Mary's, and my friend and colleague Prof. Cortes has very extensive experience in building new schools and can expand or elaborate, confirm or corroborate what I am going to say because he has hands-on experience in these matters.

What we need to realise is how this process starts, what is the first thing that happens when a decision is taken to build a new school. The very first step that is taken is that the school is asked for a list of requirements. So, when we want to build a new St Bernard's First School, we ask St Bernard's First School, 'What are your requirements in terms of the new school? How many standard classrooms do you need? What specialist classrooms do you need – music room, art room, breakout rooms for children with special needs, staff room – even offices and storerooms?' The school will put out that list – assembly area, gym ... All of that has to come from the school. It is not something that an architect decides he wants to put in, it is not something that the Minister himself or herself would dream of, not even the Department of Education; this comes from the school itself, and that is considered and discussed with the Minister, with the Department and with the technical team that is going to be advising and putting together the project. But the school is the one that is first involved at the very outset of the process, and then what happens is a brief is prepared.

So, architects are not asked to design whatever they want and come up with whatever ideas they want about classrooms and gyms etc. They are given a specific brief, which comes originally from the schools themselves and the list of requirements is a fundamental part of that brief, and whether it is as part of a tender process or submissions of interest, before final architectural drawings are put together and produced, floor plans are produced reflecting the requirements that the schools themselves have identified, and that will then be taken back to the school and discussed and modified as necessary.

Only when everyone is satisfied, in particular the school involved, will the go-ahead be given for the full design and the drawings. This is certainly not a case of lack of consultation, not even a case of consultation; it is a case of full collaboration. It is a collaborative project starting with the very essence of those who are most interested in this: the schools, who will know the needs of themselves and their pupils. That is core to this particular process. Of course, one can look at a new school and say, 'With hindsight, this could have been done differently.' That is the same for any project, for any building, but that is not the same as lack of consultation or lack of adequate consultation, which is what Mr Reyes seemed to imply.

Mr Speaker, just to end, this Budget has been described as many things and I have mentioned already it has been described by Members opposite as a highwayman's Budget, as a pickpocketing Budget and as a Sheriff of Nottingham Budget. I have also heard it described as a brave Budget. In

fact, I have heard it said that this is the bravest Budget speech than any Chief Minister of Gibraltar has had to make. It is undoubtedly the case that the last two years have involved enormous sacrifices. It has affected all of us.

There are many decisions in Government, in terms of the decision itself, which are quite simple. If I, for example, am given sufficient funds and a place, and told, 'Go and build a new marina,' that decision is very simple. A different matter is how you do it and getting the end product you want, but once you have the funds and the place, the decision is go and do it. Nothing difficult about the decision itself, but what differentiates a mediocre government from a good government is the ability to take tough decisions and to get those tough decisions right. It is the ability to face challenging times and it is difficult to appreciate, to understand, to see, or even foresee, times more challenging than we have had and what the GSLP Liberal Government has had to face in the last couple of years. Again and again tough decisions have been taken, and again and again the Government had proved that it is prepared to take those tough and difficult decisions, however unpalatable at times they might appear to be.

It is undoubtedly true that the issues we face and the issues we have faced will not disappear overnight but it is very encouraging to hear some of the figures that the Chief Minister has given, not simply in relation to public finances but the economy generally, and the estimates of GDP which the Chief Minister gave in respect of the post-COVID year where we are reaching ... or just about there. We have bounced back, as I understand the Chief Minister mentioned, to pre-pandemic levels. But at the same time as the GDP bounces back, we have to make sure that public finances remain solid. We have to make sure that our ability to provide the services we need, the services we all want, is not compromised in any way, and sometimes it is necessary – and this year it is certainly necessary – to introduce measures which raise revenue and which make sure that we can all continue to enjoy those services that we hold dear.

Despite what Mr Feetham has said today, this is certainly not an austerity Budget. It is not a Budget that cuts services. In fact, it is a Budget that seeks to protect those very services, protect our ability to pay for those services. Indeed, we have heard some of the measures described as temporary measures, necessary but temporary. They are targeted, they are limited and I would suggest they are prudent in nature. For all those reasons, I certainly will support this Budget and will support the Second Reading of the Bill – in fact, the whole of the Appropriation Bill. I will lend my support.

Mr Speaker, before sitting down I want to end by adding my own tribute and congratulations to the Father of the House, Sir Joe Bossano, on reaching the milestone of 50 years as a parliamentarian. There are not many parliamentarians in the world, if any, who can boast such a record. And it is not just a question of longevity in this House, it is about 50 years of public service, 50 years of putting Gibraltar first, 50 years of putting the Gibraltarians first. Whether you agree or disagree with Sir Joe and his politics, no one can deny his unselfish commitment to the Gibraltar cause, defending our position in Gibraltar and outside in the four corners of the world. It is particularly noteworthy the undeniable fact that Sir Joe's ideals and economic aspirations for Gibraltar have not changed at all in the 50 years that he has been in this House. I tell the House that my own interest in politics came about in 1984 following the signing of the Brussels Agreement. It was an impassioned speech that I heard by Sir Joe about the dangers of Brussels that made me want to support the campaign to make sure that those dangers, the dangers of Brussels, did not come to pass, and of course what Sir Joe said then and what he has continued to believe has been proved right. His leadership was instrumental in difficult years in protecting us from those dangers, and Gibraltar has been blessed with an economic and political mind like no other. We have been lucky and long may he continue. I hope that he recovers very soon. *(Banging on desks)*

Adjournment

Mr Speaker: The Hon. the Chief Minister.

1985 **Chief Minister (Hon. F R Picardo):** Mr Speaker, if I can thank the hon. backbencher for that demonstration of how one can be absolutely devastating of the Opposition's views and keep the language entirely parliamentary (**Two Members:** Hear, hear.) and the mood temperate, and reflect that it is unfortunate that we have not heard contributions of that sort from the other side on the seminal issues that we are dealing with in the context of this Appropriation Bill, and invite the House to return on Monday at 10 a.m. when I will have an opportunity to respond to all Members' speeches that we have heard in the past three days and then invite the House to make a final consideration of the Bill by voting for it and consider also the Third Reading and Committee Stage.

1990

Mr Speaker: I now propose the question, which is that this House do now adjourn to Monday, 4th July at 10 a.m.

1995 I now put the question, which is that this House do now adjourn to Monday, 4th July at 10 a.m. Those in favour? (**Members:** Aye.) Those against? Passed.

This House will now adjourn to Monday, 4th July at 10 a.m.

The House adjourned at 8.29p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.01 a.m. – 2.29 p.m.

Gibraltar, Monday, 4th July 2022

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The Gibraltar Parliament

The Parliament met at 10.01 a.m.

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

[ACTING CLERK TO THE PARLIAMENT: S Galliano Esq *in attendance*]

Use of 'lied' – Statement by Mr Speaker

Clerk: Meeting of Parliament, Monday, 4th July 2022.

Mr Speaker: I should like to make a short Statement before we return to the Budget speeches.

5 On 30th June 2022, in the course of the Budget speech of the Hon. Daniel Feetham, I had reason to stop the delivery of his speech after he used the words 'they have misled and lied to the people of Gibraltar'. I pointed out that the word 'lied' was out of order and would need to be withdrawn. The Hon. Daniel Feetham suggested alternative language to the word 'lied', namely 'economical with the truth'. I accepted this as a way forward. He was, however, unwilling to
10 withdraw the word 'lied'. In order to take the heat out of the moment, I suggested that the Hon. Daniel Feetham continue with his speech, which he duly completed, at the end of which he offered his apologies to me, which I accepted. There remains the matter of a ruling sought by the Leader of the Opposition in relation to the use of the word 'lied' when referring to a government. I have considered the matter and rule that the use of the word 'lied', although directed at the
15 Government and not a particular Member, is nonetheless a word which can be regarded as unparliamentary and, accordingly, the Member should have withdrawn the word 'lied'.

In addition, I would like to remind Members of the following point. When the Speaker asks a Member to withdraw unparliamentary words, he or she is expected to do so. It is out of order and totally unacceptable for a Member to suggest that the Speaker has endeavoured to curtail a reply, speech etc. It is out of order and totally unacceptable for a Member to suggest that the Speaker
20 is not acting impartially. It is out of order and totally unacceptable for a Member to question or challenge the authority of the Chair. That ends my Statement.

The Hon. the Chief Minister.

Appropriation Bill 2022 – Second Reading – Debate continued

Chief Minister (Hon. F R Picardo): Thank you, Mr Speaker, as ever, for your ruling. As you know,
25 on every occasion, whether they are rulings that favour us or not, we always accept them.

Mr Speaker:

If you can keep your head when all about you
Are losing theirs and blaming it on you,
If you can trust yourself when all men doubt you,
But make allowance for their doubting too;
If you can wait and not be tired by waiting,

Or being lied about, don't deal in lies,
Or being hated, don't give way to hating,
[...]

If you can bear to hear the truth you've spoken
Twisted by knaves to make a trap for fools,
[...]

If neither foes nor loving friends can hurt you,
If all men count with you, but none too much
[...]

Yours is the Earth and everything that's in it,
And—which is more—you'll be a Man, my son!

Those were the words of Rudyard Kipling, Mr Speaker, when he wrote the very famous poem *If*.

Today, I rise in this debate to reply for the Government on the Second Reading of the Appropriation for 2022-23 with deep disappointment in the contributions from hon. Members
30 opposite; not so much for their shallow analysis ... I understand that they need to keep it shallow because they want to persuade the public of something that bears no deep analysis, so they have to just try to keep it shallow.

In fact, what they have done in this place in the past few days has been tabloid economics: bold headlines that are then not borne out by the substance of the article below. Their
35 contributions are like some of those articles that we sometimes read. When you finish reading the article, you think, 'That's got nothing to do with the headline.' Of course, what happens is that you end up disappointed with the newspaper and you probably never buy it again because you know that they try to catch your attention but the substance is not there.

My disappointment is a little deeper with hon. Members, and it is as much political as it is
40 human because we have had to endure in the past week what I can only describe as a debasing of Parliament – indeed, an assault on the rules of debate; a litany of personal insults which Members opposite at best say, perhaps, they did not intend. The words of Kipling are particularly apposite because of the parliamentary thuggery to which we were subjected when Mr Feetham subjected
45 you in particular, Mr Speaker, to an assault in respect of your position on the established Rules, which is probably the most unsavoury episode I have seen in this place for a long time.

I see Mr Feetham laughing. I am not surprised, because it is ironic that Kipling also wrote *The Jungle Book*, and it is clear to me that Mr Feetham wishes that he could translate everything into the law of the jungle, into the law of 'might is right and I can impose myself on anyone just because I am bigger,' and not having to persuade. That is what we saw, Mr Speaker, in his defiance of you
50 some days ago, and as reported in the media. Therefore, I thank you, Mr Speaker, on behalf of this and future generations of Gibraltarians, for your ruling this morning. I will deal with this issue later in the debate when I deal with Mr Feetham's lacklustre and flawed analysis.

For now, I want to start by saying that testing times are not best served by tabloid politics. Testing times require a deeper analysis. Testing times are done few favours by seeking to ignore
55 the truth to exploit cheap political points. Indeed, not even silken attempts were made to put the truth aside, just brutish attempts to completely contradict the truth with made-up facts and figures and, frankly, despicable innuendoes. We have ended up looking at a team of men with no shame.

When pupils of good government study the excellent work done by the Government and,
60 indeed, all of the public servants of Gibraltar in respect of the challenges of the past couple of years, they will wonder, perhaps, why I started today with Kipling's *If*, but by the time they reach the end of my response, they – like anyone who is listening today – will realise that there could be absolutely no better allusion. Why? Well, let me start by reminding the House of what inspired Kipling to write the poem. It came from an attempt that he observed to overthrow the Boer
65 government – exactly what we have seen from Members opposite. Their speeches were an

attempt to overthrow the Government. Why? Their speeches were not about the financial management of the community or how we had managed the finances. Their speeches were not about the 2022-23 Appropriation. Their speeches were about the next election. They were for out there, they were not for in here. This is about let's change the Government, let's go into an election with these arguments to try to persuade people, not an analysis of the financial year, with still another financial year to come before a General Election in the autumn of 2023, when it is due. The overarching theme of *If* is that successful, virtuous living based on values pertaining to integrity, rightful behaviour and self-development will win the day over those who want to mislead, who want to act out of spite, out of hatred, or who think themselves better than their opponents. I do not think there can be a better literary reference to underline what I am about to say.

If a citizen of another country were to come to Gibraltar after the increases that the Government has been reluctantly required to introduce in this Budget, were to have a conversation with a Gibraltarian and be told that utility bills have gone up by 8% in a year, although they have gone up 100% in his or her country, and that the maximum rate of tax will go up by 2%, from 25% to 27%, but just for two years and most people who were paying 17% would pay 19%, and that there is no capital gains tax, no tax on savings, no tax on pensions, the state pension went up 8% and Government occupational pensions went up 2%, Disability Benefit went up 8% and the Minimum Wage went up 8%, they would not believe it. If they were told that actually the Minimum Wage in Gibraltar after this increase is probably the highest take-home Minimum Wage in Europe, they would be full of praise for the Government that was delivering that economic performance. If you were to tell the visitor, on top of that, that every children in Gibraltar can have a scholarships paying both their tuition fees and their maintenance fees and they can have a first master's degree – tuition fees and maintenance – paid, and that then the discretion to give them a third one kicks in and 75% of those who apply for the discretionary one get it, as happened in the press release issued on Friday ... If they saw that even after the toughest years in Gibraltar there are going to be only minimum increases for two years, that person from outside of Gibraltar would say, 'In my country, utility bills have gone up by 75% to 100%' – depending where they come from, because of the cost of fuel – 'my tax is between 40% and 50%' – in France, Portugal, Spain, the United Kingdom and Germany – 'and on top of that we pay *much* higher social security contributions than you pay, and we pay an amount also to look after our elderly, on top of our social insurance contributions, and we think things are going to get worse.' This person from another country might say, 'My goodness, you guys are lucky with the political leadership you have. What are you complaining about?'

Even after the modest increases we have seen, we are still protecting every Gibraltarian household and every Gibraltarian business from the increases in the cost of fuel being directly applied to their utility bills, which has happened in every other country. That is why Spain has had to ask for an Iberian exemption for themselves and for Portugal to be able to give a subsidy to every household because of the cost of fuel.

Mr Speaker, let's try to bring some levity to these proceedings. Let's do that analysis in a different way. Have you heard the joke about the Englishman, the Spaniard and the Gibraltarian who walked into a bar? Well, they all got talking and the Gibraltarian said, 'Boys, I'm really disappointed in my Government. You know what this lot have done? They've gone and put our taxes up by two points for two years and they've put up my electricity bill by 8%.'

The Spaniard and the Englishman looked at the Gibraltarian. The Spaniard said, '*que estas de cashondeo*' You must be joking. My electricity bill has gone up by 75%.'

The Englishman said, 'My electricity bill has gone up by 50% and my tax has gone up to over 40%.'

'You must be really rich,' said the Gibraltarian to the Englishman. 'People in Gibraltar who earn over £½ million used to pay 5% under the previous lot; now they are going to pay 27%, and that is the richest.'

'No,' said the Englishman, 'I am an ordinary working man.'

The Gibraltarian did not seem convinced. He said, 'Well, I'm going to vote against this Government. The Opposition have told me they would do better because this lot have put up my tax and they've put up my utilities.'

The Englishman and the Spaniard could not stop laughing. 'Why are you laughing?' said the Gibraltarian.

'Because you need your head examined,' said the Englishman. 'The joke's going to be on you if you change those who are in government today.'

Mr Speaker, anybody who heard the speeches of hon. Gentlemen opposite will have discerned that all of the drama and all of the bluster was to hide the underlying message, and the underlying message delivered by Mr Clinton and the underlying message delivered by Mr Azopardi was simple: we are going to cut and we are going to cut deep. Either they are presenting us with a theory that we are spending too much, which, if they take over they are going to continue, or they are going to cut and cut deep. Then we would really find out what austerity means, just like the example I gave the House in my first speech when the Tories were very critical of Labour because of the amounts that Labour had had to spend to save the Tory capitalist system – and the minute they were elected, blaming Labour for having put money into the international financial system to keep the banks afloat, they started to cut, cut, cut and they have not finished cutting yet.

The theme that hon. Members opposite tried to develop about financial ruin is utter nonsense. They were wrong about everything they said about where we were when this COVID problem started, this question of the point of arrival, which I will take them through to show them definitively that they are wrong. What has brought our economy to its knees is what has brought every economy in the world to its knees: the COVID pandemic. It is not an excuse, it is a reason. We are all tired of hearing about it. When you put on the news and you hear the COVID numbers are up in the United Kingdom, it is the last thing you want to hear; you want somebody who is going to talk about something different. I understand that, but when you are making a choice, not of which channel you are going to watch but of who is going to run your Government, then you do need to listen to the facts and not to the escapism that it is somebody else's fault and you can blame Picardo and his merry men.

I was struck, however, to see a return to the sort of viciousness we had seen from hon. Gentlemen and the party they represent in this House before. Again, just as an aside, when *Hansard* is analysed in the future by students of the politics of Gibraltar in the 1980s, 1990s and the early part of the millennium, they will see that that venom arrived in this House circa 1992-93. They will see it was fully deployed from the Opposition benches towards the GSLP Government in that period. They will see it was then deployed from the GSD Government benches against the GSLP Opposition. I thought that that had disappeared, but it is back, and because it is back, what they are going to find – in me, at least, and in all my Government colleagues – is that when somebody tries to bully us we are not going to turn and run, we are going to face them and we are going to give back as good as we get.

One speech, at least of the leading speeches, stood out for not containing name calling and insulting, for being of substance and being different and representing a different ideology than the one we represent. I recognise that, Mr Speaker, and will deal with that speech in the way we were dealt with also, by showing the ideological differences between us, which is what we are here to do. But to the others I am going to give as good as we got.

Before I go into that part of my address I want to clarify some aspects of what I said during my initial address, in order to assist some sectors that have been concerned about the detail of what we intend to do.

If you can trust yourself when all men doubt you,
But make allowance for their doubting too;

Well, let's look at some of the things that we need to clarify and which the general public will need to know more about. I will start with the COVID charge. The last two years have required us

to put our hands into our collective pockets to keep the economy afloat. That has affected everyone, every individual. Even the ones who have not wanted to have the vaccine have had the benefit of the vaccine. Every individual, even if they have not had BEAT, has had the benefit of the shops being open when the pandemic finished, because people who had had BEAT in the shops were able to still come back – they had not left their jobs. So this has affected all of us, even those who have not had BEAT and those of us who have not had vaccine – although, of course, I have had all of them, and so have all Members of the Government.

Let's be very clear that one of the things that has distinguished us in the past 10 years is that we are a listening Government. I know that they hate it, because when we say something and the public have a concern, we are prepared to always work with that sector to resolve the dispute that may have arisen between the Government and the sector in a way that is good for the Government, therefore the public and the people and that sector. And so we understood the concerns that there are in some quarters about the £25 per week COVID recovery charge for companies and we will be working with the Chamber of Commerce and the Gibraltar Federation of Small Businesses (GFSB) to ensure that the application of the charge is done in a way that is going to not cause greater problems for that sector, which is an income-producing sector for the Government and is a sector that provides a lot of employment across the board, whether it is the trust and company managers or simply people who have a small business and those who have larger businesses also.

There has been a request that the Government consider stratifying the charge between larger companies and smaller companies. The Government is prepared to listen to that. It is not true that bigger companies always pay more than smaller companies for things, especially when it is in their company register issue. Every company pays the same amount for an annual return. Every company pays the same amount for the filing of a document in Companies House, whether you are a large company or a small company – Marks & Spencer pays the same to file its annual return as a new company that has one employee. But we are understanding and concerned to ensure that we can work with the sector to alleviate any potential hardship and that this measure, which is designed to alleviate public finance concerns, does not create greater hardship, so we are going to be talking directly to the Chamber and the GFSB. Indeed, my hon. Friend Mr Isola has already started that engagement.

Mr Speaker, I just want also to reflect, in that context, that during the pandemic the direct payments out to employees and companies were £32 million. Thirty-two million pounds of taxpayers' money was paid as BEAT salaries or as moneys given to companies to pay BEAT salaries in the second phase of BEAT; £14 million in foregone rates. That means the discounts that we gave in rates so that businesses did not have the burden of rates in the period is £14 million, which has gone out of the public purse. Thirty million pounds is foregone duty – £30 million in the two-and-a-bit-year period where duty has been reduced. The calculations of Customs are that it is £30 million. And of course we waived rents on all the Government-owned properties and achieved discounts for tenancies which were with private landlords. So, in excess of £75 million from the taxpayer was either directly paid to businesses or was foregone revenue from businesses in our economy – principally, obviously, members of the Chamber and the GFSB. That was money well paid and well forgone. The Government believes it did the right thing to give businesses that money and to give businesses those benefits – and I am not saying it because we do not think it was the right thing to do; I am saying it because it is important to quantify it, so that people understand that we do not want to hurt business. We have just come through a period where we have given business £75 million of taxpayers' money in forgone revenue or in payments out.

If you are running a small bakery in town with two employees, you have not got £75 million from the Government. I understand that. You got your share of BEAT, which was paid directly to the employees so that you could keep them on. You have not paid rates in a period when you were not operating anyway, so it is not as if that helps today. I get that, but £75 million went to big companies and small companies – many of the bigger companies did not claim; medium-size companies and small companies – and that came from the taxpayer. So, when we go back to try

to get something which helps us to refill the pot, it has to be understood in the context not of a Government that ignores the plight of small businesses and medium-size businesses and every company in our economy; it has to be seen in the light of the Government that has given the benefit of £75 million over the last two years to those companies and wants to continue to work with the representatives of those companies so that now, when we try to recover a part of that, we do it in a way that does not inflict pain or losses and it is done in a way that helps us all to recover. We fought the pandemic together – the businesses, the entrepreneurs, the workers and the Government – and we will work together to fight for the recovery of the COVID costs, but we must take responsibility together also.

Mr Speaker, I am also happy to be able to tell the House that the Minister for Business will be launching the Business Nurturing Scheme that the Federation of Small Businesses asked about in the autumn – we believe by November – and that the new Fair Trading Act has already passed all its stages with the Minister for Business and is now with the Minister for Justice, who is reviewing it to ensure compliance with the Constitution, which is our internal process, and we expect it to be on the statute book this calendar year.

On the issue of taxation of pensions and investment income for those who are not Gibraltar ‘belongers’, so to speak, I want to clarify that that measure is intended to cover those who are non-Gibraltarians by birth and who would otherwise have been eligible for, or were holders of previously, a Cat 2 certificate. These are not times to tolerate the best-off amongst us in our economy contributing nothing to our public finances, but neither are we seeking to tax the investment income or the pensions of people who have moved to Gibraltar but are not in that category of the very rich.

On mopeds, I want to clarify that the target of the prevention measure for importation of small bikes will be for those in the under-100cc range, which are the most polluting. Those are the ones we are looking to ban by the new measure and which will have to be replaced by electric vehicles – the most polluting, both in terms of noise and emissions. Of course, that does not cover vehicles that are already registered.

Mr Speaker, in seeking the support of this Chamber for the Bill, I am going to now deal with the speech of each individual Member and all of the points they have raised which need to be dealt with, and I am going to do that even though they have already said that they are going to continue with their very poor tradition of voting against the Budget. They have already said they are not going to vote for this, but I am going to reply on the basis of the parliamentary tradition being that this is a debate about a Bill and that they have raised points which, if I reply to them in a satisfactory manner, might persuade them to support the Bill. That is really what we are dealing with here in this House today. They have already said they are not going to support it because of their principal view that the 300-page Budget Book, which everyone can look at, does not present a full picture of the Government’s spending. What utter nonsense.

Even though they do not treat this Chamber with respect, we do and we will; even though they do not treat the public with respect, we do and we will; and even though they do not treat us with respect, we will treat them with respect. We will break down their arguments, we will answer them one by one as we break down their arguments one by one, and of course I am going to start with the Leader of the Opposition.

The Leader of the Opposition said that I had temerity in calling the Budget a people’s Budget, that I should practise what I preach and that when I told people that we were on their side I slipped my hand, whilst I was looking into their eyes, into their pockets. Well, why is this a people’s Budget? It is a people’s Budget because it is a Budget that intends to do social justice, and I cannot imagine that our people want us to do anything other than social justice. It is to get Gibraltar and the Gibraltarians back on track to growth, to surpluses, to pay rises in the future. It is no act, it is a fact. Maybe when the hon. Gentleman was writing ‘it is an act’ he left out the ‘f’. It is a fact.

It is a Budget that protects pensioners. State pensioners have an 8% increase. It protects those on Disability Benefit: they have an 8% increase. It protects even occupational pensioners of the Government, who have a 2% increase. But, in particular, it protects those who are in the bottom

tier of earnings in our country, those on the Minimum Wage, who have an 8% increase as well. I imagine that even the better-off in our society want to see people who are on pensions, on state benefits, who are on the Minimum Wage, protected at this time. That is why it is a people's Budget. And judging by the real-world reaction, it has landed in exactly that way.

Of course nobody wants to have their taxes put up. Let's be very clear, I am disappointed with that part of the Budget – I am a taxpayer, too: who wants to come here to put up taxes on everybody and on themselves? – but I am humbled and grateful for the literally hundreds of messages of support that I have received over the way that have structured this Budget and we have ensured it protects the vulnerable. Hundreds. Messages are not just those posted on social media by a few hotheads. Whilst they seek that approval and comfort of social media, we will continue in touch with real people and the organisations that represent them.

The hon. Gentleman then said some or all of these new revenue-raising measures would not need to happen if the Government had been disciplined last year, if they had been disciplined from the beginning. When he said that we had not been disciplined, when he said that everything that Mr Feetham accused us of doing is what we have done, what he ignored – and it was there, in my main speech, so it was not to be ignored unless you came here with a prepared speech and did not really care about what you had been told or had not really looked at the Book in detail – was that actually departmental expenditure last year was very controlled. Where we had an overspend it was specifically demand led. It was not a lack of control. There can be losses which arise from lack of control, from negligence, lack of diligence, or there can be losses that arise because the price of something has gone up or the need for something has increased.

I am going to explain in detail what those overspends were. Indeed, I explained it in my main speech, but Mr Azopardi was not listening – or he did not want to hear because it did not suit the theory that he was going to sell, like the snake oil salesman that he is, with the headlines and tabloid-style economics that he wanted to put out there. They have ignored those facts in order to spin their speeches around the political arguments that they wanted.

It is not true that we have had to put up costs because we failed to control expenditure last year, because it is demand and expenditure principally by an increased cost of fuel affecting our Electricity Authority and increased demand for COVID-related expenditure in the Health Authority. That is to say it is not a failure to control the GHA, it is that the GHA needed to do more during 2021-22 than was foreseeable in February and March 2021 when we prepared the Estimates. So the theory put forward by Mr Azopardi is wrong. I am not just going to tell him that it is wrong; I am going to demonstrate to him again, as I did in my main speech, before I knew what argument he was going to spin. I will demonstrate it to him again now in my reply, but because I said it in my main speech, unless he could not hear me or could not read the text which was published shortly after I sat down, or could not see where the overspends were, he must know that he was wrong.

Mr Speaker, in keeping with your ruling, I am not going to accuse him of misleading the House, but I think he must have come close. I will set out why I say that. He said this:

When anyone looks at this Budget and, importantly, last year's public spending, there are some big themes that emerge ...

The first one he wanted to deal with was trust. He said I could not be trusted on the economy, public finances or recovery. Again, he writes that down without thinking.

The economy? The economy and the public finances are two different things. The public finances are the pocket of the Government; the economy is the activity in the whole of Gibraltar. I just told the House in my main speech that we had bounced back immediately to a GDP that we had in 2019-20 – indeed, we were slightly above it – so how can I not be trusted on the economy? I do not think there are many economies that have bounced back as quickly as ours has.

The public finances or the recovery? Well, let's look at this question of trust. He said that I have 'no real plan, other than a very late and insufficient one, no direction, no willingness to address

issues and no clue'. There is a Jewish saying, that people do not see the mote in their own eye, that the things one says of another are the things that are true of you. In his speech there was no plan, no direction and no willingness to address the issues, because he was saying, more or less, the only way to deal with the financial crisis in the world affecting Gibraltar is to change Fabian Picardo for Keith Azopardi, but he did not tell you what he would put up to recover the losses, he did not tell you what he would cut or not cut. Of course not: he has no plan, no direction, no willingness to address the issue and no clue.

Then he said that this was all a failure, a failure that is down to the Government:

a failure to control expenditure, a failure to control waste and a failure of discipline, which goes all the way to the top because there is a clear line of responsibility and the buck stops with Mr Picardo, who has political responsibility for the bottom line, no ifs, no buts.

I do have responsibility, the buck does stop with me, but this is not a failure of control or anything like that.

But before I get into the detail of that and break down where the overspends have been to show him that he is wrong, because I am following his speech chronologically to deal with the issues that he dealt with I want to deal with one of the biggest underlying issues affecting the United Kingdom economy and Gibraltar, and that is Brexit, which is what he turned to next.

By the way, Mr Speaker, the pound is now much weaker than it has been against the dollar. All economists identify that that is principally due to Brexit and that inflation will be higher in the United Kingdom than in the United States, principally due to Brexit and the Fed raising interest rates higher and quicker than the Bank of England, and that is itself a driver of inflation because the pound does not go as far as it used to. The price of fuel now, although it is high, is not as high as it has been in the past, and the pound does not go as far. So with the price of fuel at \$328 a barrel and the pound at \$1.20 – in fact, it dipped before the weekend to \$1.19 to the pound – you need more pounds to buy the barrel at \$300-odd than you did before, even if the barrel was at \$300-odd when the pound was worth \$1.45.

So Brexit underlies everything, even for a country that already has an agreement with the European Union. We are still without a post-Brexit deal, six years after the referendum. We have been warning about lost opportunities for some time. Now, not only have there been lost opportunities but missed boats.

The New Year's Eve Agreement was a flimsy, eight-page, non-binding document of some form of Neville Chamberlain type triumph. Mr Azopardi says that the agreement that has actually kept the Frontier flowing ... I fully get the problem with blue ID card holders, but not just blue ID card holders – he only mentions blue ID card holders because they are the only ones who vote, they are the only ones he cares about – also green ID card holders and magenta ID card holders. We care about all of them: red ID card holders, blue ID card holders, magenta ID card holders and green ID card holders, whether they vote or do not vote, because we take responsibility for everyone. He only cares about the blue because they are the only ones he is trying to carry the vote of. I get the problem with them and we are trying to fix it as soon as we can, and I get the problem with health – of course they are trying to put us under pressure, it is a negotiation; of course we get it – but to say that the deal that has kept the Frontier flowing ...

My God, Mr Speaker, I am looking at him and he is squirming already. Of course he is squirming already. He knows that his point was just atrocious. To compare that with the Munich Agreement that did not keep Hitler in Germany ... It is absolutely impossible to take seriously the things that the hon. Gentleman was saying. This is a man who told us that we needed to be like Northern Ireland, except now he does not want to be reminded or remind anyone that he thought we should have done a Northern Ireland style deal. This is a man who said that the solution for Gibraltar's Brexit problem was to give control of Gibraltar's external relations to the President of the European Commission, with the United Kingdom out of the EU and Spain sitting at the top

table in the European Council. The New Year's Eve Agreement is no Munich Agreement, I am no Neville Chamberlain, but he needs to start thinking things through before he says them.

He said that instead of landing permanent rights for our citizens we gave away MoUs that were in-roads to our economic and social affairs; we accepted a permanent Tax Treaty that classed some Gibraltarians and some of our companies as Spanish tax resident, even when they lived here and did not do business in Spain. He is the hawk now and Joe Bossano is the dove. That is what he is saying, that we present MoUs to the Cabinet which we have negotiated and every step of the way is put to the Cabinet and every step of the negotiation is brought back *ad referendum* to Cabinet, that we present a Tax Treaty to the Cabinet – Joe Bossano in the Cabinet. Joe Bossano comes here, in this place and goes on television and says, 'Of course I accept them,' explains why he accepts them – and Joe Bossano has become a dove and Keith Azopardi is now the hawk. Even with COVID, Joe Bossano is no dove. Good luck to COVID: only one person is going to win that battle and it is going to be Joe Bossano, for sure. He is absolutely no hawk.

He is the man who, in a footnote to his treatise on sovereignty and the stateless nation, says that the modern Andorra is not joint sovereignty. Well, if he is a hawk, good luck to us. He is leading the party that said that perhaps one day they would recommend a modern Andorra solution to the Gibraltarians in a referendum. They are the hawks – hawks with no claws.

Nobody is going to be tougher than the GSLP Liberals on the fundamentals, nobody. We are negotiating with a European Union, that has no sovereignty claim on Gibraltar, a deal about mobility of persons and mobility of goods, so anybody who thinks that if the GSD were in government they would be driving a harder bargain really has not understood the modern political history of Gibraltar and who represents what. The underlying aspect of his theory is that you can negotiate more quickly and still defend more strongly the things that you care about, and do a deal sooner with more benefits and less risk and few problems. Well, this is a very tough deal to negotiate but the TCA has very little that would have benefitted Gibraltar. The TCA is about stopping fluidity of persons and stopping fluidity of goods. It is about creating barriers where there were none. We are negotiating the opposite.

When the hon. Gentleman says that we are on our own now and the UK has done its deal, which political reality does he need me to explain to him? We were on our own from the morning of 24th June 2016. We work on our own, in partnership with Britain, because our aims and objectives are different than the aims and objectives that the United Kingdom had for the United Kingdom in respect of a future relationship with the European Union, and it is being negotiated at a different pace. Of course it is being negotiated at a different pace – why? Because the European Commission refused to engage with the United Kingdom, at the suit of Spain, if the United Kingdom purported to include Gibraltar in its deal. If we had forced that, what does he think would have happened? That the United Kingdom would have crashed out of the European Union without a deal because it did not include Gibraltar? Can he get up and, shorn of rhetoric and telling the people the God's honest bare truth, tell them that he would have insisted that the United Kingdom not negotiate its TCA with the European Union unless Gibraltar was included, knowing and guaranteeing to the people of Gibraltar that the United Kingdom would stand by him and that the 60-plus million people of the United Kingdom and all its businesses would have crashed out of the European Union without any deal if the European Union did not agree to include Gibraltar, against Spain's whims? Is that the politics that he defends to the people of Gibraltar? I think the people of Gibraltar deserve to be treated like adults and to understand the truth shorn of rhetoric, know who we are and understand how we use our size to our advantage and not allow it to be what defeats us. But in that context, putting an economy the size of Gibraltar as the pivot between the European Union and the United Kingdom in that negotiation we would have been crushed in an instant.

So, blue ID card holders, who vote, green ID card holders, who do not vote, magenta ID card holders, who do not vote, and red ID card holders, whom we are beholden to, all of them matter to us, all of them are the people we will negotiate for. Every day, we spend hours on the issue of the non-red ID card holders, every day we are working to resolve the issues, but we do not want

to resolve them short term, we want to resolve them long term. That is the game we are in, the long-term solution of this issue for people and businesses in Gibraltar.

It is just not true that we have given away any rights in the Tax Treaty. It is not true. Joe Bossano would not have voted for a Tax Treaty that gave away rights. Albert Isola would not have voted
 420 for a Tax Treaty that gave away rights. None of the people sitting on these benches would have voted for a treaty that gave away rights, but it was not just our views that mattered. We got a legal opinion from Sir Peter Caruana on the subject. So, frankly, let's be clear: were there, legally, any concessions in that Tax Treaty? No, there were not, we were told in that legal opinion. So who is going to be the arbiter or the best guide for the people of Gibraltar on whether or not we made
 425 concessions? Is it going to be a man who was Deputy Chief Minister for four years, a Minister for four years and left that party to form another party, then came back to lead this party, having started in our party – consistency zero? Or is it going to be the people sitting in this Cabinet, former Chief Minister Joe Bossano – who has not been known to be soft on anything, including his Cabinet colleagues, as we all know – and the former Chief Minister and one of Gibraltar's best established
 430 leading Counsel? I do not think that Mr Azopardi stands the proverbial snowball's chance in hell up against that opposition. When the time comes to do the analysis, however much he wants to ignite the rhetoric, however much he wants to scare people ... Scaring and fearmongering has been a big theme of theirs, for the past year in particular, in this debate. However much he tries to do that ... Of course there will be some who believe him and they will clothe him in nice social
 435 media posts which he will enjoy and revel in, but not the majority, not the right-thinking majority.

When you think of Mr Azopardi wanting to give away the external relations of Gibraltar to the President of the European Commission and you think of his view that modern Andorra is not joint sovereignty, or indeed you shift across and go back to the former leader of the GSD, who, when
 440 he was leader of the GSD, although he was holidaying in France when we were creating the artificial reef, told us that he was coming back ... He swapped his car for a white charger to bring him down the Iberian peninsula to help me deal with the new reef issues, and his help, as he told Radio Gibraltar, was that he would remove the reef, if he thought that would help. So the removal of 'reefy', which was Mr Feetham's highlight in external relations, or 'Andorra is not joint
 445 sovereignty, let's resolve Brexit by giving our external relations to the President of the European Commission'. Those two – Tweedle Dee and Tweedle Dum – or Garcia, the Cabinet, Licudi, Bossano, Caruana and Michael Llamas? Tweedle Dee and Tweedle Dum, or that team? I think people will not give Tweedle Dee and Tweedle Dum much of a snowball's chance in hell.

Indeed, look at what happened here. Mr Azopardi did not reply on the Budget in terms of public finance. He said the public finance points would be picked up by Mr Clinton, who is the shadow
 450 Minister for Public Finance, and then he had to have the sweeper for the Opposition pick up the other points at the end. So what did he do? He got up for an electioneering speech and said that of course they wanted a safe and secure treaty for Gibraltar.

Let's start to prepare the public for what is about to happen. If we come back with the safest and most secure treaty for Gibraltar, they will look for any aspect of it for which they can pretend
 455 to have a light ... big up, exploit and use to scare people, to reject us and the treaty – us and the treaty, because that is really the point – pretending that they can do better, and say that they will go back to renegotiate and they will do better, and this is terrible, it is has taken six years, and whatever they come back with ... He has written his speech for the day after we show him the treaty already. It is clear: 'We all want a safe and secure treaty for Gibraltar, but whatever you
 460 come back with, we will clobber it.' Of course they will clobber it; that is what they are ready to do. They are not going to give it any chance.

All they care about is reaching the chair at No. 6 Convent Place. That is why they are already misrepresenting the MoUs. That is why they are already misrepresenting the Tax Treaty. Well, I
 465 can only tell him one thing: he made all the misrepresentations of the MoUs and all the misrepresentations of the Tax Treaty before a General Election, and when people analysed it and considered it he led the GSD to one of its lowest showings in its history. That is what he achieved by failing to put Gibraltar first, trying to interpose his own party-political benefit and trying to pull

the wool over people's eyes. The people out there will not have the wool pulled over their eyes. They will look at things themselves, they will make a determination for themselves in the round and they will not be ignited – except, of course, for a few hotheads and fools – by the flames of the hon. Member opposite.

The hon. Gentleman then went on by thanking healthcare workers. I suppose it sounded good. We have just dealt with COVID and he wanted to get up here to thank healthcare workers, but it was rank hypocrisy because in the next sentence he was condemning and attacking me for spending in the GHA. So he thanks the healthcare workers and the next thing he says is 'It is terrible that you have spent so much on the healthcare workers'. So, not only did he get his question of debt wrong, and overall debt and debt on the arrival of the pandemic wrong, he also has no logic about what he was saying.

He said that Government debt in 2011-12 was £480 million. (*Interjection*) That is what he said, but, Mr Speaker, you were ... I was talking about the financial year, but when we took over ... Can't he remember the leaders' debate we were in together in 2011, where Peter Caruana during the course of the debate said that the debt had exceeded £500 million? In fact, it was £520 million when we took over, and that was just direct debt. Company debt was not £20 million, as Mr Feetham suggests. I know that everything I say will be water off a duck's back for him, because he does not care. That is the sort of shame: whatever you say, I do not care. The facts do not matter. The facts and what the Chief Minister says are water off a duck's back. Has he forgotten the car parks? Indeed, has he forgotten the views he espoused about the Hospital – not in a company, but also, according to him, a debt? He is the one who made the argument that the PFI was a £110 million debt – £109.1 million. He says it is a debt, so how can he get the idea that debt was only £500 million? Just on that reckoning you are closer to £650 million, if you are doing the exercise the way they say they want to do it. I have done this exercise before, I am not going to do it again. I refer hon. Members to the *Hansards* of my earlier speeches dealing with the nonsense they raised about company debt, where I detailed all the company debt under them.

So there is no question of debt, by any measure of calculation, having been tripled before the COVID pandemic. Let's be clear. What they want to do – the exercise they are trying to do – is to scare people into thinking that our debt is unmanageable. That is the scare: 'The Government has raised the debt, the debt is unmanageable and that is why you have to replace him and put us there instead of him.' But it is not an unmanageable debt and it does not arise or get close to being unmanageable as a result of anything that we have done. Indeed, part of what we have the benefit of today, which we negotiated – the people they want to get rid of – is something they never were able to achieve, which is a sovereign guarantee from the United Kingdom for our borrowing, which brings our interest rate down on all our borrowing under that guarantee.

'But let's be clear,' he said, 'what happened next and over the last financial year has been absolutely staggering, a total overspend of £90 million – thirty-five million of those pounds by the Departments.' That is the reason why I cannot be trusted, he said – no discipline. And of course he personifies that not in the Government, he personifies that in me. I have spent the £90 million, I have spent the £35 million. Well, the buck stops with me. I am going to explain it, but it is not my spending, let's be clear.

Maybe it is because he did not expect the Estimates Book to be made public so that everybody could see it that he pursued those arguments. He might have expected people to be focused on just what he was saying, not being able to look at the Book as an aid to hon. Members' speeches and how to interpret them and how to demonstrate who has been economical with the truth. So let's look at what you can see from the Estimates Book.

First of all, it is called an Estimates Book for a reason. It is impossible in an entity like a government to predict exactly what your costs are going to be. You can predict what salaries are, based on salary agreements, but even that is not possible to predict because if you budget for 10 people to work for you and you say, 'This is what it is going to cost,' and one of them passes away and another decides to retire early, then you are going to spend less, even on the salaries you have calculated. You are going to have a capital expenditure if you pay the 12 times salary for the

520 death in service, so it has to be an estimate because the organisation is that large. So nothing is set in stone in the Book; it has to be an estimate. Things can happen and that is why it is an estimate, so my job as Finance Minister is to set direction for the estimate. I would like to see any of the heads of charge when they were in charge that came in exactly as predicted. Of course they do not; it is in the nature of an estimate that they cannot come in exactly as predicted. There are
525 some heads where you hold people to an amount, where the spending is for a purpose and you do not agree to more spending because it is not demand led, it is not something which you agree should be spent, but that cannot happen in areas like Health and the generation of electricity unless you are prepared to stop giving people the care or putting the fuel into the engines. But he does not get that. He says:

It is like someone who ran a kilometre two minutes slower than expected now saying that he will run it three minutes faster than his personal best time.

530 Well, no, I am somebody who, between January, February and March 2021, predicted with a team how we thought the spending could go, based on the information we had then, and in March, a year later, sees the result of that, based on the decisions we have taken throughout the year. What you have to analyse are the decisions taken throughout the year and whether they were the right decisions or not. It is a marathon, it is not a one-kilometre sprint.

535 What they have to make their minds up on is whether the accusation they are levelling at me is that we are providing too much – with the lavishness and the extravagance, are we giving too much? – or are we not restraining enough? But then, at the same time, they tell us we are not giving enough to the healthcare workers etc., or to the culture community, who want a theatre.

I said in my speech that the estimate of £552.8 million is ambitious for this year, but I also said
540 that it is important to set direction. Even though it is £16.5 million down on the forecast outturn for the year, we are setting direction for this year because we are trying to rebalance the books, we are trying to get back to financial discipline. When we do that, they say, 'Ah, you see, they are going to cut.' If we do not do it, they say, 'Ah, you see, they are not prepared to cut.' We just cannot win. I am setting a direction for controlled expenditure but now he is criticising me for
545 being unrealistic.

The reason we are trying to go back to 2019-20 is because that is the first pre-pandemic year we have. It is the best pre-pandemic year. It is where our GDP has come back to. If we miss our targets, it will not be for want of trying, but we are trying to set direction so that costs are controlled. That is my job as Minister for Finance. I have to be ambitious in curtailing costs in areas
550 which are not areas where we need to spend, not allow things to escalate in terms of spending, or else I will be accused of not controlling costs. It has to be one or the other. They have to make up their minds.

They do have to understand, because there is another Estimates debate to be had, and I do hope that they will learn from this Estimates debate and come back to provide better analysis for
555 the taxpayer next year. When you produce an estimate it will likely be exceeded or not met in many of the larger budgeting areas. What would happen if I came back with a Budget that did not seek to provide the control – the thing of which he accuses me, which is of trying to run the kilometre even quicker than I did last year? He would be saying that I was not being ambitious enough in the control that I was trying to provide for.

560 In my main speech I already told them the reasons why we spent more last year. High level: fuel for the generators that provide our electricity and our standby support. That cost has been driven up by inflation in the cost of fuel throughout the year. Yes, it has peaked now, but it has been coming. Would he have stopped that? That is what he is saying. And second, additional COVID costs for the GHA. In February and March last year we could not imagine that we were
565 going to have to continue testing for the whole of the financial year, but we did, with a lot of additional COVID cost. Would he have stopped the testing? That is the issue. When he just, in a cavalier way, says, 'You spent more than you expected to spend,' he does not want to analyse

what we spent it on, because if he would have stopped that spending he would not have stopped one party or one club-class flight. All of those things came within budget. In fact, there were precious few parties; I do not think there were any. What he would have stopped ... what he was telling the public was that the terrible overspend with which I should not be trusted was fuelling the generators to ensure that we had power, despite the odd power cut, and continuing the testing in the GHA. That is what, if he means it, he would have stopped.

We know that we wanted to stop the generators we have, but when you look at the numbers we paid £67.9 million in fuelling the cost of the generators, instead of the £55 million we had budgeted for. That is the almost £30 million difference out of the £35 million I referred to in respect of the GEA. I do not think it would have been brave or bold to stop that overspend. I think it would have been foolish to stop that overspend because then we would risk having power cuts because of failure of generation supply. Is that what he is saying he would have stopped? He does not like it, Mr Speaker, when I do the analysis, because it shows that the headlines he was throwing to the wind are actually no more than ... they are not even hot air. This is, by the way – because fuel goes to the electricity bill and the amount that is paid into the GEA – in the context of an 8% increase in electricity this year and 16% last year, a total of 24%, when we found, on our arrival at No. 6 Convent Place, that they had agreed to increase the cost of electricity to everyone in this community, business and residential payer, by 100%. How could the leader of the GSD have the gall to say that it is terrible that the cost of electricity has gone up in the past 10 years by 24%, when by now they would have put it up by 50%, – 5% a year for 20 years, a 100% increase? That is what they were hiding from the public. That is what the leader of the GSD was going to do if re-elected in 2011, and the leader of the GSD today has the gall to say that 8% is too much and that there is an overspend in the GEA. He would have got rid of that overspend, he is right, but by not spending, because he would have put the electricity up in the past 10 years and they would be making a profit in the GEA rather than suffering a loss – and on a power station built in the Nature Reserve. Let's not forget that.

When people decide 'Do I have a good Government or do I not have a good Government? What is the alternative?', first of all there is no alternative. Second, the guys who said they were the alternative were going to build a power station at Jews' Gate. When you go up to Jews' Gate, instead of seeing Africa, instead of the Pillars of Hercules, you were going to see the 'Pylons of Hercules' spewing grimy, smelly diesel. That is what they were going to do. And they come here and talk to us about the environment? And they come here, when they would have put up your cost 100% on your utilities, to tell us that we put it up to much? They are a political joke that has had its day. Let's be clear about that. Whether it is on the cost of utilities, whether it is on the environment or whether it is on spending, they have no arguments left. All of the arguments they run are counter to their own positions when they were in government.

What happened in Health? In February and March 2021 we planned for a year coming out of COVID, so we expected that by the end of the year there would be almost no COVID testing etc. We got it a little right, but of course we did not get it exactly right because something called Omicron happened. We once again saw flight cancellations, we once again saw increased testing, we saw lockdowns in different parts of the world – not in Gibraltar. How did we avoid the lockdowns? Well, we avoided the lockdowns with a lot more testing in Gibraltar.

We provided about a quarter of the COVID costs for tests etc. for the GHA that we had provided in the year before in the Emergency Budget of 2021, in terms of how much we knew then, by the COVID Fund etc. We provided £5.5 million for COVID etc. in the GHA, when previously it had been about £20 million, a difference of £15 million. So as the year went by, the GHA increased spending on COVID measures and decreased it as the pandemic receded. It did not recede a lot. We needed to keep 111 operating until 31st March. We needed to keep testing. But they were not just doing testing in the GHA; the GHA was responsible for testing also outside the GHA. We were testing teachers, we were testing patients, we were testing nurses and we were testing passengers arriving at Gibraltar Airport. And yes, we were charging a subsidised cost, but not in every case

did we get our money back. And in the context of that we were operating two laboratories and providing security for those two laboratories, and we were providing security at the Airport.

Did we spend more than we expected to spend? Yes. Was that uncontrolled expenditure? No. When you add the different elements that I am talking about, you can see that the overspending is not uncontrolled spending on lavishness, it is not because I flew club class anywhere or anybody else flew club class anywhere, it is because of this, the real, necessary cost of keeping the fuel in the generators and funding the GHA.

This year we believe that we will be able to provide less cost to the GHA for COVID because we hope that it will now be a phenomenon that is dealt with in a different way, but look at the numbers in the United Kingdom today. Already people are saying you have to be cautious; will masks come back? That is what people are talking about.

Our ambitious estimates of controlling expenditure we hope will come true – and they should hope come true – but when you look at what we spent, £13 million overspend in the GEA and £15 million in the Health Authority, and he has accused us of £35 million of overspending, there it is.

When you are in this chair, which is the one that carries responsibility, and the chairs along here that carry departmental responsibility – responsibility for the Electricity Authority is with Minister Isola; responsibility for the GHA was with Minister Sacramento throughout the period – what would they have done? Would they have stopped the generators? Would they have stopped the testing? That is how you would have controlled the £35 million overspend, even if you had not gone to see the Pope, even if you had not gone to market Gibraltar, even if you had not done all of the other business-as-usual things that you needed to do and had budget to do and came in or below budget for doing. What would he have done? These are the big-ticket items. These are the £35 million overspend that he talks about – not overspent on luxuries or frivolities, on lavishness or anything extravagant; spent on these things which were necessary. What would he have done?

I put it to him that either he would have acted exactly as we did and would have overspent by £35 million or he would have vacillated, hesitated and been the proverbial rabbit stuck in headlights. If he had insisted on getting his Budget right, if he had said, 'Well, no, look, I'm afraid doctors, I'm afraid technicians at the GEA ... I'm afraid that because I don't want to be embarrassed by an overspend at the next Budget session – which matters to me more than the proper administration of this community and the safety of our patients, our children in schools, our teachers and our doctors – because not being embarrassed by Fabian at the Budget debate matters more to me than keeping the generators running, stop the fuel, stop the testing, undo the COVID measures in the GHA, close the laboratories. I want to save that £35 million.' Is that what we would have seen in an Azopardi administration? That would have been bad government. Or perhaps, because he is going to emaciate himself by appointing a Minister for Public Finance who will carry the purse strings, even if he had wanted to fuel the generators and keep the COVID testing, his chancellor, his Minister for Public Finance, would have said, 'No, because I do not want to be embarrassed by Joe Bossano in the Budget debate by overspending by £35 million. I do not care what happens to our people, I do not care whether they are tested, I do not care whether they have power; the numbers will come in according to the Book. The estimate will be set in stone. It will no longer be an estimate, it will be a definite figure.'

That is the nonsense that they have suggested, that we should have cut off the generators and stopped all our GHA testing. Well, when you look at the issue with relief cover in the GHA, for example – when you are in the middle of a pandemic, more people get ill and you have to cover for more people. That is why you have more relief cover. If you cannot get professionals from the United Kingdom or elsewhere, you have to pay the relief cover. We have to ensure that the posts are covered, in particular in a pandemic, even though the GHA then is not able to sometimes use those people because they cannot get the patients in front of the doctors to treat them. That is the reality.

Of course, it is difficult, if not impossible, to allocate costs in the middle of a pandemic, so last year we also had the costs of the year before, where we were receiving bills after 31st March 2021

in respect of spending before 31st March 2021, because in that period not everybody was invoicing as we would expect them to invoice etc.

He complains about recruitment expenses being £2 million instead of £900,000. What would he have done – stopped recruitment? This year there is a forecast outturn in the COVID Fund of £831,000. That is why it is there. Would he have stopped recruiting for our essential services?

He complains that we spent £270,000 on security services. Would he have left the labs and the testing areas shorn of security if something went wrong? Sometimes things went wrong and people got loud and had to be dealt with. So he would have left our health professionals without security but he would have brought it in in budget? And he complains about this £270,000 protecting the people who were providing that essential service. That is what he is doing. He is complaining that we spent £270,000 protecting the people who were providing the essential service. Mr Phillips tells us that morale is low in the GHA. I am not surprised. Morale must be low, seeing an Opposition that is telling us that we spent too much protecting our GHA professionals, that we spent too much giving them the tools they needed in the COVID period. Well, I believe in protecting our people when they are carrying out essential roles. I believed we needed extra security at the vaccination centres. I was advised that we needed it and I approved the spending, even though it was in excess of the estimate. Is that an excess which relates, as he wants people to believe ...?

‘They spent on lavish parties and travelling club class.’ The amount that they actually complained as overspent is not on any party, on any club-class travel, on any lavish project or any extravagant project. No, it is on protecting our GHA staff, on fuelling the generators, on providing the testing kits.

He complains about spending £750,000 more on the disposal of refuse. Where was he when we had the issue that we could not take our waste to *Los Barrios*? Where was he when we were in the middle of a pandemic and we sometimes had to replace people because they got ill and we had to pay overtime? Where was he when all these things were happening? It is all very well to complain, but what would he have done – sat on the waste? Is that his solution? He would not have paid more, and when the price was elevated, not just for us but for all who dump in that area, what would he have done? Said he would not pay the increase because it was going to embarrass him when the time comes to have the Budget debate? Of course he would have paid. That is the rank hypocrisy of the approach they have taken. Of course he would have paid, or we would have ended up eating the waste in Gibraltar, or spending it in another way, sending it by boat to another country where the international conventions allow us to send it.

This is not about government in a bar, this is not sitting around with a few friends having a coffee and saying *por qué no lo mandas a Marruecos*; why didn’t they send it to Morocco; why isn’t it cheaper to ...? This is rank nonsense. The international conventions do not allow you to do things like that. That is why the overspend is there. Emergencies occur, we have to deal with them – that is why it is an estimate – and the idea that we have to be kept within the estimate 100% or otherwise it is mismanagement fails to understand the nature of government, which most of them have no clue about but *he* was Deputy Chief Minister. The other one was Minister for Finance but was not allowed anywhere near the purse strings most of the time, but *he* was Deputy Chief Minister – unless he was just Deputy Chief Minister in name and nothing else and he knew nothing about the operation of these things. Of course we have to plan for Brexit contingencies and we have to spend on that; he would say we were irresponsible if we had not done so.

And then he tries to land a punch when he says:

To put it in sharper context, the Government is cutting the GHA’s sponsored patient budget by £4.75 million this year, or over 30%, but intends to spend 50% more by way of the Chief Minister’s entertainment budget than last year. The priorities are all wrong.

What does that seek to convey? It is pernicious in the worst possible way. What the Leader of the Opposition is saying is that I would sit in my office and say, ‘Give me some of that money we use

to save people's lives sending them to the UK. I'm going to use it to have a party instead. Ha, ha, ha, ha, ha, ha! That is what he is saying. It is rank nonsense, Mr Speaker – I am sorry to have to subject you to it, but that is what he is saying. The Leader of the Opposition suggests that *any* Gibraltarian in charge of this community would actually bring a Book to this House to deprive people who need healthcare of 30% of the moneys required and up the amount for celebration, champagne and canapés. That is what he is trying to sell. Nonsense! There are better words not parliamentary language to describe what he is purporting to say, and they relate to the excreta of the male cow.

Let's deal with this question of the increase in the entertainment budget. This is on page 23 of the Estimates that people can look at, under Protocol and Entertainment. That is not money to spend on parties, as the hon. Member likes to pretend. This is not about parties. This is about hosting individuals who come to Gibraltar, where we have to host them for a reason – a senior Minister, anybody who would come ... for example, a royal visit – all of the cost of that protocol and entertainment. What would he do? He would not entertain those people? He would not give them a meal? He would not treat them to a tour of Gibraltar, where we might tell them what is going on around Gibraltar?

He says, 'He is reducing the sponsored patients by 30% and increasing the entertainment budget by 50%.' Very easy numbers to work with. Well, last year we spent £80,000 on protocol and entertainment; this year, £120,000. It is not 50%, but it is about that. But last year there were severe restrictions on people being able to come to Gibraltar. There were times when there were no flights. There were times when, even though there were flights, people had to wear masks and get COVID certificates etc. and people were not flying. There were times when there were few flights. This year we expect more people will come. When those people come, do we completely ignore them? Do we not entertain them? Or do we put £80,000 and then overspend if more people come? And then the accusation will be, 'You've overspent on entertainment and parties'? Of course not. We estimate. But the estimate we are giving is less than in 2018-19 and 2019-20. In 2018-19 and 2019-20 it was £150,000; now it is £120,000. In 2015-16 it was £250,000. Why? Because we knew, that year, that we were going to receive a Prime Minister in Gibraltar and we were going to receive a Foreign Secretary in Gibraltar, and that requires additional cost and protocol. In fact, those visits did not go as we expected them to go, but we had other visitors on the back of the referendum etc. So rather than largesse, might he want to reconsider and realise that actually we are cutting back from £150,000 to £120,000?

What was the cost, when they were in government, of protocol and entertainment? Just scratching the surface, I can tell hon. Members that 14 financial years ago, when they were in government, they were spending £110,000 on protocol and entertainment. Adjust that for inflation: £148,000 is what they were spending. Unless you do that full analysis, there is no better way to describe what the hon. Gentleman tried to do than being economical with the truth, because he has not done the analysis of going back to see what they used to spend – indeed, what we used to spend before the pandemic – and see that we are still spending less.

He completely waved goodbye to the truth when he got up to give his speech. He completely ignored the truth when it stared him in the face and he sat down to write the speech that he then delivered. I know these are tough times, that tax is going up and utilities are going up. I am not flavour of the month – I am not flavour of the month at home, let alone anywhere else – but I trust the Gibraltarians. I know they will see through the yarns he tried to spin them, and the figures I am giving are the sorts of figures that will enable them to see that. Of course I am the one raising taxes for a short, defined period – never a popular measure – but when it comes to who to trust or distrust and they look at the counter analysis I am having to do, they will see that their numbers and their spin are not to be trusted.

Look at the sponsored patients budget. The hon. Gentleman has said we are cutting this by £4.5 million, down by 30%. Well, we are spending much more on sponsored patients than they ever spent, but does he want us to control expenditure or doesn't he want us to control expenditure? And does he not know that we are changing the way we do things with the United Kingdom on sponsored patients so that the cost of sponsored patients is likely to be lower – not

770 because we are going to make the cake spread more thinly across those who need the help but
because we are going to do more in Gibraltar? Hon. Members are the first to come out and say
the Government needs to move more quickly on providing the cardiology service in Gibraltar, the
Government needs to move more quickly in providing the urology service in Gibraltar, the
Government needs to move more quickly in repatriating the service: 'The charity is right, the
775 Government is wrong. This person who has come out saying something is right, the Government
is wrong. You must be doing this more quickly.' When we do it, and we therefore have fewer
people to send to the United Kingdom, should we not also cut the sponsored patients budget?
We are not going to pay sponsored patient sums to people who are treated at St Bernard's
Hospital. It does not make any sense.

780 Of course, none of what we said about repatriation etc. is going to be helpful to the hon.
Gentleman in making the analysis he wants to make, because he wants to talk about the cutting
of the sponsored patients budget even without doing the analysis, and actually it is likely to be
fewer sponsored patients because of the repatriated service. But if there are more, we will spend
more. We will overspend the budget on sponsored patients if we need to pay sponsored patients
785 more sums for them to support themselves, because it is a demand-led head. So, when you cut it,
there is no risk to any sponsored patient that they will not have the money they need if we reach
the maximum allocated amount because demand requires it. He should know that – he was
Minister for Health, or didn't they let him anywhere near the accounts when he was Minister for
Health? I would not be surprised.

790 Anyway, Mr Speaker, I made those points because I think it is fundamentally important. The
hon. Gentleman said that the whole issue was an issue of trust and I could not be trusted because
I had failed to control the expenditure by £35 million in the Departments. I have to make the point
that actually he would have done the same thing and allowed that overspend of £35 million, which
I have just analysed for him, or he would have been doing a very great disservice to the whole of
795 our community and the GHA in particular. Of course, he talked about £90 million, not just
£35 million. The £35 million was departmental overspend. What about the £90 million in total?
When you take out the £35 million, you are left with £60 million, which is the forgone revenue,
which has to come in from the fund. Well, £30 million of that is the amount I told them is the
forgone revenue on Import Duty without tobacco, and then there is another amount which, of
800 course, relates to revenue from excise duties, which includes dutiable items like tobacco and
alcohol etc.

I want to do an aside here, because sometimes in our community people feel holier than thou
and I just want to remind people that in *The Wealth of Nations*, which is a treatise on economics
which is now centuries old but is still considered to be the classical text, Adam Smith said this:

Tobacco might be cultivated with advantage through the greater part of Europe; but, in almost every part of Europe,
it has become a principal subject of taxation.

805 That is a direct quote. So there is, therefore, no shame for this community in the legitimate duties
we get from tobacco.

But coming back to the hon. Gentleman, I do not know what he has been smoking in order to
come up with the speech he came up with, but certainly, having done the analysis that
demonstrates to him that of the £90 million, £35 million – which is the overspend – relates to the
810 fuel and the GHA, £30 million relates to duties not from tobacco and the excess relates to other
such costs, I hope he is clearer now. I hope he understands that there is absolutely no
mismanagement on the part of the Government and no failure on the part of the Government to
control costs in this biggest crisis in world public health in a century.

815 Mr Speaker, when he then descended into referring to my visit to His Holiness the Pope in the
Vatican, I thought it was in very bad taste. I do not believe that I have to seek financial forgiveness
and confess economic sins. Neither would a pope be interested in hearing about Gibraltar's public
finances, I am sure. And no, I was not seeking divine inspiration, as he said, to illuminate my

financial path or request an economic miracle, which is what he says is what we need now. I thought it was in very bad taste. I wonder, though, whether his bad taste and less-than-amusing sense of humour was on display in the Cabinet in 1998 when the former Chief Minister went to see St Pope John Paul II and whether he asked him whether he had gone to seek forgiveness for anything, or whether he dared to ask Sir Peter – Peter Caruana, as he then was – whether he had travelled club class. In fact, the two press releases that were issued by the GSD Government at the time when Sir Peter went to see His Holiness St John Paul II and then His Holiness Ratzinger, one of which related to a Government which he was in, said that it was a great privilege for Sir Peter and a great honour for Gibraltar that the Chief Minister was being received by His Holiness the Pope. What is the difference? Is it not an honour for Gibraltar that the current Chief Minister should be received by His Holiness the Pope?

As Sir Joe Bossano says in his excellent Budget contribution, which I hope all hon. Members have read – I am sure Mr Clinton has read it; I am not sure all the others have – and which I hope we will have an opportunity to hear Sir Joe, viva voce, very soon deliver with that usual gusto and the asides that make him so excellent an orator ... As Sir Joe says, what they do in government is what they condemn us for doing in government. What they do is right when they do it; when we do the same thing, it is wrong. It is that simple and the public need to know, because what the public need to realise is that every time this lot get up and say that we are doing something that is terrible, they have done it before and probably twice over. That is the reality.

Did he complain, Mr Speaker? I am genuinely interested to know. Did he jibe at Peter Caruana when he sat round the Cabinet table after he came back from seeing the Pope? Did he say, 'Did you go and ask for a miracle, mate?' Oh, no, hang on, Mr Speaker, I forgot: they did not have a Cabinet table, theirs was not a collegiate Government. But we do have a Cabinet table. We do things in a different way, we do them in the right way, and people will understand that, as they have in the last decade, even though at the moment we are doing things which might be unpopular. But they will also understand the rank hypocrisy that characterises everything that hon. Members say and do.

What I am detecting is that their discourse is not even led by them. Pick up a couple of statements on social media and 45 minutes later you have got yourself – hey, bingo! – a GSD press release. Sometimes I do fear that they fall into the trap of dog-whistle politics, but a lot of the time it seems to me that Facebook is their dog whistle and they react to that. They come to politics without ideology, without argument. They come with clear ambitions to take our jobs and a box of matches to ignite dissent and opposition wherever it may be. They are not leaders; this is a team of followers.

We respected the visit of the former Chief Minister, when he was leader of the GSD, to the head of state of the Vatican as a head of government. Sir Peter's religion is no secret, but his visit was not a religious visit; it was a political visit from one head of government to another head of state, and in our case it was also a visit from a head of government elected by the people of Gibraltar to a head of state elected by a college of cardinals.

The difference, of course, is that the hon. Gentleman's references to that visit – which I have just referred the House to, to remind people – were dripping in malice. That is the reality, and everybody can see that: dripping in malice, like his references to TNG and the Eastside project and the Bayside project. He said:

This is a cash-strapped Government that is not only selling the family silver and looking for benefactors for its financial mistakes ...

Selling the family silver? When we were elected, they had sold the Eastside plot to an entity. They talk about a mortgage, I talk about an investment. They had sold 150 post-war flats. That is selling the family silver. We bought back the Eastside plot (*Interjection*) – which the hon. Gentleman says, from a sedentary position, we should not have done. Okay, well, we bought it back for £28 million

and have sold it for £90 million, so I think we did a good deal. They had kept it without development for more than a decade, so I think we have done exactly the right thing.

870 But I can sense their frustration. I get it. I know they have a problem. Mr Clinton, Mr Feetham and Mr Azopardi have a problem. We may have done a very good deal for Gibraltar. The plot may be about to start taking off into development. One of the plots, the Bayside plot, is already in development, in the sense that the two schools that we get in exchange for it are starting to go up, the Earl and Countess of Wessex inaugurated the Wessex Campus and the children move in next September. They have a problem. They were planning an election with those two new
875 schools not ready. Damn it, the Government is going to do it! Of course they have a problem with TNG. They have to say everything they can to try to stop TNG from completing in the Eastside plot.

Mr Speaker, whilst I am talking about the Wessex Campus – which has become a little bit of a tongue twister for me – I want to assure the people who will have their homes next door in what was the old Westside School, at Chatham Counterguard and in Bob Peliza Mews, that of course
880 we are going to build those estates and we are entirely committed to them, we are going to see the demolition start and I have set out a timetable for it. I do, once again, recognise the heartfelt petition that I have received, so I look forward to meeting with the organisers of that petition to talk to them about why the delays have arisen, which I have explained on a number of occasions – it has been impossible to sign those contracts during this difficult period – and assure them that
885 we are going to do everything possible to ensure that their homes are ready as soon as possible and that changing government is not going to do anything to help things move quickly. I have already apologised for the delays and I look forward to seeing the work start.

In relation to the Eastside, the other TNG project, the hon. Gentleman went through a list of reasons why he said we did not do things properly. Actually, we did things exactly properly and
890 we engaged with TNG to get the best for the taxpayer. In terms of breaching any tender rules – although none were broken – can I remind hon. Members that I do not like to be the one raking up the past, because people are interested in what is happening in Gibraltar today, but the past is a guide to the future. The hon. Gentleman did his first degree in history. We cannot ignore history, even his and his party's history. They are the ones who breached European tendering rules when
895 they gave one contractor, outside of tender, a £1 billion Government contract in breach of EU rules. When I asked a question in this House, the Government did not answer, and they did not answer for a very good reason: because the answer was that they had breached EU rules, as I found out when I was elected. I was right when I asked the question, and when I looked I was right in what I had asserted. So they cannot come here to accuse us of breaching tender rules – Gibraltar
900 tender rules or EU tender rules – because we have not breached them, but if they do come here to make that allegation against us, they must do so with their fingers crossed behind their backs because they were the ones who did it in a £1 billion contract.

By the way, I am pleased that Mr Clinton has said from a sedentary position that we should not have undone the Eastside sale that they did for less money, the £28 million plot, because that had
905 a marina as well. I do not expect them to come out now and say that they are against the marina on the Eastside if they did not want us to undo the contract that they had done, which had the much taller towers and the marina on the Eastside. I want to thank Mr Clinton for that very helpful political point that he made a moment ago and remind them that a marina has been on the cards on the Eastside for many years, indeed since the time of the late, great Solomon Serruya – may
910 he rest in peace – who was the Minister for Tourism who first suggested the marina on the Eastside.

A marina on the Eastside will be developed in a manner that will not affect Catalan Bay in the adverse way that some have suggested. I look forward in coming weeks and months to meeting not just with the developers but also with people from Catalan Bay who have expressed those
915 concerns whom I have not been able to meet yet. Indeed, this year it has been some months since I have been able to go down to Catalan Bay, have lunch and enjoy Catalan Bay, because of the pressures of work, but I do hope that I will be able to do so. I will add my voice to those who say no to the marina if it is going to have an adverse consequence on Catalan Bay, because we are

saying yes to a marina which will not have an adverse consequence on Catalan Bay, in particular in the way that some perhaps genuinely have a fear it will have.

Mr Speaker, let's be very clear. I do not think Mr Azopardi cares whether what he says or does not say about TNG affects the possibility of TNG completing or not completing on this deal which will produce £90 million in cash for the Government but will also produce huge benefits for the rest of the community, not least another hundred affordable homes, not least a small boats marina, not least a car park that will be very useful for people going to the beaches in that area, not least all of the other benefits and the economic consequences which Sir Joe equated to a doubling of the GDP over a particular period of time, 10 years. They do not care. They will risk all of that if they think they can use it somehow to bring down estimation of the Government. He will do anything, any deal with anyone, to beat the Government. He will make any allegation of anyone to beat the Government. He will do anything to fulfil his ambition. That is the Opposition that he delivers today: all out for himself, all out for themselves, none looking out for Gibraltar.

He says Gibraltar is in deficit because of Picardo's lavish spending and COVID is an excuse. COVID is an excuse? A hundred and four Gibraltarians dead, millions of people around the world dead, economies closed, people in hardship: COVID is an excuse? That is absolutely shameful. For a Leader of the Opposition to have been careless enough as he got carried away writing his address to write those words is absolutely disgraceful and it says more about him than it does about anyone else.

Mr Speaker, Gibraltar was in deficit before, in the past 20 years. This is not our first deficit. We were in deficit under the GSD. That was a self-inflicted deficit. It happened in his time in office. The deficit related to the period 2003-04. He was in office in 2003 in the GSD. What was it that gave rise to that deficit? Was it COVID? No. Was it Brexit? No. I will tell you what it was: it was the 2003 General Election, or the run up to it. Of course, when they have a deficit, it must be entirely excusable, entirely acceptable, entirely proper – it is the proper management of our finances that Gibraltar was in deficit under the GSD. When we are in deficit after COVID and after Brexit, it is because of my lavish spending and my failure of control. Calpe lives matter, Mr Speaker, as well, you know. A little bit less of the discrimination against the GSLP Liberals simply because we did not join the blue and yellow party and we joined the red and white party.

How can they sit there and say that their deficit was fine, our deficit is bad? Their deficit was exclusively about lavish spending, about extravagance, about giving people jobs, about organising things to bring people with them, and then: General Election. That was the deficit that was. I do not know why he did not stand in the 2003 General Election. I do not deal in rumours or in gossip, but the rumours and the gossip say it is because he said he wanted to take over the leadership and Caruana said, 'How's your coco.' You don't stand a chance.' Four years later he was leading another political party.

But the first deficit of this millennium was a GSD deficit. He was a Minister in the Government that delivered that spending which led to the deficit. There was no world financial crisis, which came in 2008. There was no pandemic, which came in 2020. There was no Brexit, which came in 2016. And he was a Member of the Government that drove us to deficit, a Member of the Government that had no discipline, that had no control on spending, that spent public money to win a General Election, to mount up the votes under a mountain of deficit debt, as Mr Feetham accused us of doing. Of course, in those days Mr Feetham was accusing them of exactly that, because he was then leading the Labour Party. Shortly after, tail between legs, he had done the complete 180 and was with those who had incurred the deficit. And what were they doing at the time the deficit was incurred? Reining in expenditure? Five point two per cent increases to the public sector each year for three years. Inflation in those years: 4%, 2%, 1%. General Election in between. Come on! Tell it to the marines.

When you look at that and you look at the argument that the question is where did we arrive at this point of departure to the pandemic and you see that at the point of departure even to no pandemic, no Brexit etc. they were taking us to deficit and at the point of departure to the pandemic we were in surpluses and we were in surpluses even after the Brexit referendum, then

you have to realise who are the better managers of the Gibraltar economy. It is this Government that is the better manager of the Gibraltar economy because we do no lavish spending, we do no extravagance, we do proper management and controls but we spend where we have to.

975 But then the hon. Gentleman pretends to be an advocate of the golden rule that we should not spend more than we have in revenue, but actually do we do all the things we need to do in order to have an economy that produces the revenue, that can enable us to maintain the golden rule or not? Well, actually, I think we both would. When push comes to shove, he would have done all of the things that we did to bring the economy back to normality. The first sign of our success as a Government and of our strategy as a Government is not whether we are in deficit or
980 surplus, it is that the economy has come back. Just as I told you before, Mr Speaker, the bounce back means that all of the levers we pushed, all of the money we threw into the economy beat forgone revenue of import duties etc., forgone rates. That delivered that businesses came back like this, a little bit higher than 2019-20. That is what is going to take us back to the golden rule, because those businesses eventually ... They still have pandemic losses which will be in their
985 corporate accounts for the next 18-24 months, but eventually those businesses will be producing income for the taxpayer through the tax receipts that we get from them; so will their workers etc. Then our revenue, when tourists come back and they start buying stuff in our shops etc., will be back to where it needs to be, and then we can ensure that our expenditure matches below our revenue, which has always ... In my time in office our revenue has always grown more than
990 expenditure, except for the pandemic period. So we are embarked on a process to properly comply with the golden rule, which has had to be suspended in this period with Sir Joe's agreement.

Then he says in order to comply with the golden rule, what you have to do is cut costs, but he says nothing about which costs to cut – apart from club-class travel, which they say is the thing
995 we need to cut. If we cut club-class travel, we might save £20,000 a year. We would not travel to those meetings we cannot get to without traveling club. Our rule is to travel economy, but if we have to, we travel club. If we cut club-class travel and do not travel to those meetings we might save £20,000 throughout the year. Of course it is a start, but it would not be a good start if we did not attend meetings that we have to attend because we could not travel club class. That is how
1000 shallow the Hon. Mr Clinton's analysis is: if you can save £20,000, save it, even if you do not travel. If you are going to a Commonwealth Heads of Government meeting, if you are going to meet on the Brexit issues, if you are going to meet on any of those – if you are going to meet the Prime Minister – what do you do? You do not go? You say, 'Sorry, Prime Minister, easyJet don't have a flight until the day after tomorrow – I can't go today'? That is the sort of shallow analysis you get
1005 from Mr Clinton.

But if you have to cut, you have to cut millions. Where are they going to cut? They talk about cutting but they never say where. They talk about controlling costs but they never say which service they would not provide. On that, they are quieter than a prostitute. I suppose Mr Azopardi would say that he would leave all of that cutting to his chancellor. Well, his chancellor did not tell
1010 us what they would cut either. When it comes to telling us what he would cut, he is as brave as he is charismatic. That is the reality. Would he have cut the daily LFTs for teachers, nurses, care workers and doctors? Would he have cut the fuel to the power station and turned off the lights? Which costs would he have cut? Silence. '*Mudis*', which is what my mother used to say I was when she caught me out in something and I had no good excuse. '*Mudis te has quedado*.'

1015 Mr Speaker, if you are not faced with the day-to-day pressures of running Government, it is very easy to sit there and say, 'I would have cut this, I would have cut that.' Of course it is easy to do that. Of course we accept that things are not going 100% right. Of course we accept that the Hospital and the Health Service are still dealing with the restart and recovery in a way that is not satisfactory yet. Of course we accept that. That is what we are working on. We are working to fix
1020 that. In every country in the world that is happening. Do we believe Gibraltar can be a health bubble? Of course not. Nobody is more frustrated than the professionals in the Health Service who are having the problems they are having in getting to their patients. We have to fix those

things, but on the key issue of cutting costs they tell us to cut costs and provide more services – not that there is any other way of cutting costs in the Health Service, which I will come to in a while, because Mr Phillips told us that there is only one way to cut costs in the Health Service, which I will come to in a while. Maybe that is why they do not tell us where to cut costs in the Health Service or anywhere else, because they do not want to indispose themselves with anyone, or because Mr Phillips is right. I will come to what Mr Phillips said later.

One minute he tells us he believes the golden rule, the next he tells us that we have borrowed too much and the next he tells us that we need to cut costs etc. He is just flip-flopping over everything because he cannot stick to a direction that is required for our community, which is difficult but which we have to make stick. This is like going to the doctor and saying, ‘I have a problem in some part of my body,’ and the doctor, instead of saying to you, ‘I am afraid this is something which is quite bad, it is going to require an operation, it is going to require some painful treatment and you need to prepare yourself because you are going to go through a few months that will be very difficult, but at the end of it you are going to be back to normal’ ... That is what they would get if they came to me, but from what he is telling us he would do to the patient, he would spot the problem and he would prescribe Lucozade and a bit more candy, and the patient would smile and be delighted with his doctor. We have to do the hard things and we have to do them together.

That is why I revealed the deficit immediately I got the Book, because people needed to know and it is my obligation to tell people what the state of the finances is and how we are going to fix it, but it is not because we built new schools or new sporting facilities or better healthcare facilities which are not yet working as we want. That is not what led us to the deficit – unless he is saying that he would not have done any of that; or is he saying that he would have built them bigger, quicker and cheaper? I guess that is an argument they could make for 10 minutes until everybody saw through it, but again they do not tell us which of these things they would not have done. Would they not have refurbished the estates? Would they not have built the affordable homes? Which would they not have done? What are the things at the point of departure on which we spent money that they would not have done? Again, quieter than a prostitute, as the saying goes in Spanish. Heck, his Shadow Minister for Culture is saying that it is disgraceful that we have not built the theatre at public expense already. They are saying it is disgraceful that we have not built the theatre at public expense already. So what is he saying? That we should have borrowed more to do it? And he says I am the one fiddling whilst Rome burns.

They are not giving us any indication of what they would not have done. What they are doing is what they accuse us of, as usual: spin, spin, spin. They have become utter centrifuges of spin. They should audition for the large hadron collider – they are spinning like never before. But I do not appreciate people thinking that any of what they are saying is getting through, because people can see through this. The counterarguments are this straight and simple. They are that clear.

Of course, if you do the things that the hon. Gentleman says and you do not apply the increases that we are applying this year, and he provides no alternative increases, what is going to happen is that next year you are going to have a higher debt because you are going to have a higher deficit accumulating. So he neither tells us what he would cut to reduce costs, nor does he tell us what he would put up to increase revenue. Nothing on that – nothing. So what would happen is we would have more debt and then it would be harder to get back to the principles of the golden rule. And then the question is what would happen: they would have to put up taxation more and they would have to put taxation for longer.

We do have a plan to manage the debt which is prudent and sensible. I will come to him in detail in a few minutes, but Mr Clinton says, ‘You have no plan to manage the debt, no debt management plan, but I would like more details of your very interesting debt management plan that you have just talked about.’ I could not believe my ears, Mr Speaker, the contradiction – it was like day and night surviving in the same speech.

We believe that in two years we cannot repay the COVID debt – of course we cannot – but we can right the ship, we can get it back to complying with the golden rule and we can manage the

1075 payment of the debt over a longer period in a very manageable way so what we are leaving for future generations is not an unmanaged, very high debt that is going to lumber them; actually, it is a beautifully managed debt which will be very controlled in the costs it will give rise to, so that the Gibraltar economy, on any day, will be producing enough to finance that cost in hours at the beginning of each month.

1080 What do they do? Silence on cuts, silence on what to put up, navel gazing, creating a bigger problem and just predicting doom because it is helpful to try to defeat Picardo. The right thing to do is what we are doing: leadership, leadership, leadership, not sitting on your hands or biting your nails, as he is now. Indeed, Mr Speaker, although when I get to him I will quote him from parts of his speech last year and this year, let me just remind the House of one of the things
1085 Mr Feetham said this year when he said that only *part* of the problem we are facing this year has been caused by our spending. Even in resiling from his position last year, Mr Feetham accepts, even in his speech this year, that only part of the problem is caused by us.

Now, Mr Speaker, in continuing to deal with the Leader of the Opposition, I reach perhaps what I think is the lowest moment we have reached in this Parliament in a long time, certainly in the
1090 time that I have been here, and probably the most shameless, despicable statement uttered in this place since its inception as a debating Chamber. The hon. Gentleman said:

This is not the people's Budget. It is to hold the people up by the side of the road like a 15th- or 16th century highwayman [...] I know how fond the Chief Minister is of straplines ... a break with the past, a great leap into modernity. The only relevance to his Renaissance reference is that there were plenty of highwaymen robbing the people in Renaissance times as well. And this is all this is. This is the highwayman's Budget ...

I think I have demonstrated over the last two hours how the overspend arises, but what is a
1095 highwayman? A highwayman is a thief. If the hon. Gentleman has one iota of evidence that I have stolen anything, he should go to the Police today. He should not wait even for the end of the debate. He should call 200 72500 and he should report the theft to the Police. He needs to put up or shut up. Painting the leader of this community, of whatever political complexion he may be, as a thief in this House is a disgusting new low. It shows disrespect for Gibraltar, it shows disrespect
1100 for the office that he actually craves. I do not think that this debating Chamber has ever found that those charged with looking in detail at the Estimates of our public finances for the future and analysing them in detail are left with so bereft a position when it comes to finding argument that the only thing they can say is that the Chief Minister of Gibraltar is a thief and a robber. He may think that he can create that nuance in people's minds, that innuendo that I am a thief, and that
1105 that will help him because they will see Azopardi the holy one and Picardo the highwayman and thief, and they will choose Azopardi at the election – that must be what he is thinking – but it is not going to work.

We have stolen nothing, we have given everything. Every day we give everything, and if we thought that we were giving everything after the referendum we gave more and we found more,
1110 and after the pandemic we gave more and we found more – more energy, more ability, more hard work – but we have stolen nothing. We are thieves of nothing. We are honest workers. There is no highwayman on these benches. We are working for our people and we are doing our best for our people. If anything, we have added taxation in an area where they forwent it, at the top – where they allowed those on huge salaries of over £½ million, of over £150,000, to get away with
1115 paying 5%. We have upped that and created social justice there. We are taxing Category 2 individuals who were avoiding payment, and the lapsed Category 2 individuals.

Mr Speaker, if I am any outlaw I am Robin Hood, but I am not a highwayman. I am used to being called names. I am used to being completely deprecated and disrespected by them. It is back to the same old character assassination. I guess because his pernicious pen was one of those
1120 that did so much work in 1995 and 1996 he thinks that he can do to me what he successfully did with his colleagues to Joe Bossano and to others between 1995 and 1996, which is complete character assassination. That is the GSD way. That is what they are trying to do by calling me a

thief and calling my colleagues thieves. It is not going to work anymore. People can see through it: the cheap GSD character assassinations. No allegation is too low or too outlandish for them. You can feel them spitting poison as they write these speeches. They called me unfit to govern in 2011. Nobody would agree with that now. They are calling me a thief today. Well, we will see what the judgement of the people really is, because none of it was true. Joe Bossano did not deserve the things they did to him in 1995 and 1996. No one in this Government deserves to be called a thief. Scratch below the surface and you find the same old GSD, all of the '*mala leshe*' but none of the brains that Peter Caruana brought to it.

The people of Gibraltar know who I am, they know what I do. They know that every day, every waking moment I spend defending our country tooth and nail, like every Member of this Government, like everybody who has the privilege to lead. We worked harder than ever in COVID. I know that people are desperate to get COVID out of the way, I understand, but never has a Leader of the Opposition been so desperate. Perhaps it is because of his own inability to ever break through with the public, and yet his driving ambition to get to Convent Place ... Maybe that is what made him stoop so low as to call the Chief Minister of Gibraltar a thief for exceeding the Budget to keep the generators and to keep the GHA testing and with all its kit. That is how low he would go. Imagine how low he would take us if he had the levers of power, because for all of the pretence of temperance he brings to politics, actually he has behaved in more pernicious a fashion than any other Leader of the Opposition in the past, that disgusting new low from which the *Hansards* of this place will not recover.

A man who cannot persuade with facts has to fall back on untrue innuendo to seek to persuade the masses with pure, unadulterated demagoguery. All he can do is light these dynamite sticks, hoping to create a fire in public opinion. All he can do is sling mud. All he can do is exaggerate debt. All he can do is stoke fears. The Gibraltarian public is far too clever. Some people might believe the nonsense talk about my villa in Portugal which is being developed by a developer who is going to gift me the keys because they get contracts, just like they believed ideas of castles in Portugal many years ago, but these untrue defamations will not actually really ever take off – maybe with some social media fools. But to call the senior elected representative of the people of Gibraltar a thief ... I thought I would only ever see that from Margallo, Rosetti and Vox, not from Keith Azopardi. Where is the Keith Azopardi I met 30 years ago? Where are those lofty ideas he sells of who he is? It is below the dignity of the people of Gibraltar, who deserve to be treated with more respect by their elected politicians, to come here to call the leader of the Gibraltarians a thief because he has raised taxes.

The Leader of the Opposition has taken £64,336 from the people of Gibraltar in the financial year just gone – pocket money for him because he has another job – and he comes here and makes that speech. Well, if anything is daylight robbery it is £65,000 for the job he does as a second job. Together with the six Members they represent on the Opposition, that is £255,000 a year that they have taken us for. Is that value for money for the Gibraltarians? I think you must be joking. Four out of six of them are in current legal practice and these amounts are just additional fees for them, to fit in politics on the side of their lucrative jobs. That is why what you are seeing there is not an alternative government. They are living an alternative lifestyle to most of the rest in our community. They are making hay whilst the sun shines and taking home the people's money as pocket money – and he comes here and goes that cheap. His best line, the headline, is to call me a highwayman. I hope *he* found it funny. I am very disappointed as a Gibraltarian, I am very disappointed as a former colleague because we sat together in politics, and I am very disappointed as a parliamentarian. Today, in this time and generation, at this difficult financial moment our people deserve better, a thousand times better, a thousand times more serious and a thousand times more effective. And this is the man who says he should take over the Brexit negotiations? Come on!

The good thing is that the people of Gibraltar do not need to wise up to him. They know who he is. They rejected the PDP twice when he led it – although at least we do have to thank him because he did help us to beat the GSD in 2011, for which I do thank him. They rejected him

1175 massively when he led the GSD at the last election and time will tell what people will do at the
next election. I never take the electorate for granted. *They* have already said that they are going
to win the next election. I do not say that we will. The public will decide when the time comes. But
in the old days, when he and Mr Feetham used to lead other parties, they used to say to Sir Joe
Bossano three strikes and you are out. Well, he has had three strikes. Doesn't he feel that he
1180 should practise what he preached? Three strikes and still trying: so desperate, so frustrated and
so incapable of winning by the rules. Indeed, he stoops low and then he deploys his parliamentary
thug, the sweeper of the Opposition, to break the parliamentary rules –

Mr Speaker: I do not think you should say 'thug'. You must withdraw that.

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Hon. Chief Minister: Mr Speaker, I will withdraw it unhesitatingly: the sweeper of the
Opposition to do parliamentary thuggery to the Rules of Parliament and to try and win an
argument outside of the Rules. The only thing I would say to them is that I can see which playbook
they are pursuing. Donald Trump would be proud of them, but their assault on the Capitol will be
1190 as successful as Donald Trump's was. It will leave a lot of casualties but it will not succeed.

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The people of Gibraltar know better. Their Chief Minister is no thief, their Chief Minister is no
highwayman, but their Leader of the Opposition is a loser – three times a loser already and
counting – with a cloud hanging over him from the time when he was last a Minister and all of the
issues that related to how he managed his business then. I would say to him one thing: I believe
1195 that he is one of our prized assets in politics these days. I know that they – some of them – want
to remove him, but he should not think he has no fans. Despite everything I have said, he does
have fans. We all want him to stay, even though he came 14th in the ranking at the last election.

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Frankly, even if he loses at the next election I am not going to offer him a job at £400,000 to
be Solicitor General, which is what he wanted the last time we had a conversation about that. He
1200 was not so concerned about money and recurrent expenditure then, when he thought that was
the right amount of money for a Government salary to be – £400,000.

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Perhaps one of the things he should do is amend his Wikipedia entry. Maybe it should say this:
'Keith is the first Leader of Opposition to have founded one party, become a member of three
parties, led two other parties and spent a period away from politics supporting another party in
government on Twitter. He founded the Liberal Party. He has been a member of that party and
1205 the GSD and the PDP and he led the PDP to defeat to the GSD. He supported the GSLP on Twitter
after the PDP was wound up and now he leads the GSD to try to defeat the GSLP.' You could not
make this up. *'Un trompo politico, eh'* He will go down in history as a man whose only known
consistency is his lack of consistency, really not the leader our community needs today, and
1210 everyone can see and knows that. I do venture to suggest, at the risk of being accused over the
summer of abusing him psychologically, that even he knows it, too; his party and his party
colleagues certainly do. Let me move on to some of those colleagues now.

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Let me turn to the Hon. Shadow Minister for Finance, as they call Mr Clinton. I do not think it
would be fair to allow him to get away with some of the statements he has made. He says, as I
1215 alluded to before, that we have no plan for management of debt, and then, almost in the same
breath, he says 'but I am very interested in the plan for the management of debt over 25 years
that you have talked about and I would like more details of it.' Frankly, you could not reconcile
those two things, but you can see that the whole of his speech was about stoking fear in people.
Mr Azopardi slung the mud, Mr Clinton stoked the fear – fears about debt, principally.

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A little like Mr Azopardi, he likes to pretend that he is courteous and gentlemanly in his
approach to Parliament, but then what he tries to do, using his background in banking and finance,
is to twist the hard work of our public servants in the Treasury and the Ministry for Finance. Apart
from being unfair, his actions and statements also result in the record of *Hansard* being polluted
by his inaccuracies and misleading interpretations of some of the numbers which are just not
1225 correct, even his statements as to the cumulative total of government debt and government
company debt and his mischaracterisation of the funding for our Improvement and Development

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Fund. In fact, he complains a lot about the debts of government companies – we have discussed that over and over again – but did he know that when the party that he represents was in government they did not just acquire debt in government companies? Did he know that they also received funds directly into government companies, because the last premium received by the Government for the sale of the Eastside was not received by the Government, it was received directly into the company structure? It was not received into the Improvement and Development Fund.

So much the for the GSD doing things on balance sheet. Not only did they do debt off balance sheet, they did receipts of sale of government land off balance sheet. Where does that leave his theories of the GSD's approach, the purity of the GSD that he represents? Will he, at least, mark a break with the past by condemning the GSD practice as much as he condemns the GSLP Liberal practice, which is identical to the GSD practice? That would at least make his position logical, although perhaps he would then have to be expelled from the GSD.

I am going to go through some of his worst transgressions against accuracy and truth in my contribution, as I peel away at his monotonously delivered speech. One thing is clear. However much he might have modelled himself on him, he ain't no Joe Bossano, and neither can he pretend to be, in terms of his engaging personality or his ability to explain things. As I said in my first intervention, there is only one Joe Bossano.

What is clear is that the public sector will have no hiding place from him. What Mr Clinton is seeking in all his statements is a mandate to cut, cut, cut. He is not going to be a chancellor holding the purse strings, giving pay rises to the public sector. Let's be clear, he wants to cut numbers and services to achieve the savings he wants. He wants his government to be an austerity government. He wants to be a chancellor to that eunuch chief minister who will be the man making the decision to cut government jobs, to cut government pay, to bring down the bill. The only way to do it is to cut, cut, cut. His will be the power, because as I have explained before to hon. Members, Gibraltar does not have an arsenal which is in the control of the Chief Minister to declare war with or without the Parliament and to decide whether or not to deploy the nuclear deterrent. Power, such as it may be, and I detest the word, here, is to deploy or not deploy not nukes but cash, and with the power to deploy cash passed from the First Lord of the Convent Place Treasury to a Minister for Public Finance, No. 6 Convent Place might as well become a chapel again, where people will come to pay homage to a chief minister – who, if it is him, is probably not even the guy who topped the poll – but they would have to go cap in hand to the Minister for Public Finances, whose stated objective, given everything he has said is that everything is too expensive, we have spent too much money on recurrent expenditure, the main item of recurrent expenditure is Civil Service salaries ... So all of the public sector will suffer a cut, cut, cut, Clinton cut after Clinton cut, unless everything they have said is untrue. If everything they have said is true, they cannot go into a general election pretending to do anything other than cut, cut, cut, and the cuts have to be in the public sector in terms of conditions, the growth of salaries, the numbers of people we have employed and the services that we provide. Otherwise, there is no logic to anything they have said, nothing whatsoever.

If they cut all the club-class flights, if they do not organise a concert and if they never build another school again, it is irrelevant. None of that goes to the bottom line, unless they only want to save £60,000 or £70,000. We should start somewhere, yes, but he is not saying let's start there, he is saying they have to cut and they have to cut deep. Or are they only saying that we have to cut deep because it might make us unpopular and that is what they want? Are they saying that when they are here they are going to do the opposite of what they said? No. So public sector jobs, public sector pay and public sector services are all at risk with Roy Clinton in government. It is all there in his speeches. All you have to do is read them with a brain and you can see what they are trying to say. Otherwise, none of what they have said is relevant – the debt used to mount up the votes, which is what Mr Feetham says. It is all there – unless, as Sir Joe says, they are going to say one thing in opposition and do another in government.

It would be quite something to see a GSD government with Roy Clinton as Minister for Public Finance with costs going up and up, because then who would he be and what would he represent? Anybody in the Chamber of Commerce who might like to see costs in the public sector come down, who might think that he is of the same mind as them, who saw him in government doing the opposite would say, 'Roy, we didn't choose you for this, we chose you for this. Go for a bit of Picardo style if we are going to see this.' At least we have style and panache. 'We got you to cut, cut, cut – to put up with this monotony and this greyness, to see the costs still going up, we do not want you.'

So the public sector needs to know, every public servant needs to know that their speeches, although they are personified as an attack on me for my spending – and they try to personify that even more by calling me a thief to pretend that the £35 million overspend on fuel or on the GHA is actually in my pocket, taken home, which they then resile from because he has not got up and called the Police and told them that, and he will not – actually they are an attack on every public sector salary, on every public sector job, on every public sector service. That is what they are. And there is only one way to fix it – cut, cut, cut – according to Mr Clinton Scissorhands. That is what he would do. He would get collected and he would come and cut, cut, cut without a view to who gets hurt with the scissors as he cuts, without a view to whether the job is the only job in the household:

'No. Cut, it is a waste.'

'But it is a job and providing a service.'

'No, it is a waste. Cut.' That is what we are going to see, if we ever see a Clinton presiding over our public finances.

He, too, incurred in the disgraceful, Mr Speaker. He said:

yesterday the people of Gibraltar had their collective pockets picked by this Government in order to cover the mismanagement of the 2021-22 Budget, which has resulted in the need to borrow an extra £50 million.

It is a disgraceful metaphor, an allegation, again, from a second Member of the Opposition that the Ministers in the Government – myself as Minister for Public Finance – have somehow stolen. A pickpocket is a thief as much as a highwayman.

This Government has given everything it has to the people of Gibraltar – some may agree with us, some may disagree with us – every waking moment working harder and harder to keep costs down but to do the right thing and sail our community through COVID. We are not stealing from our people, we are serving our people, and in these hard times the last thing that this community needs is a charisma-less character coming along to seek to ignite a match under people, telling them that the Government is stealing from them.

Maybe it is because they have found that however much they try to excite the mob they cannot get the mob excited, but they think they can say anything because nobody will listen. But do they realise how dangerous it is to say that politicians are stealing, in this throwaway style? It is, frankly, remarkable that the hon. Gentleman who takes £38,221 on top of his pension, such as it may be – almost £40,000 – to come to Parliament a few times a year suggests that we are the ones stealing.

I have been in opposition for eight years. I do not underestimate the importance and value of an Opposition, but of all times in our history, coming as we have from a period when Mr Azopardi, he, Mr Mena, Sir Joe and I worked together on the appropriations that have led to this deficit ... For him to come here with that all but political failure that is Mr Azopardi and accuse us of theft is really demeaning to every Gibraltarian and in particular the Gibraltarians that he represents.

I do not expect hon. Members opposite to respect me as much as I respect them, but they really have let themselves down in the context of the past week in making the baseless allegations metaphorically that they have made, and I would have expected them to respect the people of Gibraltar more. Raising taxes by 2% for two years to deal with the pandemic problems we have had is no Boston Tea Party and we are not stealing anything from anyone.

The hon. Gentleman then said:

One significant difference from recent years is that there is no material contribution to the Improvement and Development Fund from the Consolidated Fund. In 2021-22 it was £19.5 million; next year, merely a notional £1,000.

Let me start with that quote. An estimate has to be that. It is an estimate of revenue, it is not something that is set in stone, but we have to be clear that at the time when we were doing the I&DF estimate there are many other projects which are on foot, not just the Eastside project. We do expect that we will receive the Eastside project premium during the course of this year; we do not know when. It is not impossible that we may not do the deal, but I believe we will, and there are other projects which are out for discussion with developers for final agreement on premium. If they had been in government planning the Estimates Book and they were negotiating this deal and they expected the money to come in, wouldn't they provide for that? But wouldn't they provide for that with the caution that we are providing, putting in a token rather than an actual amount?

I think that this is a good project for Gibraltar that will manage to take off. Is he telling us that he does not want the Eastside project to take off, just like Mr Azopardi seemed to be suggesting that they would prefer that the premium might not be collected, and that is why they think that we should be a little bit more cautious and provide more cash into the I&D rather than await the receipt of that premium and put in a token until then? Or is it that he did know that which I thought he did not know and he knew that the last time they sold the Eastside they did not put the money into the I&DF, and that is why he wondered whether we might be about to do the same thing they did when they were in government? I do not know because it seems that he has eschewed all of the GSD's practices in government, but he does not get up and say so.

Or what about one of the things he thought was one of his killer points, when he said:

we have yet to hear how the appointment of the new CEO of the Tourist Board at a salary of £140,000 is cost neutral, as was described by the Chief Minister on 17th March 2021, especially as the salary was disclosed as being £51,767 in the 2011-12 Estimates Book under the Gibraltar Development Corporation.

I think he is being a bit economical with the truth there, not giving the whole picture, because he has the facts in the Book and he is one of the people who we are led to believe by them is best able to interpret the Book.

First of all, the salary of £140,000 should not be compared with the salary in 2011-12. The outgoing CEO's salary was £87,403. Secondly, he would say, 'Ah, but that is still £53,000 less.' But turn to page 155 of the Book. That is information that they have. If we look at the overall budget for tourism, it was budgeted at £2,512,000. Next year – the last column – it is projected at £2,173,000. So let's be clear. What it is going to cost to turn tourism in Gibraltar after the appointment of the CEO is going to be about £350,000 less than it used to cost before the appointment of the CEO. But you have to add the CEO's pay there because it is not provided for in the Book at the moment, so you end up with a total spend at the end of the year of £2,313,000. That is almost exactly £200,000 less than it used to be. Why? Because we know that the person we have employed has a Rolodex – these days it is probably not a Rolodex ... an electronic contact system with all of the phone numbers of all of the people we have to go to conferences to meet to obtain etc. So the number of conferences we will go to – I am sorry to tell the other Mr Bossino, who is very keen for us to go to certain conferences – will be fewer and more targeted because we will be able to rely on the expertise of the person we have employed.

So when people, spurred by him, go around saying '*que poco verguenza*' £140,000, that £140,000 save us immediately £200,000 – not just cost neutral, a saving, and the numbers are there in the Book, which he had, that he says does not show anything. It does not show anything if he does not do the hard work of looking, if he just goes to see where is the pay, is it higher or lower, add it up, it does not work out. Take a step back, look at all of the tourism budget: there it is, staring you in the grey face. And yet he did not see it. A numbers issue which he presented in one way actually is quite the opposite; another one in his area, finance, which he gets wrong, littering *Hansard* with inaccuracies and mistakes, seeking always to look at things with coal-tinted

spectacles to hurt the Government and not see the truth, blinding himself to the truth because of the way he does his exercises.

Then he says he has found one of the ways we are making decisions to flatter our accounts. He did this before, on tax rebates, and got it wrong; but it does not matter, he just crashes the car against the wall again. 'You are flattering the accounts because you have not made a contribution under head 22 this year by giving yourself a contribution holiday of £7 million and not paying anything to the Statutory Benefits Fund. You are doing it next year but you have not done it this year. You are flattering the accounts.' The suggestion there is that the loss is greater than if we had acted in the way we needed to act before. He is saying 'flattering the accounts' to suggest some sort of accounting impropriety. Let's look at the reason why we did not contribute to the £7.5 million. It is very simple. We did not contribute to the £7 million because it was not needed. If you look at the numbers over the last few years, at 31st March 2015 the Statutory Benefits Fund stood at £6.9 million; March 2016, £800,000; March 2017, £46,000; March 2018, £22,000; March 2019, £798,000. In all of those years the fund needed £7 million, from 2016. In March 2021 the Statutory Benefits Fund was at £6.3 million. In March 2022 it had £4.7 million. It does not need the £7 million. We have always considered and they always considered that a healthy balance of the Statutory Benefits Fund was £5 million, so with that money in the fund it does not need to be given the £7 million. The numbers guru got it wrong again because he ain't no guru. He keeps getting it wrong, and all with numbers – in particular in relation to tourism – that he has.

He says it is insane that we should tax people by an increase of 2% without first using the rainy-day funds. He says the Estimates Book, on page 254, shows that the reserve account of the Gibraltar Savings Bank is £56 million:

Should this not be used first, before taxing workers? [...] We have a rainy-day fund that we cannot touch, even today at the height of monsoon season.

I can assure everyone in this House and outside that before we raised taxes, which we are always loathe to do, we explored all other options, but spending the rainy-day funds now would really mean that we end up with nothing left in the event that we need it. We have £100 million cash, the £56 million in the Savings Bank, Community Care has about £55 million or £60 million: £200 million. What he is saying is spend it. That is what he is saying. They come here to say we have spent too much. They come here to say we have raised debt too much, that the deficit is too high. What do they come and then tell us to do: to spend more; to take the saving in the Savings Bank and spend it now. So if something goes wrong in the Savings Bank, if we are unable to pay interest or whatever, he does not want us to take it from the reserve of the Savings Bank, he wants everything to be back at zero.

What we are starting to see are the cracks that show us that actually it is the same old GSD. They left us the Savings Bank at zero, with the thousand pounds it had in the account. They left us Community Care at zero. That is who they were, that is who they are. That is why he will not condemn the previous GSD administrations, because he believes in the same things. He says that we should be cutting costs, but then he says that actually we should be spending the savings fund. It is remarkable.

Indeed, he has something in common with Mr Reyes. Mr Reyes said 'You should have built the theatre already and you should have paid for it from taxpayers' money,' and so did Roy Clinton. Roy Clinton said, 'It is terrible that you are going around seeking donations to build something which is public. You should pay for it yourself. It is terrible, because it was in your manifesto.' Okay, well, never mind the fact that we have said ... given the fact that we cannot deliver our manifesto is something which Mr Feetham invited us to do and I think Mr Azopardi invited us to do, but despite that, he is now saying, 'You must build it with taxpayers' money.' What about Carnegie Hall and the Radio City Music Hall, or the Lincoln Center, or most of the theatres in London? Yes, there is a National Theatre in London, but there are more theatres which are not owned by the public and there are theatres which are run for the public but which have been built

1420 by donations. What is wrong with that? How can he come here to tell us that we have spent too much and then tell us that we should be spending on the theatre?

1425 All of this nonsense just to try to capture public opinion by saying, 'In effect, the problem you have, Gibraltar, is that Picardo enjoys his parties and Picardo and Vijay travel club class. That is the problem Gibraltar has. Get rid of Picardo, get rid of Vijay, get rid of the whole team. They are the ones who have the parties and travel club class and will be fine.' Does he think that I travel because I want to, because perhaps when I was in my early 20s and I was asked as a young lawyer to travel for the first time I thought it was glamorous then? I do not travel for pleasure. I do not raid the mini-bar. I do not even have the meal on board, most of the time. The fact is that we travel because we have to. In doing so, I and my colleagues, in most instances, leave our children behind, we leave our spouses behind. We lose the time that we would have with our families to travel for Gibraltar because it is the right thing to do. We do not travel for pleasure at all, but he has to go for it every time, the most pejorative attempt to try to show people that he is right and that we are wasting money. So now we know – because he was nodding in agreement – what he believes we should do, whatever meeting we may have, is not travel; we should say we cannot make the meeting because there is not an economy seat available. That is Roy Clinton's politics. That is how Roy Clinton would run Gibraltar. Good luck to Gibraltar should Gibraltar ever have to suffer being run in that way, because it would not get many meetings put back on the agenda based on when there are economy fares departing Gibraltar or Malaga.

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1440 Knowing, as he should know, that you can talk down an economy, he does it anyway. He does it all the time: debt is too high, your spending is too great. He does it all the time, not caring what it might do to Gibraltar as a government. It is not seditious of him to act in that way because he owes no duties to me or to us. He is free to say whatever he likes, but with consequences – consequences that can be replied to, and if there are consequences for Gibraltar, then consequences that can be visited on him. It is that simple. He is free to say what he likes and I am free to say what I like.

1445 All of his analysis seems to be driven by an attempt to simply pull the wool over people's eyes, saying that COVID is not the reality of what has hit us like a brick wall, saying simply that it is an excuse that we are bringing. I suppose that actually, in their heart of hearts, they are pleased we have not used the rainy-day funds as they have suggested and they are pleased that we have put tax up, because they think that makes us unpopular and they think it opens the door for them to win an election. I suppose they wish we had put tax up even more because that would help them even more. They have no difficulty feeding off the misery of people. If they saw that this opened an opportunity for them to win a general election, they would be delighted to do that. By now, if they had won the General Election in 2011, the utility bill would have gone up 55%.

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1455 I, Mr Speaker, am not persuaded by Mr Clinton at all. I really do believe that despite the things he says, Gibraltar's future is extraordinarily bright. I think our economy coming back is a demonstration that our public finances will come back – in a period, it will not be immediate – and that the rainy-day funds, which Joe Bossano has always advocated and the GSD advocate one day and now no longer advocate, are something that we must maintain and ensure we keep for future generations.

1460 I would just say that in a lot of what he says Mr Clinton actually speaks about things which are contrary to the positions that Peter Caruana took in government, but there is one thing that is in common with him and Peter Caruana. When it came to spending the rainy-day funds, Peter Caruana stood here once ... When he was being told by Joe Bossano, 'You are spending the rainy-day funds,' he said, 'Well, it is raining, I am spending them.' No pandemic, no Brexit and they spent the rainy-day funds. Well, that is the GSD for you. You cannot trust them even to keep the rainy-day funds intact. Well, Mr Speaker, the economy is bouncing back and the public finances will follow – with a delay – but we have to ensure that we protect ourselves against any future where there is any difficulty again with the rainy-day funds.

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1470 Mr Speaker, I turn now to the sweeper of the Opposition. He said he was not quite on the graveyard shift but then he was going to proceed to do the parliamentary thuggery that he did to

the Rules. Thank you, therefore, for your ruling today, which I think has been very helpful in re-establishing the Rules and how they should be observed.

1475 But at least I am starting to understand why it is that Mr Feetham, like me and like all Members of this Government, and like Mr Azopardi, is such a proponent of the rainbow of Pride. It is the only badge he can wear that has all the colours of all the political parties he has been in. He might be good at Pride, but his approach to you, Mr Speaker, on the view of the Government, was simply unacceptable, and the use of that unparliamentary language was not something which, on reflection, Mr Feetham will be proud of. He behaved in a way that was designed to deliver for his ratings, as he always does. He knew that he perhaps was not live on GBC at that time and he needed to get on to *News Watch*, so he pushed it, to make sure that his ratings were there and people would see him outside of this place.

1480 It was disgraceful to say that you were stopping him from reading his speech. You were stopping him from reading an unparliamentary part of his speech; that was what was behind it. The reality is he does not care about respecting the Chair, he does not care about respecting Parliament, he does not even care about the people who sit alongside him on either side. He only cares about one thing: sitting in this Chair. Even now, when you think he has finally bled himself of the ambition, there it is burning in his belly. At least it burns brighter than in anybody else's. That is the reality. Even if he tries to put it out with fireman's foam, it comes back, that burning sensation.

1490 I think he really was the person most pleased in this economy to see us raise taxes – of course, because he believed, at last, that the pandemic and this Budget were coming together to enable him to get his audience, to say, 'For 10 years in the wilderness I have been right, my people.' Maybe that is what the badge he told us about in a magazine interview 15 years ago, I think, has inscribed on it in Aramaic: 'Set my people free from the taxes that will be imposed by Picardo.'

1495 Government's mismanagement of the finances have placed Gibraltar's way of life in jeopardy, says Mr Feetham. Actually, in my speech it said the opposite: it was the protection of the Gibraltarian way of life that we were going to ensure. But didn't he hear that, in Spain in particular, holidays are up 30% and, as a result, 30% of people have cancelled their holidays? Didn't he hear that 30 flights a day are being cancelled at Heathrow because they cannot get the passengers through the airport? For him to say that he was right all along when nobody could have predicted Brexit or indeed the pandemic is really quite impossible to believe, but I would have expected some such drama, I suppose, from the artist formerly known as Michael Bain. I am not surprised that there are so many people on social media who appear to support them; it must be them

1500 frantically logging in and out of different entities and identities.

1505 He almost seems happy that there is a deficit because it has enabled him to say I told you so. He said we could not use COVID as a get-out-of-jail-free card. He is using it as a get-out-of-my-incorrect-predictions card. We do not use it as an excuse; we use it as an explanation. But then he says:

1510 Of course no one denies the challenges of Brexit or COVID or the Ukraine war, no one on this side belittles or underestimates the pandemic or the economic crisis that they have brought in their wake. Yes, these are unprecedented events. Yes, the immediate deficit in the public finances has been caused by COVID – I stand by everything that I said last year – but ... [the Government's mismanagement of the finances is what has placed Gibraltar's way of life in jeopardy]

1515 Come on! At least make each speech not inherently contradictory. Maybe we could just settle that Mr Feetham will, from now on, give speeches that contradict earlier speeches but that within one speech there are not going to be a morass of contradictions. I have to spend a lot of time unravelling these things.

Remember what he said last year, Mr Speaker? In honour of him, today my notes for my Budget speech actually include his quote last year, on the front page, in case anyone had forgotten:

Of course, no one on this side of the House is saying that if they had been prudent with the people's money over the last 10 years we could have avoided a £157 million deficit which is, of course, COVID-related. No one could have predicted the pandemic ...

And then throw in a war. And then thrown in inflation at the highest rate since the Second World War, and fuel prices at the highest rate in the past 20 years.

1520 I do not think he realises the consequence of what he says. He writes it ... 'Sounds good, I'll say it.' He does not have to worry about whether or not the things he is saying are consonant with logic or indeed with the truth. He is dealing – in saying that the management of the finances by the Government has placed Gibraltar's way of life in jeopardy – in exactly the thing that Kipling warned us not to deal in. Exactly that. He has become a merchant of untruth and an alien to
1525 honesty and parliamentary integrity.

My sympathy with him: he regards himself as the greatest Chief Minister Gibraltar never had. His fans put it to me that he is still – well, they do not just put it to me, they put it out there – the true leader of the GSD, who undoubtedly is the person who should have been and should be the Chief Minister of Gibraltar. It must be tough to be so great and not be recognised as such. I send
1530 him my deepest solidarity in absence of recognition by the rest of the community of his innate greatness, that greatness which he sees every day in the mirror when he shaves. He is the permanent Marlon Brando. My next meeting with him I shall have at the Waterfront. He could have been a contender, he says to himself every day. Of course, that is if you do not accept democracy. That is only to suggest that the Gibraltarians have failed to choose the golden person.
1535 They have failed to choose the golden team because the terrible Picardo and the terrible GSLP Liberals have pulled the wool over the majority, who can be easily duped into choosing the wrong person and failing to choose the great person.

I know that he could not have put it better himself, but I take a different view. I say the Gibraltarian cannot be duped, that we have many faults but they have seen that we want to do
1540 great things and we bring honesty and integrity to what we do. I say that when the Gibraltarians elect us, when they choose us, the sweep of history will show they were right; and when they do not, disappointed though we might be – as we were in 1984, as we were in 1996 and as we were in every year until 2011 – we do not say that we were the best people for the job and the Gibraltarians got it wrong. We say that the Gibraltarians made the choice and that we have to try
1545 harder for next time, but we remain ready to give everything and ready to do more. I do not say that Chief Minister Peter Caruana was not a great Chief Minister in many ways but not in others. I do not say that Sir Joe was and should have been Chief Minister from 1984 until he chose to step down in 2011. We accept the verdict of the political jury. That is the reality. That is what the hon.
1550 Member should do, and reconcile himself to the reality that he is the unchosen one. But he insists that he has always been right and that the electorate have been wrong every time they have failed to accept his arguments instead of ours. He said so explicitly. Look at what he said on *Viewpoint*:

I have held a line for many, many years in relation to debt, in relation to spending,

– let me do it like he does –

in relation to the expectations that the way that the Government has conducted itself, particularly in relation to spending and debt, is created in this community in the way that they've structured public debt through off balance sheet vehicles.

That is entirely untrue. How can he say that we invented a new system to borrow with debt in
1555 off balance sheet vehicles? 'Vehicles' in this context is not cars, it is lawyer-speak for companies. How can he say that? He said it on television with a one-on-one interview with Jonathan Scott to the face of our people: 'in the way that they've structured public debt through off balance sheet vehicles'. *They*, the Government. In other words, the GSLP Liberals have structured public debt through off balance sheet vehicles. How can he say that we have structured it in that way? He

knows it is not true. That can only amount to wanting to pull the wool over people's eyes *again*.
 1560 They used company debt. They structured public debt through off balance sheet vehicles, taking his definitions. We did not structure it that way. We inherited it from them.

I am grateful that from a sedentary position he has said, nodding, it is true. I am grateful. It must be true. Of course it must be true, and not only must it be true, he said in his speech here that it was true, because he said last week:

In 2011, when gross public debt stood at £540 million, inclusive of debt in Government-owned companies ...

1565 The number is wrong, but what he says is a direct contradiction of what he told the people on *Viewpoint* a month ago. When was he telling the truth, on *Viewpoint* or here? He cannot have been telling it on both occasions, and therefore on one of the occasions he was doing the thing that Kipling says one should not deal in. Don't deal in lies, says Kipling. That £540 million excludes a lot of the other company debt that they had and it excludes the hospital debt as well. It excludes
 1570 the Kings Bastion Leisure Centre, which was bringing £1.4 million of costs. This is ridiculous.

I really had many issues with Peter Caruana when he was Chief Minister of Gibraltar, and Sir Joe Bossano's speech sets out all the contradictions going back and is worth studying in detail. At least in each speech Peter Caruana gave he had no inherent contradictions. I hanker over the seriousness of those debates, I really do. When he does things like this and he brings this sort of
 1575 level of invective to the House, saying to the public that it is Government's mismanagement of finances that place Gibraltar's way of life in jeopardy and he uses those examples, and then he says the per capita debt now is £60,000 per person – not £16,000 as the hon. Gentleman said in 2011 – he really is failing to tell people the whole picture. What I said in 2011 was this is a meaningless measure of debt. The per capita debt is meaningless, but it is a measure that
 1580 Mr Freddie Vasquez, when he was as a Member of this House, used in 1995 to present that debt was out of control. He came up with a figure then – I do not know whether it was £6,000 or ... In fact, on net debt the figure was zero in 1995-96 if you included the rainy-day funds. But what I was doing was saying, 'This was meaningless, but if it was meaningless then, look at where it is today, £16,000, and you, the GSD, said that this meant something in 1995. I put no store by it.' I
 1585 assume that he read that when he read my contribution in 2011. Yes? Good.

Really, Mr Speaker, to see him adopt and channel Freddie Vasquez in this House, who spent four years hitting the GSLP Government of 1992-96, including his paterfamilias, using that nonsensical measure, and to see him use the same measure and channel the same things ... The tale of Anakin's journey to the dark side is a fairy tale compared to the scale of his political
 1590 treachery of his family's socialist roots. It really is a tale without precedent in modern politics. This is like Nelson Mandela's son leading a new apartheid against the black population of South Africa, treachery of biblical proportions which will forever be associated with his lust for power. It is so epic that it is going to become a parable in his own lifetime. The parable of the prodigal son? No, because in everything he says, he presents himself not as a prodigal son, he presents himself as
 1595 Mystic Meg with a crystal ball that showed him everything that was going to happen in the 10 years. Come on! Pull the other one.

He cannot have given the speech he gave without having failed to read Sir Joe's speech, because if he had read Sir Joe's speech – and he professes adherence, on occasion, to Joe Bossano's theories ... Sometimes it is Peter Caruana's 'it's raining, let's spend', sometimes it is Joe
 1600 Bossano's golden rule. Of course, logic does not matter and consistency is irrelevant, so he can do this, right? He can be any religion and none when it comes to the finances. He cannot have read Sir Joe's speech.

I cannot go through everything in his speech, Mr Speaker; otherwise, we will be here until tomorrow and I know hon. Members will want to get on, but he said:

I have always admired the Chief Minister's energy, more than he knows.

1605 Mr Speaker, I feel the pinpricks of his admiration every morning in my spine as he stabs the voodoo doll harder and harder.

Mr Feetham said:

The Chief Minister said that underpinning this Budget was ‘the spirit of prudence and responsibility’. It is a real shame that he was not possessed of that same spirit when we were urging prudence and responsibility over the last 10 years ...

1610 It is what they have all said, Mr Speaker. They have said the same thing every time. But what does he say now that I have explained again, as I explained in my first speech, that the overspending was to keep the GHA operating and to keep the generators with fuel? What does he say now? Of course he has no arguments whatsoever, because when faced with the reality that the testing was of teachers and GHA staff etc., there is nothing they can say.

Over the last 10 years, and all for the sake of piling on the votes – not just winning but winning by landslides – they have played Russian roulette with those public finances ...

1615 He is making the bald assertion that we have set out to buy votes, but also the bald assertion that everybody in this community who voted for us sold us their vote because by playing with the public finances, using the money, we have got the votes. This Opposition genuinely believes that the people of Gibraltar are there to be bought and sold at election time. It is just remarkable.

1620 Compare the two statements that he is responsible for delivering in this House on successive Appropriation Bills – compare and contrast, the same speaker. He said, this year, that instead of being prudent, ‘Over the last 10 years, and all for the sake of piling on the votes – not just winning but winning by landslides – they have played Russian roulette with those public finances’, and last year he said:

Of course, no one on this side of the House is saying that if they had been prudent with the people’s money over the last 10 years we could have avoided a £157 million deficit which is, of course, COVID-related. No one could have predicted the pandemic ...

1625 He cannot have forgotten that, because I quoted it at him in my main speech, and yet he still delivered the other line. This is the same speaker. It does not make any sense. When was he telling us the truth on this, as in on the issue of the company vehicles? Was he telling us the truth on *Viewpoint* or here? Was he telling us the truth this year or last year? And when he was not telling us the truth, what was he doing?

1630 A strong economy, sound public finances, money in the bank to see us through difficult times – that is what he wants. So then he obviously disagrees with Roy Clinton, who does not think that we should have money in the bank, who does not think that we should have the Savings Bank reserve, who thinks that we should spend it. Another disagreement between them.

In 2011, when gross public debt stood at £540 million, inclusive of debt in Government-owned companies ...

1635 No! The number is completely wrong, and not least ... and this is the only part I am going to concentrate on because I have already dealt with this issue in successive years. The number is completely wrong on the measure that he is the one who has consistently said since 2003 should be added: the £110 million of the Hospital. So by his measure – because he was the one who was going around saying, ‘*esto es una poca verguenza*’ It is terrible. I can’t believe it. You shouldn’t do it. Public finance, it adds to the debt. Public finance is debt; it should be on the balance sheet,’ – he needs to add £110 million to the number he ascribes to the 2011 position.

1640 And has he forgotten that by the time we got there, when we came to this House the then Chief Minister was offering us a resolution of the House to exceed the ceiling of debt, which was what was going to happen? Exceed the ceiling of debt on the basis of the debt as it was under the

GSD, and the GSD projects running, and he said, in the official opening of this House, 'With the projects that are on foot the public debt will be exceeded and we offer you a resolution with our support.' And what did we do? Stop the projects. We did not exceed the ceiling. We stopped the projects.

He then went on to say:

the difference is that we never mortgaged working-class housing estates in order to secure that debt.

No, they did not, it is true. They did not work out that they could bring in investors instead of selling the housing estates. That is what they did. He has no defence that we have either brought an investor or a mortgagee, depending on whose side you want to fall. They did worse. They alienated the family silver forever. They did not say, 'Lend me £10 in exchange for the pen and I will pay you over the next 10 years, and then the pen is still mine and I have the pen throughout the period.' They said, 'Give me a pound and the pen is yours.' That is what they did. They sold 150 flats that today could be churning and could be for the people who need them on the housing waiting list. They alienated them forever. That is half a housing estate. And at what rate did they sell it? Almost a quarter of the value. *Mal vendido*. Badly sold, as they say in Spanish. And why did they do it? To raise money. What they did was mad and bad in equal measure.

In many instances I see people who do not want to understand, but with the hon. Gentleman I am starting to wonder whether he *can* understand, because I have told him too many times. These are not issues of opinion, where you can have different opinions; he is making mistakes on the facts – on what he likes to call the fact matrix. He said:

That is why the people of Gibraltar should believe the discourse of the Opposition, because we have been consistent and, despite the fact that it came at an electoral cost, we never deviated from what we thought was right.

The electorate are not stupid. They know what you have been saying, they have understood what you said, they rejected it and they will know that you were not right and that this 'our chickens are coming home to roost' ... They will know that this is COVID and a war etc. Or at least have the courage of your convictions – you tend to have that – and even though Mr Azopardi will not tell us and Mr Clinton will not tell us, tell us what you would have cut and what you would not have built. Is it the schools, or is it the primary care centres? Which are the civil servants you would get rid of to cut the bill? You could make it clear. You have always said that you are prepared to stand up and after the whole thing is said and done you will stand up and be counted. Tell us who are the people you would sack. It is remarkable.

And then, Mr Speaker, he said:

The Gibraltar Savings Bank Act at that stage, pre amendment, only allowed the proceeds of Gibraltar Savings Bank debentures to be invested in money or moneys-worth investments ...

We amended it to permit the Savings Bank to invest in Gibraltar. 'We have no problem with this Bill as it stands.' That is in the contribution of Mr Clinton to the amendment of the Gibraltar Savings Bank Act. They voted for it. They voted for the amendment to the Gibraltar Savings Bank Act. *(Interjection)* Well, Mr Speaker, when we made the amendment to the Savings Bank Act to permit the Savings Bank to invest in Gibraltar they voted for it, and when, in 2012 or 2013, they made the earlier amendment, I do not think they even voted, in the end, on the Third Reading. *(Interjection)*

He said that in 2013, in the by-election, even when they found indisputable evidence that the Government did use the proceeds of the Gibraltar Savings Bank debentures through Credit Finance for the purpose of loans to the *Sunborn*, we did not admit it until after the election. That is what he said. Well, we admitted it when I was interviewed and asked. It was an admission. But we cannot have been that wrong about it, can we, because we made a lot of money on the

Sunborn for the Gibraltar Savings Bank? That is why they no longer talk about it, and indeed they must be extraordinarily fond of it, because they now shoot their videos there.

1685 But what happened when we admitted it? We admitted it after the 2013 by-election. We admitted it, okay? What happened afterwards? He said:

When it was then admitted, it was justified on the absurd basis

– the *absurd* basis –

that Credit Finance Company was some form of sovereign fund.

Okay, so then it was not hidden.

1690 And then what happened in 2015? We got 68% in the General Election after that alleged admission of an absurd basis for justifying something, which they obviously set out to the people of Gibraltar was totally wrong. Sixty-eight per cent. So the idea that we won the by-election because we did not admit something until after the by-election, when the margin on the by-election was not as great as the margin in the General Election, is nonsensical. You might have paused to think about that before you wrote it down.

1695 And then the allegation is:

a year later, in 2016, they came to this House and altered the legal borrowing limit by delinking it from recurrent revenue and linking it to a percentage of GDP [...] they never said to the people of Gibraltar, 'We not only defend the levels of public debt but we are going to change the legal borrowing limits in order to allow us to borrow more.' That would have been the honest thing for them to have said at that election ...

1700 That is what he says against us. Mr Speaker, they changed the borrowing limits three or four times and it was never featured in their election manifestos that they were going to change the Borrowing Powers Act. It is all there in Joe Bossano's speech. I commend Joe Bossano's speech to the hon. Gentleman.

1705 Then he said 'Mr Phillips, in his quite terrible speech' – that is not a direct quote – 'did make a point about e-scooters and criticised the Government for the time it has taken for that legislation to come to the House. It is not the Government's fault. I have told Mr Phillips it is my own delay because I represent the Motor Insurance Bureau, which has been in contact and in talks with the Government of Gibraltar and they wish to make some amendments. That is the reason why it is taking so long.' Thank you for the honesty, Mr Speaker, to the hon. Gentleman. At least on that, which explains the Government's delay, the hon. Gentleman fessed up and accepted that he is the one who is responsible. Hon. Members might see that in this case a Member of the House has
1710 accepted that the Government is not delaying, itself. There are other delays that are occasioned where we do not have the Member in this House to tell us that it is their problem.

Mr Speaker, finishing now in respect of Mr Feetham:

I would urge those listening to this debate to prefer the discourse of my learned and hon. Friend the Leader of the Opposition over those of the Chief Minister.

1715 What has that got to do with the price of eggs? We are having a debate in the Parliament about how to vote on this Bill in the Second Reading. We want people to know what we are doing. We want people outside to understand what it is that we are doing and how we are going to spend their money. I published the Book. This is an admission that all of their speeches – exactly as I was saying to your earlier – are about a general election, not about a vote in this Parliament on a Bill. That is the reality: blatant electioneering.

At the end of his speech he said:

I stood in a minority of four in this House when I introduced a Private Member's Bill seeking to equalise the age of consent in 2009-10.

1720 That is true. Of course he stood in a minority. It was shameful that the Government then, the
GSD, were seeking to rely on a Private Member's Bill to equalise the age of sexual consent. In
effect, they were trying to get a progressive Opposition, the GSLP Liberal Opposition, to do a
centre-right conservative Government's dirty work for them. That is what they were trying to do.
1725 It was transparent, like everything he does, completely transparent, and that is what we refused
to do. That is what we refused to bail them out of, not because we did not support the principle
of the equalisation of consent; we did it immediately we were elected, on a Government Bill.

Hon. Chief Minister: Mr Speaker, he is no hero of the progressive cause. Let's be very clear, he
was the dupe of the conservative cause. That is the reality. They tried to use him to lubricate the
1730 change and the legislation failed.

He said:

When the legislation for same-sex partnerships was introduced by hon. Members opposite in this House, everybody
on this side of the House voted in favour of it, including my hon. and learned Friend Mr Bossino. When they
introduced same-sex marriage, it was supported unanimously from this side of the House. There is no question of
a GSD government going in reverse gear in relation to any of that.

Does he sit next to Mr Bossino in this place? The unanimity he talks about in respect of equal
marriage happened because Mr Bossino was not in this House at the time. That is the thing that
he tried to hide in the way he presents it. He mentions Mr Bossino when he talks about voting for
1735 civil partnerships, then he talks about unanimity without saying that Mr Bossino was not in the
House anymore. He says he has said no reverse gear, that the GSD has no reverse gear, which is
the direct opposite of what Mr Bossino said and how he said we should consider the effect of
cancel culture and the meaning of elections – the direct opposite.

Debates on finances matter, they matter hugely, but parties define themselves by ideology,
1740 and as I will show later when I deal with Mr Bossino's contribution, which I think is the right place
in which to deal with it, we have heard, I think, four different positions on a fundamental issue
such as equality. So many different positions have we heard that frankly I can understand why he
got up to say, 'I want to clarify that there is absolutely no intention of reverse gear on any of the
measures I have referred to, or any other measure that the Government has introduced in the last
1745 10 years that they have been in government.' Of course, because they can see that actually all of
those who are concerned about equality in our community can see that Mr Bossino said, 'I have
the reverse gear in my hand ready to take to the people. I am ready to persuade them, and if I
persuade them, reverse gear it is.' That is the reality. Talk about getting your political knickers in
a twist because Mr Feetham did not know how to find a way out of the difficulties in which they
1750 find themselves on equality.

Mr Speaker, it is half past one. I estimate that I will take about another 30 minutes to finish,
but I am in your hands. You and I are the ones who are not able to move during the course of this.
If you wish to have a break in a moment, I am happy to break.

1755 **Mr Speaker:** You may continue with your speech.

Hon. Chief Minister: Mr Speaker, Mr Phillips delivered a loud address – not surprising, we all
know he likes a microphone. When we were in the depths of the pandemic dealing with all the
issues we were dealing with, one of the few moments of levity was Mr Phillips – whilst we were
working – on TikTok, doing his karaoke impression of *Don't Stop Believin'*. It is time to stop
1760 believing that there is any chance that Mr Phillips is going to be finding himself on this side of the
House.

Hon. E J Phillips: You've blocked me on every other site.

1765 **Hon. Chief Minister:** I do not think I have blocked him, Mr Speaker, have I? Well, it must be by mistake because he does amuse me, so I will ensure that I unblock him. I do not always do these things myself. Perhaps I was laughing too much when I was looking at his latest tweet. Maybe I have not blocked him; maybe it is just that the algorithm does not allow his paid-for advertising to get through to me.

1770 Anyway, Mr Phillips's speech was forthright in delivery in order to try to hide the absence of any substance, but in fact Mr Phillips's speech was not just devoid of substance in itself. In one throwaway line, those dangerous throwaway lines, he deprived his colleagues of what they pretended was the substance of *their* speeches – Mr Feetham, Mr Azopardi and Mr Clinton, who talked about the overspend in the GHA. He said one thing that completely disembowelled the
1775 submissions and arguments made by Mr Azopardi, Mr Clinton and Mr Feetham. They all said this thing about us overspending in Health, but Mr Phillips, to his credit, has a different view. I want to quote him exactly, so nobody suggests that I am traducing what he said:

The only way, in my view, in getting down the collective weight of our community is by increasing our activity levels, putting healthy eating at the forefront with exercise.

The next sentence reads:

This is the only way we can bring down the cost of healthcare and the burden that poor choices can have on the public purse in the long term.

1780 **Mr Speaker:** There is an issue with your microphone and the Clerk is going to bring it towards you.

Hon. Chief Minister: His theory of this Budget is that the overspend, which was principally on Health, can only be addressed if we all go on a diet, and that is how the public debt will come down. People might think I am making a facile point that the public debt is going to come down and that the cost of the GHA is going to come down if we all go on a diet, but I am actually
1785 reflecting what the hon. Gentleman said. Those were his exact words: 'This is the only way we can bring down the cost of healthcare and the burden that poor choices can have on the public purse in the long term.' Well, so much for our overspending being a fault. I am already on a diet, but unfortunately I am constantly on a diet. Losing weight is a good thing – it is good for diabetes, it is
1790 good for obesity, it is good in every respect in relation to healthcare – but it is not the solution to the public finance problems that this community has. He has identified that the only way to control spending in the GHA is for people to go on a diet and lose weight. He might like to tell Mr Feetham, Mr Azopardi and Mr Clinton that that is his theory of how we deal with things. It also puts the rest of his shouty lament on overspending in the Health Service into context. It is utter
1795 tripe.

It was particularly tripe to suggest that Samantha Sacramento had been fired, because she had been reshuffled. She had not been reshuffled to the back bench. The only person sitting on the back bench chose to sit on the back bench and would be very welcome on the front bench. Nobody has been fired here. Neil Costa left the Government because he wanted to. The last Ministers to
1800 be fired were fired by the people, and they were fired on 9th December 2011. Nobody in this Government has been fired. Being moved from one Ministry to another to do the business of the people of Gibraltar is not being fired, it is a privilege. I have moved portfolios that I had – that is to say I have fired myself because I have given responsibilities to Samantha Sacramento.

1805 Where does this man get these ideas, Mr Speaker? Where do they sit when they write their speeches? I know that some artists have written their best work high on LSD, but it is not a way to write a Budget speech.

Hon. K Azopardi: That is not parliamentary.

1810 **Hon. Chief Minister:** Well, check the language in the index and see whether it says it is not. I bet you will find it is parliamentary.

The one portfolio that has eclipsed all others in respect of public complaint and engagement is Health. He is right, of course he is right, because it is the Department that has suffered most of the consequences of COVID; the weight of COVID fell on that Department. Mr Azopardi says we have not had a lockdown for 17 months. We have not had a lockdown in 17 months, but the GHA has been fighting COVID. Even now, COVID is blunt-force trauma to the GHA. We have to fix it. The professionals in the GHA have to fix it, and fix it they will and fix it we will by giving them the support they need to have the ability to book a GP quickly and easily. All of that has to be fixed. We are in the process of fixing it, not because Albert Isola has a silver tongue – well, he has silver hair, so I assume he has a silver tongue – but we will do it without speaking with a forked tongue, which is what hon. Members do. We will fix it with the professionalism of the medical profession and nursing staff in Gibraltar with a new general manager and without a Minister running the show. How can they say that it is their policy to do that? How can they say that? How can he, in the same speech, say, ‘You fired the Minister for Health because you took her off the Hospital then you reshuffled her,’ and then say, ‘We are the ones leading on the policy’? They do not have the policy of taking a Minister out of the GHA; they had their Minister *in* the GHA.

These things are not going to be done overnight, I acknowledge that. People might say, ‘The Government is terrible because I still cannot get an appointment.’ Well, we are working very hard to make sure that you can get an appointment. What he is trying to do with all the rhetoric is simply to light a match again under the people, Guy Fawkes style, to try to get people to turn against the Government – not to persuade his colleagues to vote for or against the Bill but to try to get beyond this place, to persuade people to vote against the Government in a General Election which is not due until October next year, say things like this: access to life-saving medicines will be curtailed, people who cannot obtain medication will get the medication that they need. Access to life-saving medicines will be curtailed Where did he get that from? There is absolutely no question of everybody getting the life-saving medications that they need. There is no question of curtailing life-saving medicines. That is happening in places with austerity. That is not happening here, because there is no austerity. It is ridiculous, utterly ridiculous, designed to make people think, ‘Oh, my goodness, what is happening in Gibraltar?’ but it is not true. It is the thing that Kipling told us not to deal in that he deals in when he says this.

Mr Azopardi came to this House and said in Question Times passed, ‘I am very concerned about the over-medication of patients.’ That is one of the things we have to deal with, which we all said we were concerned about. Mr Phillips seems to want everyone to have everything they want, whether or not they need it, but no question of life-saving medication being curtailed – *never* – and, I bet, never even under them or any other Government of Gibraltar would life-saving medical medicines ever be curtailed. How dare he raise that allegation against the Government when it is untrue and it can make people who have a need for life-saving medication, in the worst moments in their life, have a concern because of the nonsense that this man comes here to utter, to create fear in people. They just sling mud. They just create fear. That is the Opposition that we have. What has this got to do with supporting a Bill or not supporting a Bill? It is all about getting people to turn against the Government.

And then, when he turned to the environment and said that John Cortes had no interest in protecting the environment, I should simply have said I am not listening to another word that this boy is saying because it does not deserve to be replied to. To say that John Cortes has no interest in protecting the environment is something that *no one* is going to believe. John Cortes wishy-washy on the environment? Come on! I am going to have to tell him the same thing I told Mr Margallo: wake up and smell the coffee. Come on! People expect more. Do you forget that you have just been chastising us because we have developed another park? Do you forget that? Parks are not everything, but they improve the quality of the environment of life and they take trees, which are important parts of protecting the biosphere and the environment. Come on! And on air quality, how can he pretend that our air quality is bad? It is not as good as we want it to be. It is

much better than it was under them, and we are on the road to improving it even more, but it is demonstrably better than it ever has been since records began, not least because *they* did not win the election and there was no grimy, smelly, diesel power station.

1865 If he does not like the volume, this is what he was subjecting us to, a lot of volume – and very little substance – so he is going to get it back because they are the people who represent the Government that did absolutely no solar in Gibraltar, although solar was a technology that existed in their time. Come on! He said we are doing nothing about vehicles. Did he not hear the measure I announced that puts even more pressure in respect of second-hand cars, in respect of LCB and
1870 buses? Come on!

No other government in the world has withdrawn from environmental commitments, but we have? No, we have not withdrawn from environmental commitments. Does he not read the news? Doesn't he know that Germany is going back to coal-fired stations? When he says what has happened elsewhere in the world, does he not check?

1875 He said that we spent money on the Alameda, but it was not in a good state and the cemetery was not in a good state. The complaints are down because we are investing in Alameda and we are investing in the cemetery. The ill-conceived closure of Line Wall Road cost – and this was his killer punch – £300,000, wasted by the Government of Gibraltar. Killer punch? Straight back at you, mate. The hole in the ground where the Theatre Royal used to be was our throwaway of
1880 £10 million – £10 million of taxpayers' money buried in a hole by the GSD makes everything else pale into insignificance. They are the heavyweights of one thing and one thing only: waste, waste, waste. So how can he complain that we are not doing enough to resurface the roads? How can he complain about that? Is he urging us to spend more money? Is he sitting next to the people who are urging us not to even have spent what we have spent on Health and the power station, let
1885 alone on resurfacing roads? You could not make this up. Next time, instead of standing there pretending to channel Marcus Aurelius he should channel Benny Hill; it would be more in keeping with the things he says.

And so, Mr Speaker, I turn now to Mr Bossino. Mr Bossino, to his credit, did not feel that he had to descend into insult during the course of his Budget speech like the others felt they had to
1890 do. He was obviously approaching his address from a different standpoint and a different point of view to that which we represent – of course entirely proper, acceptable and accepted because we have a Government-and-Opposition, Westminster-style, adversarial mechanism of government. Absolutely right. There are perennial differences between us, in particular about the value of attending conferences like FITUR in Spain to attract Gibraltar tourism, which comes at great cost.
1895 That is a clear distinction between us. There is also another distinction between us – in fact, between us and between him and me, which we have known for many years and which does not affect our friendship: we have different ideological positions. We represent the left, and he has finally come out: he represents the centre right of the political spectrum, which is what everyone on the right says to try to sugar-coat the fact that there are on the right – that they are on the
1900 centre right. It is fine. We represent different points of view. That makes for a healthy political debate. Whereas most of his teammates stand for nothing and have no ideological position that they can point to as their lodestar, Mr Bossino clearly has an ideological position that he believes and that only he represents. That is why when the loser of the Opposition says that as long as he is there the GSD will never change its attitude to Pride etc., he means as long as Damon does not
1905 become the leader. That is the underlying reality. Mr Azopardi is using the shield of equality to protect himself from Mr Bossino's potential leadership challenge.

I know that he and I have had a very competitive approach to each other since we were young, but in a healthy way, and I do hate to have to say it but his speech really was exactly the sort of engagement that we should have across the floor of this House in a debate: a different point of
1910 view in a democracy about doing things in a different way because we each believe in the best interests of our country and we would deliver the best interests of our country in a different way. The sort of thing that we should be talking about.

I was not surprised that he described himself as right wing – centre right; I have watched his journey to the right since we were in school together – but I did not quite expect the vehemence from him. I really did not expect that level of vehemence. Let's face it, he is not somebody who is known for speaking with passion or conviction on any particular topic, so I was surprised to see him more into *Monty Python's* Spanish Inquisition in the approach he took. He did it very convivially. We did it in the warmth of a summer's afternoon and in our comfy chairs as he spoke, exactly like the threat in the *Monty Python* sketch, but I do have to challenge him and say it is not cancel culture to say that we will fight to preserve the positions that we have delivered. Cancel culture is not to allow a person to speak their views if it is contrary to the view that those who are progressive would consider is the appropriate view. He said what he wanted. He said that he represents the opposite view and he explained it in the length, or not length, that he chose, and if ever he wants to put a motion in this House he will have, of course, the right to speak for as long as he wishes on any motion on any such subject as he wishes, and he will hear me speak against him on the subject and tell him that as I have led the Government to where I have led it I will fight anybody trying to take that Government and the position in the statute book back from where it is. He would expect nothing less from me, but he knows that I would not seek to silence him, which is what cancel culture is.

He said this:

Whatever happens in the future with abortion or any other issue should be decided by the people of Gibraltar in democratic elections, and they will cast their vote in one direction or another. That is the way democracies operate: the voice of the electorate expressed here in Parliament in general elections.

I agree, that is what democracy is about. I will be speaking in those general elections to ensure that people make the choice that does not see a reverse, and he might be speaking to deliver a different outcome, but what his leader has said, and indeed what Mr Feetham has said, contradicts what he said. The remarkable thing here is that he faces more contradictions from his side of the political divide than he does from us. He said this business about whatever will be decided by elections, and Mr Feetham has said the opposite. Mr Feetham has said, 'No reverse gear. What this GSLP Government has achieved' – Mr Feetham talking about the GSLP Government – 'will not be reversed by a GSD government, even if the people, at an election, have chosen the GSD government that goes into an election seeking the opposite.' Will he accuse Mr Feetham of cancel culture, or Mr Azopardi, who says that while he is the leader of the GSD there is no reverse gear either?

What I will say is I think that Damon Bossino represents GSD values. He represents the GSD that the GSLP Liberals fought against in 1995 and 1996 and in every other election under Peter Caruana. I do not know what *they* stand for anymore. I know that *he* continues to stand for what he stands for, and I appreciate that. I think it is healthy for us to have a debate. If we do not have a debate about the differences between us, we end up calling each other names because the only thing that we are left with is saying, 'If it is the same thing we are going to do, I will do it better than you.'

'No, I will do it better than you.'

'No, I am taller than you.'

'I am shorter than you.'

He stands for something different, so he needs to persuade that what he stands for is the right thing to do, and we persuade that what we stand for is the right thing to do, and then it does not matter who of us is taller or shorter and we do not have to call each other names; we just talk about the thing that we believe we should do or not do.

Mr Azopardi has represented all values. Mr Azopardi represented Liberal Party, National Party values, he has represented GSD values, he has represented PDP values, which are supposed to be progressive values, although he has represented conservative GSD values, and now he is back to representing GSD values, but the GSD values seem to be progressive values, so it is more like diet

1960 GSD, or GSD zero, rather than GSD. Mr Feetham says that he is progressive and that he brings laws
about equalisation of age of consent, and he was the GSLP, he was the Labour Party and now he
1965 is the GSD zero as well. *That* is cancel culture. When you do not know what you stand for, you
cancel yourselves out, and I commend Mr Bossino for being, in my view, mistaken in his views but
holding them trenchantly and defending them without shame, which is exactly as it should be,
and I encourage him to continue to put his views because that is the plurality of opinion. That is
diversity. Diversity cannot only mean that people who were ignored and shamed before now
come to the fore and everybody else disappears. Diversity is because everyone who was there
before still is, and others who were shunned before are now part of it. I think he and I, ironically,
1970 are probably a wider measure of agreement in that respect, because I think we actually deeply
understand these issues more and we do not use them for political purposes, as others do.

I think he is *completely* wrong on housing allocation. I understand the issue of means testing. I
understand that there are abuses on issues relating to housing – don't we know it, and we try to
deal with them as often as we can – but the policy that the Hon. Mr Bossino has set out is, in
effect, to tell every public servant of Gibraltar over a particular salary that they will not be eligible
1975 for a Government home. That is the reality. So not only, if there was a GSD government would it
have Scissorhands Clinton cutting the number of public servants, cutting the cost of the public
service and cutting public services, it would have a new housing allocation scheme which would
have to have a figure for means testing, and public servants in particular, and indeed the working
class who receive a wage from an employer and are the ones who have their wages declared at
1980 the Income Tax Office, would immediately be the prey of that, wherever you decide to throw the
line. Say you are saying anybody who has a household income of over £28,000 will not be eligible
for Government housing, every public servant who has that income, clear, off the housing waiting
list. If you throw it at £50,000, say – £75,000, wherever you throw it, £12,000 ... You have to throw
a line. If you do not, then you are just playing a game. You are making its objective ... You are just
1985 going to allow Ministers or civil servants with the ear of Ministers to do Ministers' bidding to allow
people in if they like you and not if they do not. You cannot do that here; you have to have an
objective number. So if you are going to do means testing, you put that objective number. First
victims: those who are on PAYE, public servants and working-class people. You are going to throw
a line. You are going to create what you say is justice by throwing the line there and everybody
1990 else will be off, regardless of the circumstances. Okay, so you are going to allow some element of
discretion by doing other means tests etc. That is the wrong way to deal with something that is a
problem. There is a problem, both side agree there is a problem. There is some abuse of the
housing allocation rules, but that is the wrong way to deal with it, and although I am grateful for
his honesty in setting out what their policy would be, I think it is very dangerous, in particular for
1995 the public servants of Gibraltar and the working people of Gibraltar, because we do not know ...
They are going to keep quiet until after the election on where they are going to throw the line,
and then you might find that you are on the wrong side of that line.

On the question of travel spend, £28,000 is the cost of a one-page advert in *The Times* travel
section, and yet it is the Budget for the year for travelling that Mr Daryanani has spent.
2000 Mr Daryanani can be targeted very easily by hon. Members, as they do. They say, 'He's travelling.
It's terrible. He's spending money.' Easy to persuade people that that is something that should
not be happening because they imagine Mr Daryanani in club class drinking champagne and eating
nuts and they say it is terrible – none of which I am sure he does. Certainly on the few times we
have flown together, Vijay does not eat the nuts and he tends to drink water. I drink Coke Zero –
2005 imagine how big I would be if it did not! If he does not travel, drink water and go to the meetings
and bring in the new business, he will say, 'It is terrible – the hon. Gentleman is sitting in his ivory
tower at Europort not bringing in any new business.' So which is it to be? The hon. Members have
an attack arsenal which they will deploy painting the negative whether we travel or whether we
do not travel.

2010 I do not understand his obsession with FITUR, Mr Speaker, because, frankly, if there is one
place we do not need to go to market Gibraltar and remind them that we are here, it is Spain.

They have an unhealthy obsession with us; we do not need to tell them to come and visit. We tried FITUR. They insisted on FITUR. We tried FITUR when we came into government. We did not think that it made sense. There may be instances in the future where it makes some sense. If there is a deal which provides Schengen fluidity, we may want to go there one year to explain the benefits of the deal, that sort of thing, but no need for the obsession he has.

In the month of May this year we have had more new cruise calls than ever before in May. The figures are already 162 booked for 2023. We had 197 calls before the pandemic, in 2019, and with 184 this year already – as he knows, the calls are booked later – so on cruises we are doing very well indeed. Our Airport is working better than most airports and we are back to pre-pandemic levels. We have problems with airlines that have gone but come back, but what a bounce back. I think the hon. Gentleman should be congratulating Mr Daryanani. And neither is Mr Daryanani now not going to be involved because Mr Bossino is coming to be the CEO. They are going to work in partnership. They are going to work together to get the best for Gibraltar. We are saving £200,000 for the Gibraltarians already by appointing the £140,000 CEO, so it is a net saving – put up more money but save more money in the long term. I am sure Mr Bossino will do an excellent job in tourism – not him, his brother.

One thing is clear: if he were to become Minister for Tourism, or a Minister in this Government, I assume he would eschew the efforts we are making to attract the pink pound to Gibraltar, which is also extraordinarily important in the context of international tourism, and I suppose he would not fly the Pride flag over No. 6 Convent Place, if he became Chief Minister, on 28th June, which would be a pity because most other governments fly it, but with him in government it would not fly. In fact, there is one thing that he will never have, of course, in the photo sticker album of Saturday mornings in Main Street 2022-23 ... The hon. Gentleman has more stickers than any other Member of this Parliament because he goes to everything down Main Street on a Saturday and has his picture taken with every charity. Laudable though that is, he is not going to have the sticker for Pride events. It is a pity because he is not going to complete the album. The one picture he is missing. He talks about hon. Members just wanting photographs. Well, none of us have as many photographs as he has down Main Street on a Saturday – except that particular Saturday, when he was nowhere to be seen. I thought – ‘*Y Damon viene?*’ (A Member: No.) (Laughter)

On planning, he was completely wrong. What is not independent about the DPC? The Government has had its own projects rejected by the DPC: extra floors on housing estates rejected by the DPC; new Port Office turned back on several occasions by the DPC; the expansion of New Harbours again. Even before we changed the rules we faced rejection in a public DPC, so how can he say with a straight face that people there just vote with the Government, and Ministers vote with the Government? Ministers are asked by the Chief Minister to be independent in the DPC. There is no government whip in the DPC. They sometimes just have to go back to the minutes, which are now public – Ministers vote in different ways in the DPC. So he cannot make out that what he is saying is true, and therefore the whole premise that he brings here about the DPC, to try to curry favour with those who are against development – but, by the way, when you open the development, people love it ... He says the DPC is a puppet in the hands of the Government. It is not true and it is disrespectful of the members of the DPC who are not Ministers, who are civil servants and public servants, and, indeed, all the other members of the DPC. Mr Speaker, remember that the DPC which they presided over approved a development plan for the Eastside, Sovereign Bay, with a marina and huge towers, so I really do not think that they can make out the arguments they are making.

I thought his arguments on the Caleta Palace were really not sound arguments. The Caleta Palace has had an outline planning permanent subject to redesign. In other words, they have been told, ‘We don't like your design, it needs to be different.’ I do not know what it is he says that the existing Caleta Palace, the one that is going to be demolished, has in keeping with Catalan Bay as it was before the Caleta Palace was built. When you look at Catalan Bay when it was an empty rock on the southern end, what did the Caleta Hotel that is there now have in keeping with the

Caleta? Nothing. He made the argument about doing something that was in keeping with Catalan Bay – it does not make any sense.

2065 Mr Speaker, my good friend Chris Riddell is not a David in front of any Goliaths. He has a good slingshot ready, no doubt, and therefore he will be one of the people I trust we will be able to engage in relation to the issues that relate to the marina, which I mentioned earlier already, but I was surprised to see him trying to curry favour in that way.

2070 Finally, the idea that John Cortes is not trusted because the historian Joseph Garcia is continuing with the Northern Defences that he started with and working with the Royal Engineers etc. and doing the Mount and Landport is nonsense. Do they make this up as they go along? John Cortes has delivered Ocean Views, he has delivered two parks, five schools and he is working on three others. Do you think I do not trust him? Really? They know I trust him, Mr Speaker, so there is no need to make those points. We have done so much work on heritage that had lain abandoned
2075 and on heritage buildings, like the Social Security building that we have already told him we will consider very carefully.

Mr Bossino I actually believe was also more genuine and fairer in relation to the treaty than I believe Mr Feetham, Mr Azopardi or the others who mentioned it were, who are behind the door with the axe, waiting for us to arrive at the treaty, ready to pounce. I genuinely believe that
2080 Mr Bossino, although his original reaction was not as I expected it to be in this House a couple of years ago, has had a Damascene return to where he was after the New Year's Eve Agreement, and I do genuinely believe that he wants us to succeed on the treaty. I am grateful for that and I think he has a job to do in persuading his stable mates to take the same constructive and positive approach he is taking. The Leader of the Opposition has said that we have a referendum on the
2085 treaty. I have already said when I think a referendum on the treaty should be held, but I do not think we should hold up the treaty because of a referendum. I have been very clear about that as well.

Mr Speaker, I turn now to Mr Reyes, whose contribution was short but, as usual, when analysed, far from sweet. He said that this year the Budget allocation represents £63 million,
2090 £39 million in respect of payroll charges, which is an increase but on the payroll subheads a small saving. Mr Reyes himself is demonstrating that there is no austerity. Mr Feetham was at pains to try to persuade everyone that there is austerity in Gibraltar, Mr Clinton was at pains to say that there is not enough austerity in Gibraltar, and Mr Reyes demonstrated that there is no austerity in Gibraltar because the fact that there is the sum necessary to pay not just for the numbers of
2095 teachers we had before but for more teachers, who were being paid under relief cover and now will be paid directly, is a demonstration that we will be putting the money where it needs to be put.

On temporary cover, the reason there is a thousand pounds is because we have taken all of the new teachers and so there needs to be a new assessment as to what a temporary cover will
2100 be, and as we run through the next couple of financial years, this and the next Government after the next General Election, which I hope will be of the same political complexion, will be able to see, with the full complement, how the relief cover plays out. That is why we have put a token, so that we can assess it as we go. With a full complement there should be a lot less relief cover. Of course there will be pregnancies, of course there will be maternity and paternity leave where
2105 relevant, of course there will be serious illness, but teachers do not take time off. Teachers have time off if they are ill or if they need it, but otherwise their leave works in a different way. That is why we have put in the token.

The £8,000 that he asked us about for compulsory professional supervision is for the school counsellors, which is the compulsory requalification or checking that they do, which is required to
2110 keep up their registration through periodic assessment, and the increase of almost £400,000 in respect of facilities management is the contract for the new schools. I am not going to reply on whether or not teachers have been involved in the planning process because Mr Licudi, who actually ran the planning process and the building process for some of our new schools already gave a magnificent reply when he spoke on Thursday.

2115 Mr Speaker, I do not agree that giving teachers full-time jobs, instead of keeping them as supply, makes their future insecure in any way, but I do strongly agree with him that those who have not been successful at interview should be given meaningful feedback so that they know what they have to improve for any future interviews they have.

2120 On the Housing Works Agency, the hon. Gentleman was surprised to see lower numbers. What they cannot do is pretend that they are surprised to see the Housing Works Agency being run down when they are the ones who signed the deal that ran it down. They signed a deal that said for every two people in this agency, only one will come in. That is a law of diminishing returns. You have turned the pyramid, in effect, on its head. The Housing Works Agency is going to zero because the GSD confined it to go to zero under the agreement it signed and said it was confining it to go to zero. This is like a doctor or a gaoler who, executing capital punishment, injects the lethal injection, leaves the patient and then comes back and says to the nurse standing next to him, 'Why is he dead?'

'Well, because you asked me to stand here whilst the poison you had injected into his veins had the effect.'

2130 Anyway, it is not true that hon. Members here have heard excuses for the reason why sporting facilities are not completed. Of course we were waiting too long for that and of course it is lamentable, but reasons are not excuses. Excuses are designed to exculpate somebody who should have done something and was able to do something and has failed to do something. Reasons set out why something has happened and I think everybody will understand the reason behind why we have not been able to finish those facilities – although they will finish very soon, as the Minister for Sport told us. I do join him in wishing all the best to our athletes at the Commonwealth Games and any other Gibraltarians competing internationally this summer before the House is able to meet again. I know that we have a number of Gibraltarian football teams in our league and they will be playing the knockout stages of qualification for the Champions League and the Europa League, and I know that every Member of this House will join me in wishing them all the best.

I do appreciate that the hon. Gentleman said this:

once again, this year I wish to reaffirm my personal conviction that, through the collective celebration of social events, participating Gibraltarians contribute to reinforcing our identity, culture and history as a people and a community.

2145 The parties that hon. Members say we should not be funding I assume are the ones that Mr Reyes was telling us are very welcome because they gel us as a people, and our identity, and I know all Members, on this side of the House, at least, are very much looking forward to celebrating a Gibraltar National Day in the normal traditional way down at Casemates, which the GSD stopped and we brought back, this year after two years of not being able to do so.

2150 All mysteries are sometimes resolved, except perhaps the mystery of Fátima. Now we know who created the culture of entitlement. Mr Reyes said this:

Our local performers, entertainers and audiences are entitled to ask for a theatre which is fit for purpose and available throughout the year without them having to exclusively raise the funds themselves.

2155 'Entitled' – the culture of entitlement, the entitlement to culture, the entitlement for the Government and the taxpayer to pay for the infrastructure of culture. Thank you, Mr Reyes, for having spilt the beans and having explained so clearly that it was the GSD that created the culture of entitlement as already set out. What we are seeing is benefactors wanting to invest in this theatre and wanting to make it a reality for our people, but if we go around talking about people being entitled to things we are doing none of the things that the rest of his team say and agree with the Government we should all be doing. When hon. Members write their speeches, they need to look at every word. Every word matters.

Finally, Mr Speaker, the only Member I have not had to deal with this year is Ms Marlene Hassan Nahon, who has not been with us for this session. We have had our fair share of disagreements this year, in this House and outside it, but I want to associate myself with the words of the Hon. Minister Sacramento on the disgraceful WhatsApp anonymous attack that was circulating and to associate myself with the words of the Hon. Mr Licudi in wishing Ms Hasson Nahon all the very best and looking forward to welcoming her back to this House in order to continue to disagree with her in the parliamentary way. We are all human, Mr Speaker, and it is not an indulgence to grieve a parent.

There is one other speech that I have to deal with this year. It is the undelivered speech of Sir Joe Bossano. Having had an opportunity to read that speech ... I usually read Sir Joe's speech after he has delivered it, when the *Hansard* comes in, because I enjoy it. I have been, like everybody else, deprived of the opportunity of hearing Sir Joe deliver his speech with his asides and his quips at hon. Members. I must say, having read it, I really do think it is the most brilliant analysis of the current economic climate affecting the whole world, an excellent prediction of the issues that can affect the Gibraltar economy, and in particular it sets out in stark Technicolor, black upon white on the page, the contradictions that hon. Members have fallen into in the attacks that they have made on the Government in the past years. I do hope that we will be able to see Sir Joe deliver that speech in some way, so that those who prefer to watch it rather than read it will have an opportunity of doing so. In that speech he talks about a new system of social security which will enable people to retire as from the age of 60 – which I very much welcome – in keeping with our manifesto commitments, and he also sets out a number of predictions which I think all should see.

Mr Speaker, I am sorry to have gone on for a little longer than I expected, but I am now coming to my concluding remarks and I will not keep the House for much longer. When I first arrived at Oxford University, not as a student but to interview, on the door of the man who was to become my law tutor, where I was going for my first interview, there was pinned a poem by Rudyard Kipling. Since then, I have tried to live my life according to the maxims set out in that poem. I do not deal in lies, I do not deal in hate, I do not lose my head in difficult moments. I tell it like it is. I treat popes, earls and countesses like I treat union leaders, workers and those who need to see me on any issue: with respect and friendship. They know that, because whenever they need me I am there to help them, also.

Today and this week I have told it like it is, like I always do. I have told the truth to our people. I have worked for the past two and a half years since the election like never before, and so have all of my Government colleagues. I thought we had worked hard on Brexit, but combining Brexit and COVID was *really* difficult. I think we have proven ourselves to our people, we have proven ourselves in this House and we have proven ourselves to the world. Yet I come here this week to be called a knave and a thief, a highwayman and a pickpocket by an Opposition that has nothing to contribute but mud, debt and fears. They have slung mud, they have miscalculated and misrepresented debt and they have sought to exploit fears. Mud, debt and fears – that is all they have. That is what they have shown in this House in the past week. We have listened out of respect for the parliamentary process and out of respect for them, but not out of any respect that they display for us. I have not called them any names in my original intervention. I have kept to the hard facts. The public needed a serious debate, no frivolity, no name-calling, but they came here with nothing but insult, miscalculations on our national debt and rising fears for our people. They leave the blood, sweat and tears to us. We leave the mud, debt and fears to them. What I have been forced to do today is to hold up a mirror to them, to show them who they really are, to show them that their offer of mud, debt and fears is not what the people of Gibraltar want, that they are wrong, and to show them that even in these toughest of moments we are ready to give our best, so that when we look back on what we did in this time and generation we will say that this was our finest hour.

When people look back on this debate, they will say, 'What was the alternative that the Opposition presented?' Although they do not say it explicitly, if you vote for the GSD in the next election, given that they want to make this debate about votes outside this House, not here, what

they are going to get is Scissorhands Clinton cutting jobs, cutting wages and cutting public services, or centre-right Damon trying to undo the progressive advances that we have delivered. At least Mr Bossino was honest about his position and the things I have said about name-calling do not apply to him, as I set out. Cuts with Chancellor Scissorhands Clinton; loss of sexual rights and freedoms with right-wing Bossino.

With the GSLP Liberals in government, Gibraltar is safe politically, it is safe financially; Gibraltar remains that safe haven for our people. There is no highwayman here. What there is on the other side is a group of unfunny comedians who make up an Opposition that is no alternative government. This is a time for serious politics and serious people. It is a time for serious arguments and serious solutions. It is not a time for highwaymen or *bandoleros* or bandoliers. It is time to work hard to put our society back on track, a time to work and argue seriously to ensure that through argument we improve things. It is not a time for populism, for opportunism or for Trumpism and petty politics, but that is all we have got from them – and the threat of those serious, deep and damaging cuts to public services whilst at the same time arguing for more public services and more costs and more theatres, etc. In fact, they are quite divided in terms of cuts on jobs and services, as they are divided on equal rights and reproductive rights. I do not think they are a party; I think there are six parties in the skin of one snake.

As the people see the effects of our Budget, as they understand that these measures are designed to protect them from the huge increases in electricity costs that we have seen elsewhere, as they see that the tax increases are temporary and designed to make us stronger and that we will never surrender to their cowardly approach to the problems that we face today, many people will say, ‘I didn’t like the Budget, but it was the right budget for Gibraltar.’

I have told them about the many messages I have received. I am going to read one of these messages because I think it is important that I should. This is what I received. This is a person who is not a member of my political party, by the way:

Man, I just heard the Leader of the Opposition. You guys have built a beautiful park, great modern schools, great beaches with great facilities, the estates with new cladding etc. *Es una gloria* Gibraltar that you have worked for, man. ‘Vanity projects’ – what the BLEEP? ... vanity una BLEEP. Don’t they remember the Bayside vaults? We had classes cancelled *porque se llovía* and you could not get into the classrooms *porque estaban encharcado*. *Y ahora* Bayside/Westside is like a modern university in the best city. Legacy projects, not vanity projects. L-e-g-a-c-y.

I am not going to read the many hundreds of messages that I have received.

Mr Speaker, I am an old cynic, but that Llanito message almost brought a tear to my eye. It is not lost on me that the people opposite actually want the malevolent commentators on social media to hit us hard, and that if we had not built Bayside they would be hitting us really hard now for not having built Bayside. If we had not built a new PCC they would be hitting us for not having built a new PCC. You cannot work with some people. We cannot win and we cannot do it to win. We do it because it is the right thing to do, and as the summer advances and the dust settles the people will see a Government acting in its best interests, acting in the interests of our people, and they will decide who deserves to be supported and who deserves to be rejected at the next General Election. That is for the General Election. What we have to do now is decide how to vote on this Bill.

No one likes to pay higher taxes, no one likes to raise taxes, but when we have finished working with our partners in the unions, in the Chamber, in the Federation and with Action on Poverty, we will have done all these things and ensured that we have protected those of our businesses that need protection and those who are the most vulnerable in our society as we build a bridge to recover our public finances.

If you are a teacher, if you are a fireman, if you are a police officer or a GDC employee, if you are a GHA employee or if you are a prison officer or a customs officer, if you work in the Port or in the GSLA or if you work in the Civil Service in any capacity, today we have been told the GSD is going to vote that you should not be paid. If you need medical services or the assistance of the Police, if you are due a rebate on tax, if you need your welfare payment, your disability payment,

your state pension, if you need a passport or an identity card, whatever government service today you need, the GSD today is going to vote for you not to have that service. They are voting against the Budget and that is what that means, because they are not leaders. They are men with no shame, men with no clue and men with no plan. Gibraltar would have to be very irresponsible indeed to give the reins to the gentlemen opposite now, and Gibraltar is not irresponsible, far from it.

So, having heard nothing to persuade me otherwise, having watched an Opposition shorn of credibility and short of ideas, having heard even the most basic and sacred rules of parliamentary debate bent to destruction by Members opposite, and having the comfort that in everything I have said in this debate I have not dealt in lies, bearing to hear the truths that we have all spoken in this debate twisted by knaves to make copious traps for fools, I have no doubt that this is the right Appropriation for Gibraltar, that it will be passed with GSLP Liberal votes. Once again, we will vote to pay our public service and fund our public services, and once again, just like for the past five years, these will be provided to our people only because the GSLP Liberals are prepared to vote to keep paying them and to keep providing the services. We are going to keep our heads about us, although they insist on losing theirs. We trust ourselves despite their doubting. We will not fret about being lied about and we will not deal in lies, and, what is most important, we will not give way to hating. Therefore, Mr Speaker, it is a privilege and an honour to once again commend the Bill to the House. *(Banging on desks)*

Adjournment

Chief Minister (Hon. F R Picardo): Mr Speaker, I now move that the House should adjourn until tomorrow to consider the Committee Stage. The reason for that is that hon. Members will want to know that Sir Joe is able to be tested tomorrow, and, if he were to test negative, it would be possible for him to join us for the Committee Stage of these proceedings, which I know everyone would consider would be helpful and would be welcome.

So, instead of taking the Committee Stage today, we will take it tomorrow. I would propose, Mr Speaker, that we therefore come back at 11 o'clock tomorrow and then be able to determine how best to continue.

Mr Speaker: I now propose the question, which is that this House do now adjourn to Tuesday, 5th July at 11 a.m.

I now put the question, which is that this House do now adjourn to Tuesday, 5th July at 11 a.m. Those in favour? **(Members: Aye.)** Those against? Passed.

This House will now adjourn to Tuesday, 5th July at 11 a.m.

The House adjourned at 2.29 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11 a.m. – 12.45 p.m.

Gibraltar, Tuesday, 5th July 2022

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The Gibraltar Parliament

The Parliament met at 11 a.m.

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

[ACTING CLERK TO THE PARLIAMENT: S Galliano Esq *in attendance*]

Order of the Day

**Appropriation Bill 2022 –
Debate concluded –
Second Reading approved**

Clerk: Meeting of Parliament, Tuesday, 5th July 2022.
The Hon. the Chief Minister.

5 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I believe you have to put the question on the Second Reading.

Mr Speaker: Yes. I now put the question, which is that a Bill for an Act to appropriate sums of money to the service of the year ended on the 31st day of March 2023 be read a second time.
10 Those in favour?

Hon. Chief Minister: Mr Speaker, I call a division.

Mr Speaker: A division has been called.

Voting resulted as follows:

FOR

Hon. P J Balban
Hon. Prof. J E Cortes
Hon. V Daryanani
Hon. Dr J J Garcia
Hon. A J Isola
Hon. G H Licudi
Hon. S E Linares
Hon. F R Picardo
Hon. Miss S J Sacramento

AGAINST

Hon. K Azopardi
Hon. D A Feetham
Hon. R M Clinton
Hon. D A Feetham
Hon. E J Phillips
Hon. E J Reyes

ABSENT

Hon. Sir J J Bossano
Hon. Ms M D Hassan Nahon

Mr Speaker: The result of the division is as follows. There are 9 votes in favour, 6 against and 2 absences, one through sickness and one through family bereavement. The Bill's Second Reading is carried.

**Appropriation Bill 2022 –
Committee Stage and Third Reading to be taken at this sitting**

15 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I beg to give notice that the Committee Stage and Third Reading of the Bill be taken later today, if all hon. Members agree.

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

**Legal Services (Amendment) Bill 2022 –
First Reading approved**

20 **Clerk:** A Bill for an Act to amend the Legal Services Act 2017. The Minister for Digital, Financial Services, Health Authority and Public Utilities.

Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola): Mr Speaker, I have the honour to move that a Bill for an Act to amend the Legal Services Act be read a first time.

25 **Mr Speaker:** I would like to advise the Parliament that the Hon. the Chief Minister has certified that consideration of this Bill is too urgent to permit the expiry of six weeks after the date on which the Bill was published before proceeding on the same. I have the certificate and we can now continue the process.

30 I now put the question, which is that a Bill for an Act to amend the Legal Services Act 2017 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Legal Services (Amendment) Act 2022.

**Legal Services (Amendment) Bill 2022 –
Second Reading approved**

35 **Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola):** Mr Speaker, I have the honour to move that the Bill now be read a second time.

40 The Bill amends the Legal Services Act 2017 (the Act). This had been partly commenced, with some parts coming into force on 1st July 2019. The parts that have already been commenced are mainly those that established the Legal Services Regulatory Authority (LSRA), but not those that enable it to commence its statutory functions of regulating the profession. Currently, the LSRA is carrying out many regulatory functions as agent for the Registrar of the Supreme Court, who remains statutorily responsible.

45 The Bill amends both parts of the Act that have been commenced and parts that have not yet been commenced. The amendments in the Bill had been requested and prepared by the LSRA and approved by its board, which is chaired by Sir Peter Caruana QC and of which David Dumas QC is the CEO. The board includes the Chair and Vice-Chair of the Law Council, previously called the Bar Council. I am assured by the LSRA that insofar as the proposed amendments touch on matters that are currently the responsibility of the Chief Justice, he, too, has been consulted and has approved them.

50 The LSRA has requested these amendments to rectify shortcomings that it has identified in the Act as it is prepared to fully assume its intended functions and responsibilities under it. Once

amended as sought by the Bill, the whole amended Act can be commenced at a date to be agreed with the LSRA, whereupon the LSRA will fully take over the regulation of the legal profession on the terms of the Act.

The amendments are wide-ranging but do not depart from the intended regime created by the Act. Many of the amendments correct unintended consequence of the Act's drafting, introduce necessary structure, clarity and consistency to the regime created by the Act to permit it to be coherent and effective, correct errors in cross-referencing and definitions, and endow the LSRA with the necessary corporate powers and procedures to enable it to discharge its functions.

The Act currently lacks a clear, structured or effective basic regulatory spine in keeping with current regulatory principles, namely prohibition, authorisation and the offence of carrying out without the authorisation. The Act contains contradictions as to who is eligible to apply to be registered in a way that makes registration impossible, since an applicant would need to possess that which he can only obtain after registration. The proposed amendments cure these defects by introducing a clear, coherent regime comprising (1) the prohibition against the carrying out of the prescribed reserved legal activity unless the person is authorised by registration, or exempt; (2) what enables a person to carry out a reserved legal activity, namely registration as an authorised person and the holding of a practising certificate; and (3) the offence of carrying on or holding himself out as providing a reserved legal activity without being entitled to do so, or exempt.

Mr Speaker, I have discussed this Bill with the Hon. Mr Feetham, and, as a result of the shortness of time that has been given for the passing of this Bill, have agreed to enter into discussions with him on any issues that provide him with any difficulty and to meet with the LSRA to ensure that we are able to reach consensus on what is the best way forward. I know there are a number of Members opposite who have an interest, not just political but personal; I would be very happy to meet with them and talk these things through with the LSRA, and the drafters in particular, to ensure we arrive at a Bill that is fit for purpose, as indeed is obviously the intention.

The Bill would render the LSRA a fit-for-purpose regulator of the legal profession, enabling the general public to be adequately protected whilst ensuring the independence of the legal profession.

Mr Speaker, I commend the Bill to the House.

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

Hon. D A Feetham: We will be supporting the Bill.

Sir Peter Caruana reached out to me yesterday in order to discuss this Bill. I know that he is one of the individuals who have been involved in the drafting of the Bill. The Bill is essentially a product of the work of the LSRA and should not be controversial, but of course, because of the shortness of time, as the Minister has indicated, we would like an opportunity to meet with the Minister and also to meet with those who have drafted the Bill in order to ask any questions and clarify any issues that we may have some concerns about.

I, myself, am not certain about the amendments that are proposed for section 5 and, for example, what the implications are in terms of catching out or excluding consultants who may be employed by a firm. It says 'as a partner, director, consultant to' ... must be a consultant to a local firm. There are a number of firms that employ consultants and I just wonder the extent to which that goes. I know that my learned friend Mr Phillips has some concerns in relation to the use of paralegals. Many firms use paralegals, for example, in order to do research. I suppose the answer in relation to that is they are not holding themselves out to offering legal services from Gibraltar because they are doing research for somebody else and that person is licensed to provide legal services. These are the types of issues that we would appreciate the opportunity to be able to discuss with the Minister and also to discuss with the drafters of the Bill in order to ensure that Gibraltar has the best possible product. Subject to that, Mr Speaker, we will be supporting the Bill.

Mr Speaker: Does any other hon. Member wish to make any contribution?
The Hon. Albert Isola.

105

Hon. A J Isola: Mr Speaker, thank you. I am grateful to the hon. Members for their support and, as I mentioned earlier, I would be happy to meet with them to see if there are any issues that require clarification and ultimately, if necessary, amendment by discussing the same with the drafters.

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Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Legal Services Act 2017 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Legal Services (Amendment) Act 2022.

**Legal Services (Amendment) Bill 2022 –
Committee Stage and Third Reading to be taken at this sitting**

115

Minister for Digital, Financial Services, Health Authority 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.

120

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

**Traffic (Amendment) Bill 2022 –
First Reading approved**

Clerk: A Bill for an Act to make changes to amend the Traffic Act 2005. The Hon. the Minister for Transport.

125

Minister for Transport (Hon. P J Balban): Mr Speaker, I have the honour to move that a Bill for an Act to amend the Traffic Act 2005 be read a first time.

Mr Speaker: I now put the question, which is that a Bill for an Act to amend the Traffic Act 2005 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

130

Clerk: The Traffic (Amendment) Act 2022.

**Traffic (Amendment) Bill 2022 –
Second Reading approved**

Minister for Transport (Hon. P J Balban): Mr Speaker, I have the honour to move that the Bill for the Traffic (Amendment) Act 2022 be read a second time.

This Bill amends the Traffic Act 2005 and introduces provisions that will allow for an improved service at the DVLD and change the composition of the Traffic Commission, with focus on the addition of a representative from the Gibraltar Cycling Association as part of this Government's continuing commitment to a greener Gibraltar. In addition to this, changes are being made in order to enhance enforcement powers held by the RGP to ensure that our roads continue to be safe to use, with appropriate deterrents being put in place as part of the first phase of a review of traffic offences in Gibraltar.

I will now move on to the clauses of the Bill, which give more detail on these amendments. Clause 3(2) amends section 6 of the Traffic Act 2005 in order to allow temporary examiners to be appointed for the purposes of examining drivers. The DVLD experienced a backlog of appointments due to the pandemic, and should similar issues arise in the future the Licensing Authority would, for example, be able to engage retired examiners on a short-term basis to deal with the workload.

Mr Speaker, I have given notice that I will, at the Committee Stage, move an amendment to the Bill to amend clause 3(3) and to insert new subclauses (4) to (6). The amendment to clause 3(3) will allow for the composition of the Traffic Commission to change, in line with the Government's continued commitment towards a greener Gibraltar. The change will allow for the addition of a transport planner, an additional member to be appointed by the Government and a representative of the Gibraltar Cycling Association.

The new clause 3(4) amends section 65(2) of the Traffic Act 2005 to address the concerns raised by the Royal Gibraltar Police that a police officer has no legal power to require a person to provide a blood sample unless the police officer has first been advised by a medical practitioner that the condition of that person may be due to a drug – section 65(2)(c) of the Traffic Act 2005. As the law currently stands, this requirement adds to the time and expense to process an individual. That is because a medical practitioner would need to conduct his own impairment tests rather than rely on the RGP's preliminary drug tests which the RGP are empowered to conduct under section 63D of Traffic Act 2005. Moreover, the Gibraltar position can be contrasted with the UK, where, pursuant to amendments to the UK Road Traffic Act 1988, the Police are permitted to request a blood sample without a medical practitioner having first conducted his own impairment tests. This difference puts Gibraltar at a relative disadvantage to the UK in eradicating the problem of driving under the influence of drugs. This amendment is intended to bring section 65(2) of the Traffic Act 2005 in line with the amendments made to section 7(3) of the UK Road Traffic Act 1988.

Mr Speaker, the amendments introduced by the new clause 3, 5 and 6 are a first step to a wider exercise of reviewing traffic offence penalties and the level of fixed penalty notices. The Royal Gibraltar Police have raised concerns that the level of some of the fixed penalty notices for traffic offences has been too low to act as a deterrent. A review has been conducted to make appropriate amendments and this is the first stage of the process, designed to ensure that there would not be a discrepancy between the level of FPN and the underlying penalty for the offence. The general penalty for traffic offences, which applies where no specific penalty is provided for, is being increased from level 1 to level 3 and from three months' to six months' imprisonment. Whether a penalty should be higher or lower than that or where it is already expressly provided for within existing legislation, amendments will be made, as necessary, at stage 2 of the process.

Mr Speaker, I commend the Bill to the House.

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

180 **Hon. E J Phillips:** Mr Speaker, we welcome the amendment to the Traffic Act, particularly in relation to the functionality and the operation of examiners in our jurisdiction, but also welcome the enhancement of powers due to the RGP, so this will have the full support of the Opposition.

185 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Traffic Act 2005 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Traffic (Amendment) Act 2022.

**Traffic (Amendment) Bill 2022 –
Committee Stage and Third Reading to be taken at this sitting**

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

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

COMMITTEE STAGE AND THIRD READING

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

195 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I move that the House should resolve itself into Committee to consider the following Bills clause by clause: the Appropriation Bill 2022, the Legal Services (Amendment) Bill 2022 and the Traffic (Amendment) Bill 2022.

In Committee of the whole House

**Appropriation Bill 2022 –
Consideration of clauses**

Clerk: A Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2023.

Clause 1.

200 **Mr Chairman:** Clause 1 stands part of the Bill.

Clerk: Head 1, Treasury.

205 **Mr Chairman:** Clause 2, head 1, Treasury.

Hon. R M Clinton: Can we stop, Mr Chairman? We are on the Treasury detailed expenditure at the moment?

Mr Chairman: Let's restart. Let's say clause 2, head 1, Treasury, subheads 1 and 2.

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

If could ask, on head 1, Treasury, subclause 2, item (16), the item is headed 'Government office rent and service charges' with an outturn of £10,535,000 for 2021-22 and £10,700,000 for 2022-23. I would be grateful for an analysis.

Mr Chairman, I would just point out that the schedule I was given in answer to Question 270 last week adds up to a total of £2.3 million. I would be grateful if the Government could advise what the bulk of the £10 million is.

Chief Minister (Hon. F R Picardo): Mr Chairman, yes, if the hon. Gentleman looks at the Book, he will see that this is a reduction from £19 million of the actual in 2019-21 – in fact, that is the double year – going down to £10.3 million per year, and this year £10.7 million. The exact figure is £10,692,579 and it is made up as follows: World Trade Centre, £217,486; 323 Main Street, £109,584; Blake House, £69,752; New Harbours, £11,683; Leanse Place £282,994; Suite 6, 57-63 Line Wall Road, £142,862; Suite E, Regal House, £94,114; Euro Towers, £30,887; John Mackintosh Hall, £125,000; Units, ICC 9.3, £91,435; and then all buildings, £9,516,178.

Hon. K Hon. K Azopardi: Mr Chairman, can the Chief Minister just repeat ...? We did not hear it. Did he say 'all' buildings or 'old' buildings?

Hon. Chief Minister: No, in the breakdown I have it is 'all' buildings. I am just trying to find out what 'all' buildings is. Mr Chairman, I can endeavour to provide a breakdown, if hon. Members want. We are just finding it very difficult to see the list that we have, because it is in very small print. It would appear that those are the buildings that hon. Members, when they were in government, put into a company subjected to a loan and we pay rent in respect of that, which is the Gibraltar car parks loan which they obtained, but I will give him, if he wishes, the breakdown building by building – which I think is what he wants – of the £10,700,000.

Hon. R M Clinton: Mr Chairman, it might speed things up if he could just give us a schedule, and then that would be acceptable to us.

Mr Chairman: Anything further on head 1, Treasury?
Mr Clerk, you may proceed to close this.

Clerk: Head 2 –

Mr Chairman: No, hold on. We need to say that head 1, Treasury, subheads 1 and 2 stand part of the Bill.

Clerk: Head 2 ... *[Inaudible]*

Mr Chairman: Mr Clerk, as soon as the Members of the Opposition have stopped asking questions, then we must proceed and read out the head and subheads, so we can give this a bit of a push.

Clerk: Head 3, Office of the Chief –

Mr Chairman: No, head 2, subheads 1 and 2 stand part of the Bill.
You can proceed to head 3.

Clerk: Head 3, Office of the Chief Technical Officer, subheads 1 and 2.

Hon. Chief Minister: Mr Chairman, I am sorry to be very technical about this, but it is important. No. 6 Convent Place is three subheads because it has the COVID subhead in, exceptionally. For the *Hansard* we need to, just technically, have that subhead 3 in as well. Although it is going to zero this year, it is still in the Bill.

Clerk: Head 2, No. 6 Convent Place, subheads 1 to 3.

Mr Chairman: Head 2, No. 6 Convent Place, subheads 1 to 3 stand part of the Bill.

Clerk: Head 3, Office of the Chief Technical Officer, subheads 1 to 3.

Mr Chairman: Head 3, Office of the Chief Technical Officer, subheads 1 to 3 stand part of the Bill.

Clerk: Head 4, Customs, subheads 1 to 3.

Hon. K Azopardi: Can I just ask on that one ...? Can there just be an explanation on subhead 2, item (15), 'ASYCUDA expenses'? That is in relation to what in particular? What new expenses would be necessary?

Hon. Chief Minister: Mr Chairman, this is actually not a new expense. It is a transfer of the expense which hon. Members used to see at subhead 1(1)(d), which was the temporary assistance head. This is an individual who provides a service. He is not an employee of Customs, he provides a service. The view we took when we were looking at this in detail this year is that it is not correct to book somebody who is contracted to provide a service under the temporary assistance head; he should be provided for as an expense of the thing at least that he is providing the contracted service for, which is the ASYCUDA system. This is the person who maintains the ASYCUDA system.

Hon. K Azopardi: On the same head, on item (19), can I ask also about the further clarification on the rise from the forecast outturn of £180,000 to £425,000 in respect of leasing arrangements and what that could be?

Hon. Chief Minister: Mr Chairman, this is the full-year effect of the leasing arrangements for the *Scimitar*. Hon. Members will have seen, the year before, £180,000, which is a part-of-the-year effect, and the full-year effect is the £425,000 – *HMS Scimitar*.

Hon. K Azopardi: So we are leasing the *Scimitar*? On what terms? I do not understand.

Hon. Chief Minister: I think we have announced before that we are leasing the *Scimitar*. It is leased from Damen Shipyards, which means that we are able to replace it should something go wrong with it. We do not suffer the capital cost of having to acquire it and put up the capital, and there are different terms as to maintenance etc., all of which is included in the cost of the lease and is, in the long term, cheaper to the taxpayer than an outright purchase and suffering the cost of the maintenance.

Hon. K Azopardi: Can I just ask, Mr Chairman, on that – unless they have announced it; and, if so, I have certainly missed it – what is the length of the lease?

Hon. Chief Minister: The length of the initial leasing arrangement is three years, Mr Chairman, and I think we announced that when we did the event at the launch of the *Scimitar*.

Mr Chairman: Head 4, Customs, subheads 1 to 3 stand part of the Bill.

Clerk: Head 5, Income Tax, subheads 1 to 3.

315 **Hon. Chief Minister:** Before we carry on, I have just been told it is 42 months, not three years – just to be clear in respect of the earlier answer.

Hon. K Azopardi: Can I ask, on Head 5 subhead 2(9), Contribution to GDC Staff Services, £144,000 compared to £106,000 on the outturn – what is the reason for that?

320 **Hon. Chief Minister:** It is the increase, Mr Chairman, which hon. Members will see reflected on the cover page for head 5, of an additional GDC officer for this financial year.

Mr Chairman: Head 5, Income Tax, subheads 1 to 3 stand part of the Bill.

325 **Clerk:** Head 6, Parliament, subheads 1 to 3.

Hon. K Azopardi: On subhead 1(1)(a), less on salaries expected this year – what is that represented by?

330 **Hon. Chief Minister:** Mr Chairman, there is one member less in the complement of the Parliament and the senior grade in Parliament has changed from senior officer to senior executive officer and that explains the saving.

335 **Hon. K Azopardi:** And then, on subhead 2(8), CPA Expenses, the rise to £100,000 – is that to cover the possible conference that the Minister was talking about last week, or is it something else?

340 **Hon. Chief Minister:** Yes, Mr Chairman, and the hon. Gentleman will see that there is a footnote to that effect at the bottom of the text. I do appreciate, Mr Chairman, that at our age footnotes become harder. If only Sir Joe were here – he spots them immediately.

Mr Chairman: Head 6, Parliament, subheads 1 to 3 stand part of the Bill.

345 **Clerk:** Head 7, Human Resources, subheads 1 to 3.

Hon. K Azopardi: At subhead 2(6), Rents and Service Charges, it is £161,000 this year, as opposed to £33,000 for last year, so, again, could we have a clarification of that?

350 **Hon. Chief Minister:** Mr Chairman, the Public Sector Support Unit, which was the human resources resource for everything that was not the Civil Service, was accounted for separately before; it is now accounted for here, also. All of the costs of human resources for the Government are now consolidated in this place, so that it is easier to see the cost of that, and those are the costs for rent and service charges for the PSSU coming from elsewhere in the Book – it used to be
355 under the GDC.

Hon. K Azopardi: And then, just further down, the line at item (10), the Early Exit Schemes, £2 million, as opposed to £1.6 million. That projection is based on, I guess, an assessment, by the Department, of early retirement, is it?

360 **Hon. Chief Minister:** In part; in particular, the Housing Works Agency and the cost to the Housing Works Agency as the age profile shifts there towards the deal that hon. Members did, which we need to fund.

365 **Hon. K Azopardi:** Entirely a Housing Works Agency cost?

Hon. Chief Minister: No, it is all the early exit schemes. The one which is the one that we have the greatest visibility over is the Housing Works Agency. Others are demand led, in some instances.

370

Hon. K Azopardi: Is there an assessment by the Department of how the possible £2 million would be made up?

Hon. Chief Minister: Mr Chairman, down to the names and dates of birth of the individuals – information which I am afraid I cannot share across the floor of the House. But yes, it is a very accurate assessment of the cost, principally based on the Housing Works Agency because that is the one where we see the age profile and allowing a small estimate to be able to fund those that otherwise might also be agreed during the year, not broken down by Department but by individual.

380

Mr Chairman: Head 7, Human Resources, subheads 1 to 3 stand part of the Bill.

Clerk: Head 8, Immigration and Civil Status, subheads 1 to 3.

385 **Hon. K Azopardi:** I can see there is an increase in GDC staff, but the increase in salaries in Immigration, which is about ... There is a £130,000 difference there, more or less, that does not seem to be reflected in an increase in establishment, so perhaps there can be a clarification. Is that just like a ...?

390 **Hon. Chief Minister:** Mr Chairman, there is an additional higher executive officer in the Department, there is additional executive officer in the Department, there is an additional AA in the Department, one less AO and there are two or more GDCs in the Department. I know that he was asking about the top, but I have told him also about the GDC because we will come to that, and the contribution will also have to cover that.

395

Hon. K Azopardi: I understand the increase in the GDC posts, but that would be reflected, I assume, at item (12), Staff Services, so taking that out ... If you look at the establishment, as it were, on page 36, I can see it is the same number. I understand what the Chief Minister is saying, that there is one more executive officer – because I can see that – one less AO, one more HEO and booked as two less EOs. It is the same number of staff, 25, but the adjustments of the posts accounts for the difference of around £130,000 – that is what we are talking about?

400

Hon. Chief Minister: Yes, I believe that is exactly right, Mr Chairman. The hon. Gentleman needs to see that he is looking at the outturn and the estimate for the year before in the eight hundreds, and the estimate this year. The estimate this year is more precise because I think, from what I understand of this Department, those posts have been filled. The estimates in previous years would have included a half-year provision in some instances, rather than a full-year provision, and therefore, when you do the full amount for the payment of the 25, you will get to the figure that is there now. And, as I told him, the GDCs are reflected in the increase below.

410

Mr Chairman: Head 8, Immigration and Civil Status, subheads 1 to 3 stand part of the Bill.

Clerk: Head 9, Financial Secretary's Office, subheads 1 to 3.

415 **Hon. K Azopardi:** At item (10), where it says 'Supervision of Financial Businesses (Anti-Money Laundering)', I assume that is a notional figure. I just wanted to ask the hon. Members to perhaps

explain the thinking there. Is that a new unit that is being set up under the Financial Secretary for a specific task? What is the thinking behind that?

420 **Hon. Chief Minister:** Mr Chairman, I have not got my earlier Books, but I understand that this has been there for years – it is a provision made in case there is a requirement for supervision of financial businesses, which I think is one of the obligations in statute of the Financial Secretary – but it has never, in the past, been called upon since the financial obligation was there. As most
425 hon. Members will know, where you have a thousand pounds in, it is usually, but not always, a token, and that is a token in the event that the Financial Secretary were to be required to become engaged in the execution of his statutory obligations.

Mr Chairman: Head 9, Financial Secretary's Office, subheads 1 to 3 stand part of the Bill.

430 **Clerk:** Head 10, Government Law Offices, subheads 1 to 3.

Hon. K Azopardi: Can I ask. on item (24), which is professional fees – is that where they book briefing-out fees by the Government Law Officers, or is it is booked somewhere else?

435 **Hon. Chief Minister:** Yes, Mr Chairman, and that is a central vote, so all Departments come through there and all of their private sector legal fees are paid for there.

Hon. K Azopardi: That is litigation, or is it drafting as well?

440 **Hon. Chief Minister:** It is everything, Mr Chairman – litigation, advice, drafting. Anything which is done externally is booked through there and the breakdown is provided online. All his firm's fees are booked through there when paid.

Mr Chairman: Head 10, subheads 1 to 3 stand part of the Bill.

445

Clerk: Head 11, Office of the Deputy Chief Minister, subheads 1 to 3.

Hon. K Azopardi: On item 2(7), the Brussels Office, I notice that the £260,000, which is the estimate for this year, is the same as last year's estimate but quite different to the outturn, so
450 perhaps the hon. Members can explain that issue.

Deputy Chief Minister (Hon. Dr J J Garcia): Mr Chairman, yes. I explained during my contribution on the general principles of the Bill that there had been less work in the context of involving people going to Brussels and all of that will be taken from the Brussels Office, but we do
455 expect that work to spike or to increase in the financial year to come, whether there is an agreement or whether there is not one, and that is why the level of the estimate has been kept at £260,000, even though there was a considerable saving down to £150,000 in the last financial year.

460 **Hon. K Azopardi:** This is a follow-up to that. I assume that these are not salaries, or are they? Are they a contracted service as part of the projection of £260,000, or is this just simply a budgetary provision, for the Brussels Office to do whatever it needs to do in the course of its work, that amounts to possibly £260,000; or are there, built into that, fixed costs because they are subject to contracts, for example?

465

Hon. Deputy Chief Minister: Mr Chairman, this includes the salaries of the office. It also includes the operating costs. It includes, for example, things like transport and travel, protocol

when they organise receptions, visits, meetings for Ministers who might be visiting. It includes all that.

470

Hon. K Azopardi: Yes, Mr Chairman, and then, on (9), Government Communication, Information and Lobbying, is there a similar explanation, so as a result of increased lobbying or communication ...? Can the Deputy Chief Minister perhaps give us an explanation of that? Is that linked to the Brussels Office in any way, or is this a separate provision? Again, the same questions:

475

Hon. Deputy Chief Minister: Mr Chairman, this is a general provision. I outlined in my contribution that there had been less lobbying in person, for example, in places like Washington, New York, London and Brussels, and that is the reason why, although we had estimated £350,000,

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Hon. K Azopardi: So this is a head that is used for international lobbying? The Minister has talked about New York and Washington; I think he mentioned Brussels in the context of this answer. That is what it is for, presumably – is that right?

485

Hon. Deputy Chief Minister: Mr Chairman, yes, this is for the lobbying done by the Department or by my Office. That is generally international, but it could also be local in the sense that an event can be organised in Gibraltar rather than being organised outside Gibraltar.

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Hon. K Azopardi: Does that, for example, take into account things like the United Nations, or is that separate?

Hon. Deputy Chief Minister: My understanding is that the United Nations is separate and comes from a different vote under the Office of Chief Minister if I am travelling with him. If there are things which my Office is doing where I am the senior Minister present, then that will be paid from my Office vote.

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Mr Chairman: Head 11, Office of the Deputy Chief Minister, subheads 1 to 3 stand part of the Bill.

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Clerk: Head 12, Civil Aviation, subheads 1 to 3.

Mr Chairman: Head 12, Civil Aviation, subheads 1 to 3 stand part of the Bill.

505

Clerk: Head 13, Environment, subheads 1 to 3.

Hon. K Azopardi: Can I just ask the Minister – in terms of the posts in Enforcement, they are going down by five, in effect, so is this going to, in any way, affect the enforcement capability of the Department in respect of environmental matters?

510

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes): No, Mr Chairman. These are, in fact, now being filled by GDC posts. Although they remain the same in number, some of them were not actually filled at the time. So, de facto there has been no decrease over the last year or two, but the complement has been adjusted as a result of vacancies that have now come in through the GDC.

515

Hon. K Azopardi: So, if I understand the answer, if we look at the GDC provision, it is exactly the same numbers – 15, and 15 last year – but this year, in Enforcement you have five people

520 fewer. Do I take it from the Minister's explanation that he is saying that even though there were 15 establishment posts under the GDC last year, some of them were not filled; now they have been filled and they have basically taken over the enforcement functions. Is that right?

Hon. Prof. J E Cortes: Yes, that is exactly what I meant.

525

Hon. R M Clinton: Mr Chairman, if I could take the Minister's attention to subhead 2, item (12), Contract Officers, I notice in 2021-22 it was £31,000 and came in at £124,000, and for 2022-23 it is now £54,000. Can I ask the Minister what that is in relation to? Is he confident the number is actually at the right level?

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Hon. Prof. J E Cortes: That is correct. The work related to that will be assumed by people in the establishment, so that the figures are correct.

Hon. R M Clinton: Mr Chairman, I notice, in the list of retitled subheads, that contract officers, according to the reallocation, would relate to the commission of sustainable development. Is that correct?

Hon. Prof. J E Cortes: That is correct.

540 **Hon. R M Clinton:** So, if I understand correctly, you are envisaging the cost of the commission of sustainable development being well over half what it was for the outturn of 2021-22.

Hon. Prof. J E Cortes: Yes, that is correct.

545 **Hon. K Azopardi:** Can I ask, on (14), Cleaning of Streets, envisaged to be approximately £400,000 higher this year – is that head entirely made up of the main contract, or are there other contracts? Is this the one contract; and, if so, what is the reason why that is going up this year?

Hon. Prof. J E Cortes: Yes, the is that street cleaning contract, that one contract.

550

Hon. K Azopardi: My follow-up was what is the reason for the increase of £400,000? If it is a contracted service, is there a built-in contractual increase of £400,000?

555 **Hon. Prof. J E Cortes:** There are the annual increases that are given by the contract, but also there is ... In fact, there was a question about this not long ago, about extending *el turno* to some other blocks as well, so this is a readjustment and an increase in the cleaning of some areas.

Hon. K Azopardi: I see. To what extent can the Minister provide information as to how much of the £400,000 is a built-in increase under the contract and how much is an expansion of services?

560

Hon. Prof. J E Cortes: From what I have in front of me, kindly provided by the Financial Secretary's team, an increase in frequency of cleaning during the summer season will account for £161,760; a new area which we have included is another £22,000; plus another area in the North District, another £14,000; and another area in the South district, another £36,000. We are actually increasing beyond what had been provided in the contracts, so obviously we have to provide additional funds for that.

Mr Chairman: Head 13, Environment, subheads 1 to 3 stand part of the Bill.

570 **Clerk:** Head 14, Collection and Disposal of Refuse, subheads 1 to 3.

Hon. K Azopardi: On the clearing of refuse there is an increase of around £250,000 on wages. Can we have an explanation on that? Is that new posts, posts that have been filled? Is it other increases?

575

Hon. Prof. J E Cortes: Yes, there is full provision for all the wages, whereas last year there was not provision for those posts that had been vacant. Therefore, this rectifies that.

580

Hon. K Azopardi: So when the Minister says there is full provision this year for all the posts, for the wages, as he said, and last year there had not been, have those posts been filled, or are some now vacant? If so, how many are vacant?

585

Hon. Prof. J E Cortes: They are in the process, but the hon. Member will see, Mr Chairman, that overtime is expected to decrease as a result of the posts being filled, so we are providing more in wages and filling those vacant posts, which means there is less need to cover and overtime, so the net effect is down.

Hon. K Azopardi: Sorry, I missed the end – the net effect will be down?

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Hon. Prof. J E Cortes: The net effect is a decrease.

Mr Chairman: Head 14, Collection and Disposal of Refuse, subheads 1 to 3 stand part of the Bill.

595

Clerk: Head 15, Upper Rock Tourist Sites and Beaches, subheads 1 to 3.

Hon. D J Bossino: Thank you, Mr Chairman.

600

If I can take the Minister to subhead 2(16), which is Sites Management Systems, the estimated amount, as he will see, was £550,000 and has shot up quite drastically to £940,000, and the estimated amount for this year is maintaining itself. Can he provide an explanation for that and whether that figure is likely to remain the same going into the future?

And also, if I may, in relation to the establishment, there is also a quite – Okay.

605

Hon. Prof. J E Cortes: Sorry, I did not hear the second part. On the first part, I can say that this is now a full-year effect, whereas the first entry was introduced about halfway through the year. *(Interjection)* In fact, this is the system for our access to the Upper Rock. The higher it is, the more income we get. There is a sliding scale in relation to that. But I think the initial question is why that difference, and that is it was not a full-year effect the first time round.

I did not hear the second part. He asked another question.

610

Hon. D J Bossino: If I may remain with subhead 2(16) for a moment, can he tell us how long that contract is for?

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Hon. Prof. J E Cortes: I do not have that information here, but obviously I would be very happy to give it to the hon. Member. Probably I will get a message within the next half hour, if I send it.

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Hon. K Azopardi: Can I just ask for a follow-up on this? Did I understand the Minister said this is the full-year effect, but he said something like the higher it goes, basically there is then some kind of revenue stream for the Government? Is that right?

Hon. Prof. J E Cortes: Yes, this is in relation to that part of this which is related to St Michael's Cave and the cave experience, and there is a sliding scale that the Government gets money back. The more it costs us the more we get back because it does mean that there is a bigger flow.

Hon. D J Bossino: I think this has been the subject of questions and answers from the Minister, so I think he has provided that information previously.

Hon. Prof. J E Cortes: Yes, I have indeed.

Hon. Chief Minister: If it is helpful to hon. Members, Mr Chairman, there is a counter to this. Head 15, subhead 2(16) has a counter in the blue pages. If they go to page 7, Tourist Site Receipts, they can see that consequent on the increase in the cost is a massive increase in the receipt. So £550,000 arose from £1.7 million of receipts, £940,000 from £2.4 million of receipts, and £950,000 delivers £3.5 million of receipts – so there is a counter to it. The equation the hon. Gentleman is telling them about is there in the blue pages as well.

Hon. R M Clinton: Mr Chairman, just a quick question on subhead 2(27), Contracted Beach Services. I was wondering if the Minister could advise us what that is for and for which entity this contract is in place.

Hon. Prof. J E Cortes: It is for the lifeguard service and its supervision.

Hon. R M Clinton: And who is this contracted with?

Hon. Prof. J E Cortes: I am informed it is ALS Telematics.

Hon. E J Phillips: Mr Chairman, just in relation to subhead 2(11), Leasing Arrangements I think appears twice, in section 25 as well, £5,000 and £9,000. Can the Minister explain that, given the new entry?

Hon. Prof. J E Cortes: Did he say item (11)?

Hon. E J Phillips: ... *[Inaudible]*

Hon. Prof. J E Cortes: Yes, and in fact it appears in several other heads. This is leasing of vehicles. The old vehicles had reached the end of their life and they are now being leased, and that is the provision for that.

Hon. E J Phillips: These are the older vehicles that you are leasing out from ...? *(Interjections)*

Hon. Prof. J E Cortes: And leasing new ones. It includes, I think, a couple of electric motor cycles. I could give him the full list, if he wants it, but it is leasing vehicles to replace old ones that have reached their end of life.

Hon. R M Clinton: Mr Chairman, may I ask, on that particular point, with which entity are these vehicles leased?

Hon. Prof. J E Cortes: I believe it is Bassadone.

Mr Chairman: Head 15, Upper Rock Tourist Sites and Beaches, subheads 1 to 3 stand part of the Bill.

Clerk: Head 16, Education, subheads 1 to 3.

Hon. E J Reyes: Mr Chairman, on subhead 1(1)(b)(i) under Payroll, it says 'conditioned' overtime. The estimate is zero, whereas the forecast outturn is £47,000. Knowing that teachers

are not subject to being in receipt of overtime, how did we incur £47,000 last year, for which we do not foresee any expenditure need for the coming year?

680 **Hon. Prof. J E Cortes:** If I may just say, in answer to the previous question, I have been reminded that in relation to the vehicles, an exercise was carried out and the maintenance of the older vehicles was, in fact, more expensive than leasing new ones. I thought I would give that for completeness.

There are a lot of staff in Education, as the hon. Member knows, who are not teachers and who do overtime – technicians, caretakers, a wide variety of staff.

685

Hon. E J Reyes: Which leads me to the second part of the question. Other than £1,000 token figure for emergency overtime, we do not foresee in the next academic year the need for any overtime at all from these technicians, caretakers and so on?

690 **Hon. Prof. J E Cortes:** The hon. Members will see that, in general, we have removed conditioned over time and we are trying to reduce levels of spending to more urgent provision, and that is where we will then have to deal with it.

695 **Hon. Chief Minister:** In fact, Mr Chairman, the analysis that we did was to look at what type of overtime was being booked as conditioned overtime, and it was not conditioned overtime. For many years – indeed, before our time and beyond – some overtime has been booked as conditioned when it is not conditioned. To be conditioned overtime, it has to be a condition of employment that that person does that overtime, otherwise the overtime has to be because it is needed on a particular day – in other words, an emergency; otherwise, the working day should provide for the job that needs to be done. And so that is why Members will see throughout the Book we are booking it as emergency, unless we have found that there are contracts which have a condition in them which binds the Government to provide the overtime.

700

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

705 I can understand the reason behind what he is saying, yet it does not make that much sense when we see that under industrial wages, which I take it is what cleaners and so on will come under ... I can understand the Chief Minister will say that it is wrong to have just conditioned overtime, so we have the £1,000 token figure for emergency, whereas looking at the previous year's expenses there was £135,000 that was incurred by the industrial staff, which could have been cleaners. I am not entirely certain if the caretaker falls under industrial or non-industrial, but it seems too much of a difference.

710

715 **Hon. Chief Minister:** But the hon. Gentleman is not looking at the wages bill. If he looks at the wages bill, Mr Chairman, he will see that in the year where the overtime was £135,000, the wage bill was £2.6 million. This year, there is a full complement, new people employed and added, and there is £3.6 million, and so there should be less need for people to do work that others would do on overtime, because the complement is filled.

720 **Hon. Prof. J E Cortes:** It is a similar point to the one on the refuse. We are trying to, obviously, reduce expenses, and one way we are doing it is by having the complement and reducing the overtime. The hon. Members will see this right across the Book.

725 **Hon. Chief Minister:** With the caveat that you have also opened two new schools here, which are larger than the schools that they were coming from. So it is exactly that and the two larger schools.

Hon. E J Reyes: If I can go further down, to Payroll, subhead 1(2)(c), under Allowances there is Temporary Assistance, which I understand will be the cover or whatever, but these allowances refer to exactly what?

730

Hon. Prof. J E Cortes: They are for supply cover and there has been a reduction because, as the hon. Member is aware, we are taking on more teachers and learning support assistants. They will be part of the complement and therefore we will require less expenditure and supply.

735

Hon. E J Reyes: Yes, Mr Chairman, I can understand that, but that, I think, is charged to Temporary Assistance. 'Allowances' is when you give a particular allowance for undertaking some sort of responsibility or whatever. I do not understand what 'allowances' covers.

740

Hon. Prof. J E Cortes: You mean (c) Allowances? Okay. Sorry, I thought you were referring to another subhead. In relation to industrial, the industrial complement has a series of allowances which are built into their terms. I am sure the hon. Members are aware.

745

Hon. E J Reyes: Allowances to undertake duties which are not part of the contractual obligations and the basic wages – is that what the Minister is trying to explain?

750

Hon. Chief Minister: No, Mr Chairman. For example, you could have acting allowances, so if you fill the complement you have fewer acting allowances to be paid because people will be ... And here we are dealing with industrials, not with the professional complements, so there are fewer acting allowances to be paid. There will be other allowances that will have to be paid, but they will be down slightly from the £180,000, to about £160,000 on the calculation that we have made to date as an estimate. As I said yesterday in my reply, these are the estimates that we believe will be the amounts paid.

755

Hon. Prof. J E Cortes: But there will be some acting ... A caretaker may be away for a period and somebody has to act, and that is an acting allowance or substitution.

760

Hon. E J Reyes: I am going down to subhead 2(10), Special Education Abroad. We know from the past that this is because of specific needs. Is the Minister aware how many pupils this expense relates to? Is it just one, or have we got two or more pupils?

Hon. Prof. J E Cortes: Yes, it is two at the moment.

765

Hon. E J Reyes: And then on subhead 2(43), the Chief Minister kindly answered that the facilities management was to do with the facilities contract for new schools. I do not think this is the cost of actually building the schools. Is this fees given to manage, or something? Can he expand further? The Minister's explanation was a facilities contract.

770

Hon. Prof. J E Cortes: Yes, in fact I can go a little bit further. This is in relation to a maintenance arrangement for the two new secondary schools, Bayside and Westside. The hon. Member mentioned during his Budget speech the cyclical maintenance, which is sub-subhead 2(35), and that is a similar arrangement for the primary schools, but clearly the new comprehensives are much larger and therefore they require, and it is important that they should have, a maintenance programme, and that is what that is for.

775

Hon. E J Reyes: Thank you, Mr Chairman, that is useful, but just for my own clarification, does the £450,000 estimated cover both labour costs and materials?

Hon. Prof. J E Cortes: Though there will be somebody resident there to deal with reactive maintenance, it is pre-emptive maintenance, making sure that the systems are checked and remain in good condition.

780

Hon. Chief Minister: And, Mr Chairman, for a period the facilities management contract manages items – lifts, air-conditioners – that are in guarantee and are supplied by the same entity that has the facilities management contract, so there should ... In answering the hon. Gentleman's materials point, as long as those materials are items that enjoy a guarantee, there is no cost to the spare parts or other items that may be necessary.

785

Hon. E J Reyes: And then, Mr Chairman, on subhead 2(44), in respect of security services, there is a forecast outturn of £152,000, yet we estimate only half the amount for next year. And whilst we are explaining that, does that refer to just the secondary schools, which is where, walking down the street, we can actually see the security officers, or does it entail other schools as well?

790

Hon. Prof. J E Cortes: This is in relation to the secondary schools. We had provided a certain level of security with a certain number of people there, but in reviewing it after the experience of the first two years we realised that it was actually being overprovided and therefore we were able to reduce it. There is still security, but the level of manpower is lower and we have been able to reduce the expenditure there – but we are satisfied that it is enough.

795

Hon. Chief Minister: It is also no longer a site with materials on it, which is one of the reasons why we were providing the extra security. Now that all of that has gone, we are providing, exceptionally, security at the door of the two comprehensives because of the nature of the comprehensives and the size of them, rather than having to provide the additional numbers of people we were providing before when we were providing it for a comprehensive and the place where there was storage of materials etc.

800

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

805

There is a provision for lunchtime supervision, but is there anything in respect of hot lunches? Is the Government committing itself to that, which has been spoken of previously in this House?

Hon. Prof. J E Cortes: Well, yes, item (41) makes a token provision. We are actually currently in discussions with our preferred bidder after the exercise we did some time ago, so we will know exactly what we need to provide, but the head is there.

810

Hon. E J Reyes: Yes, and that could or could not have a knock-on effect on item (36), which is the lunch supervision?

815

Hon. Prof. J E Cortes: Not really, because we need the lunch attendants anyway, whether they are eating the food that is provided there or the food that is brought in by the children, so I do not see that ... In fact, there was not during the period when we were providing hot lunches before the entity went into administration, so I do not think that is a consequence.

820

Hon. K Azopardi: Can I just ask, as a follow-up to that ...? The Government is in discussions with a preferred bidder, so the intention would be to reintroduce a system this year – and the kind of likely cost? Does the Minister have an idea, or does he not want to say because of the discussions?

Hon. Prof. J E Cortes: No, because we are in discussions with the preferred bidder, and if those do not go ahead we may have to fall on another. So it is an active discussion going on at the moment.

825

Mr Chairman: Head 16, Education, subheads 1 to 3 stand part of the Bill.

Clerk: Head 17, Gibraltar University, subheads 1 and 2.

Mr Chairman: Head 17, Gibraltar University, subheads 1 and 2 stand part of the Bill.

Clerk: Head 18, Heritage, subheads 1 to 3.

Hon. D J Bossino: Mr Chairman, can I take the Minister to subhead 2(13)? I am sure it is capable of easy explanation, but I just do not know what that ... It has 'Heritage' and then it has that amount of £1.21 million. I just do not know what it is.

Hon. Prof. J E Cortes: That is the contract fee for the running of the Gibraltar National Museum.

Hon. D J Bossino: Does he also have an explanation – if I can take him back up to subhead 2(7), Garrison Library Trust – as to why there was an increase in terms of the forecast outturn for 2021-22 of about £23,000, and then it goes back to the previous figure?

Hon. Prof. J E Cortes: I believe it was related to water ingress. There were some additional works that had to be done as a one-off, which incurred an overspend, but it was an emergency. We are now back to the original figure, now that that has been dealt with.

Hon. D J Bossino: And finally, Mr Chairman, in subhead 2(9), 'World Heritage Site Expenses', an explanation as to – which is a good news, I suppose – a decreasing figure.

Hon. Prof. J E Cortes: Yes, it is running smoothly. The initial expenses in setting up the whole system were higher, but now, fortunately, we are able to run it at a slightly lower cost and it is working well.

Mr Chairman: Head 18, Heritage, subheads 1 to 3 stand part of the Bill.

Clerk: Head 19, Culture, subheads 1 to 3.

Hon. E J Reyes: Mr Chairman, in subhead 2(6), in respect of repairs and maintenance, it is repairs and maintenance of which cultural facilities?

Hon. Prof. J E Cortes: Many and all. Remember, this includes a whole range from the Central Hall, the Ince's Hall and some of the art galleries, so it is a general provision – City Hall as well, which includes art galleries as a general provision across the whole of the cultural estate.

Hon. E J Reyes: So, then, accepting that, Mr Chairman, under subhead 2(12), Premises, Clubs and Associations, it was my understanding that a lot of the maintenance was actually charged to that, so what would the £80,000, which is a very substantial increase, be related to?

Hon. Prof. J E Cortes: Because in addition to the cultural premises per se, we also look after premises for other clubs and associations – say the retrenchment block, the recreational rooms in South Barracks, there is another set in Town Range for the dance groups and so on, and Jumpers Bastion, so that is what that refers to. These are premises of clubs and associations, as opposed to the cultural premises which are the ones that are run centrally for cultural purposes. They are different buildings.

Hon. K Azopardi: And so the increase in the Premises, Clubs and Associations?

Hon. Prof. J E Cortes: The increase is that there are more and there are some that are in need of considerable investment due to, again, issues of water ingress that have not been dealt with for a while, and therefore we have had to increase the provision.

885 **Hon. K Azopardi:** Can I, then, ask on subhead 2(13), Music Concert: that provision, I assume, is notional and envisages what?

Hon. Prof. J E Cortes: Yes, it is there so that we do not lose the subhead, but at the moment – as we have said before, very recently, here, in parliamentary questions – there is no intention of
890 us organising a large music concert, although there are others that may be organised by private entities, which we will support but we are not expecting to support financially. But we thought we should keep a token provision there. Hopefully, in the future, things will change and we will be able to do something like that again.

895 **Hon. Chief Minister:** And if there are any costs, Mr Chairman, which are associated with assisting a third party – for example, the provision of GSLA facilities – where expense arose, we would book it here, so it would be visible as the Government's contribution, small as it may be, to any third party organising such a concert. But the Government is not going to organise such a concert.

900

Mr Chairman: Head 19, Culture, subheads 1 to 3 stand part of the Bill.

Clerk: Head 20, Driver and Vehicle Licensing, subheads 1 to 3.

905 **Hon. E J Phillips:** Mr Chairman, just in relation to establishment, there seems to be a decrease in human resource, and then if you look at ... Obviously, the Bill that we have just passed in this House that will go on to receiving Assent envisages the appointment of temporary examiners. I am just wondering where that is provided for in the context of payroll.

910 **Minister for Traffic (Hon. P J Balban):** Mr Chairman, the actual temporary examiners either come from ... The testers themselves will be able to cover. This was due to issues during COVID, when we found ourselves quite stuck, with a lot of people wanting to pass their exams and tests and we did not have the throughput or the capacity. It will either be the testers themselves who will be able to work as driving examiners or they will bring in temporary, retired officers. That will
915 come in through Contracted Services.

Hon. E J Phillips: Thank you for the answer. Would the Minister also explain the spike in the forecast outturn of £44,000 for 2021-22 on Payroll (1)(ii)?

920 **Hon. P J Balban:** The hon. Gentleman is referring to why the increase. Obviously, there is more demand at the counter for counter services, so the increase in overtime there has been due to people coming to the counter to have the fast-track services that we provide for roadworthiness certificates and, mainly, logbooks. When people purchase new cars the expectation is that they will be able to take these cars quickly, so we have an express counter which has to be manned
925 and able to provide throughput of newly bought cars.

Hon. E J Phillips: Did that also, for a time, include the issuing of international driving licences?

930 **Hon. P J Balban:** It could include it, if there is a need. When we were not sure what was happening in terms of our responsibilities because of Brexit, there would have been a time when there was a lot more demand at the counter, and that would reflect on that sum as well.

Hon. E J Phillips: Also, just in relation to subhead 2(17), Incentive Scheme – Importation of Hybrid Vehicles, obviously the Government has a commitment to incentivising the import of hybrid vehicles. Why does the Government anticipate a reduction in that amount?

935

Hon. P J Balban: Mr Chairman, we do not envisage a reduction; in fact, it is a token amount. We do not know what people will be purchasing henceforth, so we just provide an estimate based on previous years, and that is the estimate provided in the Book.

940

Hon. E J Phillips: The reason I ask that is it is helpful to understand the answer, because obviously recent statements by one commercial entity put the figure for hybrid and EV at 65% of new purchases. That is why I was asking that question.

945

Hon. Chief Minister: Mr Chairman, the reality is that last year we saw the figure go up to £115,000. It is impossible to accurately predict how many vehicles that are sold locally will be eligible for this support and, indeed, will claim the support, so the Government considered that we should provide for 60 vehicles and see if there were more that were registered and claims made, but it is very difficult to provide an accurate estimate here. It would be wrong, however, of us to book just £1,000, because we know it is going to be more; but it would be excessive to simply follow last year's amount, because the number of electric vehicles is going up. So there are a lot of factors, but I think the prudent thing is just to put in a figure like 60 – which increases the figure we provided for last year, which was 50 – and see where we get to.

950

955

Hon. R M Clinton: Mr Chairman, just one question on the charges: comparing 2(1), General Expenses, with 2(19), General Office, I would be grateful if the Minister could explain the difference between these two heads. Why does this particular Department have two heads for 'general'?

960

Hon. P J Balban: Mr Chairman, the General Office is actually the GDC staff, so that reflects their pay as a separate entry.

965

Hon. R M Clinton: Mr Chairman, I could be wrong but I would have thought they would come under Payroll somewhere and then be a recharge by the GDC, rather than have a line as another charge.

970

Hon. P J Balban: Mr Chairman, the £649,000 is the total and the difference between (19) and (20) is the salaries of General Office, which is £76,000, and the Transport Inspectors, which is £573,000. If you go to page 193 in the green pages you can actually see the breakdown reflected there, the £573,000 and the £76,000, which is above, for the General Office.

975

Hon. R M Clinton: Mr Chairman, I am grateful for that. May I suggest that perhaps in future they adopt the same presentation as other Departments, which show a payment to, for example, the environmental contribution, Gibraltar Development Corporation staff services? That may be an easier way to make sure that we can follow the numbers through the Book.

975

Hon. Chief Minister: We are happy to consider that, Mr Chairman.
I move that the House should now recess to four o'clock this afternoon.

Mr Chairman: The House will now recess to four o'clock this afternoon.

The House recessed at 12.45 p.m. and resumed at 4.04 p.m.



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 4.04 p.m. – 8.29 p.m.

Gibraltar, Tuesday, 5th July 2022

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The Gibraltar Parliament

The Parliament met at 4.04 p.m.

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

[ACTING CLERK TO THE PARLIAMENT: S Galliano Esq *in attendance*]

Order of the Day

Appropriation Bill 2022 – Consideration of clauses concluded – Clauses approved

Clerk: We continue with the Committee Stage of the Appropriation Bill 2022.
Head 21, Technical Services, subheads 1 to 3.

5 **Hon. E J Phillips:** Mr Chairman, just in relation to Other Charges, 2(6) Rent and Service Charges, at £81,000 it seems to have crept up reasonably significantly and I wonder whether the Minister might be able to explain.

10 **Minister for Transport (Hon. P J Balban):** Sorry, could you repeat the head? I did not catch it.

10 **Hon. E J Phillips:** Subhead 2(6) on page 79, Other Charges – Rent and Service Charges.

10 **Hon. P J Balban:** Mr Chairman, that is the rent for the offices I presently use at Europort.

15 **Hon. E J Phillips:** Thank you very much for the answer. Can the Minister explain why the increase? Is that in relation to those offices? I assume he has always been based at those particular offices, or are they new?

20 **Hon. P J Balban:** No, Mr Chairman, that used to be the office of the Minister for Transport when I was Minister prior to 2019. Then I moved, with Employment, down to New Harbours, and when I was appointed as Minister for Transport I came back to the old offices that were in Europort, so that is why it has been up and down.

25 **Hon. E J Phillips:** Apologies, I did not get the answer to the question in relation to why the increase in rent and service charges.

30 **Hon. P J Balban:** Because that office was not in use. I was not using those offices when I was Minister for Employment, I was using the offices down at New Harbours. When I moved out of Employment and their offices I went to Europort, which is where my offices are today.

30 **Hon. E J Phillips:** So, in essence, it is a new rental arrangement with the landlord?

Hon. P J Balban: Mr Chairman, the expenditure will be in a different head, as those offices were occupied by some other Minister previously.

Mr Chairman: Head 21, Technical Services, subheads 1 to 3 stand part of the Bill.

Clerk: Head 22, Social Security, subheads 1 to 3.

Mr Chairman: Head 22, Social Security, subheads 1 to 3 stand part of the Bill.

Chief Minister (Hon. F R Picardo): Mr Chairman, as you are going through the next few sections of that one can I just remind the House that unfortunately Sir Joe is not able to join us this afternoon for the Committee Stage. I know that he will be watching assiduously. These are the heads that are his ministerial responsibility, so we shall do our best to assist the House in his absence.

Clerk: Head 23, Statistics Office, subheads 1 to 3.

Hon. R M Clinton: Mr Chairman, in relation Payroll, Personal Emoluments, subhead 1(1), in relation to the actual salary grades, which are on page 268, I notice that, unlike last year, most of the grades for the Statistics Office are now described as 'personal to holder'. I was wondering why that would be.

Hon. Chief Minister: Because we have got rid of the ring-fencing, Mr Chairman.

Hon. R M Clinton: Mr Chairman, I am grateful to the Chief Minister for his answer. I am afraid I do not follow what he means by 'ring-fencing'.

Hon. Chief Minister: Well, Mr Chairman, when they were in government they entered into an arrangement – in fact, in some instances it may go back even further but they extended it to some other Departments – whereby individuals were given an amount in respect of an uplift, and I think it was 12%, but in exchange for that 12% they were not permitted to move to other Departments. We do not think it is in the interest of public servants that they should not be able, throughout their careers, to move to other Departments, so we no longer require them to stay in the Department and therefore we no longer pay new entrants a 12% uplift in respect of the penalty they are suffering in not being permitted to go to other Departments.

Hon. K Azopardi: Mr Chairman, can I ask on item (9), on the Census ...? The estimate was £176,000 last year, and the same this year. I guess COVID interrupted the work and this is now projected to happen – is that the case?

Hon. Chief Minister: Yes, Mr Chairman.

Mr Chairman: Head 23, Statistics Office, subheads 1 to 3 stand part of the Bill.

Clerk: Head 24, Economic Development, subheads 1 to 3.

Mr Chairman: Head 24, Economic Development, subheads 1 to 3 stand part of the Bill.

Clerk: Head 25, Procurement Office, subheads 1 to 3.

Mr Chairman: Head 25, Procurement Office, subheads 1 to 3 stand part of the Bill.

85 **Clerk:** Head 26, Justice, subheads 1 to 3.

Hon. K Azopardi: Can I just ask Government to clarify the increase in complement and what the thinking is behind that?

90 **Minister for Justice, Equality and Public Standards and Regulations (Hon. Miss S J Sacramento):** Mr Chairman, there is no increase in the complement. It will relate to people who will probably appear in other pages in the Book, but there are certainly not more people. This will be as a result of the reshuffle since the last Book.

95 **Hon. K Azopardi:** Is it that certain functions have been absorbed under the head of the Justice Ministry which were not previously there? Is that the reason for these people to appear here?

Hon. Miss S J Sacramento: They may well have appeared under the Equality head last year, because last year I think Justice and Equality appeared as one head and this year it is separate.
100 There are certainly not more staff and there are not more people, Mr Chairman. It is a question of presentation; they would have been in other heads previously. When we look at head 30 on page 102, Equality, the hon. Member will see a decrease of four there, so it is an adjustment but it is most certainly neutral.

105 **Mr Chairman:** Head 26, Justice, subheads 1 to 3 stand part of the Bill.

Clerk: Head 27, Gibraltar Law Courts, subheads 1 to 3.

Mr Chairman: Head 27, Gibraltar Law Courts, subheads 1 to 3 stand part of the Bill.

110

Clerk: Head 28, Policing, subheads 1 to 3.

Mr Chairman: Head 28, Policing, subheads 1 to 3 stand part of the Bill.

115 **Clerk:** Head 29, Prison, subheads 1 to 3.

Hon. D A Feetham: Mr Chairman, just one question that we are debating here. If one looks at the estimate for 2021-22, it is £180,000, as indeed the estimate for this year, but the forecast
120 outturn was £215,000. Could the Minister perhaps provide us with a reason why the forecast outturn is higher than the estimate? And, therefore, is the estimate for this year, £180,000, realistic in the light of the forecast outturn? *(Interjection)* Payroll – I beg your pardon, it is Manning Level Maintenance.

Hon. Miss S J Sacramento: Mr Chairman, there were incidents last year which required
125 deployment of prison officers outside of HM Prison and that contributed to the effect of the recurrent expenditure. For example, there was an inmate who was in hospital. If someone is taken out of the Prison and is out for a considerable period of time, it will have ... That was not forecast at the preparation of the Estimates and that had an impact on the recurrent expenditure in that regard.

130

Hon. D A Feetham: Is that overtime? In other words, if you have somebody in the Hospital, there has to be a 24-hour, round-the-clock guard there? I do not quite follow the point the Minister is making. *(Interjection)*

135 **Hon. Chief Minister:** Exactly. Mr Chairman, that is not the head that he is looking at. If you were looking at the individual having 24-hour security outside of the Prison, then that would not

be Manning Level Maintenance; you would be looking at overtime, which would be demand led and would be emergency overtime. What is happening is that in the period when some people have to be in the Hospital, you may be down on manning level in the Prison so you have to call people into the Prison. That is the head that he is looking at – Manning Level Maintenance.

Hon. Miss S J Sacramento: Mr Chairman, if I can add to that as well, in relation to retaining the manning level in prison, last year had the cost of COVID factored in, so if officers were away from work because they were either positive with COVID or in isolation for any other reason – for being in close contact – then somebody had to come in and cover in order to maintain the manning levels. That is why last year is additionally high, because it was not something that could be foreseen, nor could the manning level maintenance be avoided in any other way.

We also have to bear in mind that the Prison, as the hon. Gentleman will recall from my Budget speech, was exceptionally full last year as well, therefore it was even more important to ensure that the manning level was maintained.

Hon. K Azopardi: Can I ask, on item 2(11), the Multi-Agency Public Protection Arrangement – what is that?

Hon. Miss S J Sacramento: Mr Chairman, I explained this at length in my speech last week. The Multi-Agency Public Protection Arrangement is abbreviated to MAPPA and is the management of sex offenders, and that amount will be in relation to training.

Mr Chairman, the hon. Gentleman has referred to MAPPA in 2(11), but that is actually head 30 and I thought that we were –

Mr Chairman: We have jumped the gun here. (**Hon. K Azopardi:** Sorry.) Yes, we are still on head 29.

Hon. K Azopardi: I apologise.

Hon. Miss S J Sacramento: ... [*Inaudible*] MAPPA, being multi-agency, appears in various of the heads.

Mr Chairman: Head 29, Prison, subheads 1 to 3 stand part of the Bill.

Clerk: Head 30, Equality, subheads 1 to 3.

Hon. K Azopardi: The answer you gave me when you mentioned the management of sex offenders applies to this as well – is that right? Okay.

Mr Chairman: Head 30, Equality, subheads 1 to 3 stand part of the Bill.

Clerk: Head 31, Civil Contingency, subheads 1 to 3.

Mr Chairman: Head 31, Civil Contingency, subheads 1 to 3 stand part of the Bill.

Clerk: Head 32, Gibraltar Regulatory Authority, subheads 1 and 2.

Mr Chairman: Head 32, Gibraltar Regulatory Authority, subheads 1 and 2 stand part of the Bill.

Clerk: Head 33, Town Planning and Building Control, subheads 1 to 3.

Hon. D J Bossino: On subhead 2(60), Rent and Service Charges, can the Minister explain why the increase in 2021-22 and then the decrease, which seems to accord with the estimated figure for last year?

Mr Chairman: Who is dealing with Town Planning?

Hon. Miss S J Sacramento: Mr Chairman, I am advised that the rent was increased but then it was renegotiated and therefore decreased, which is why we see the reduction back to £205,000.

Hon. D J Bossino: I am sure for completely different reasons, but we see a similar increase and then a back-to-normal, it seems, decrease in the same subhead att (13), which is an employment matter, clearly, but it is 'Contribution to GDC' – if she can explain why that is the case?

Hon. Chief Minister: Mr Chairman, I believe that this is because, as a result of the lockdowns, we actually brought somebody in for a short period last year to assist, but did not add them to the complement, so they were just literally brought in from the GDC and they are no longer there. I am talking from memory, because as that person will have come in and out in the previous financial year, I do not have the details here for the spend for this financial year.

Mr Chairman: Head 33, Town Planning and Building Control, subheads 1 to 3 stand part of the Bill.

Clerk: Head 34, Office of Fair Trading, subheads 1 to 3.

Mr Chairman: Head 34, Office of Fair Trading, subheads 1 to 3 stand part of the Bill.

Clerk: Head 35, Fire and Rescue Service, subheads 1 to 3.

Mr Chairman: Head 35, Fire and Rescue Service, subheads 1 to 3 stand part of the Bill.

Clerk: Head 36, Airport Fire and Rescue Service, subheads 1 and 2.

Hon. K Azopardi: Mr Chairman, can we just ask about the increase from the outturn of about £350,000 to the Fire and Rescue Service and what that is for?

Hon. Chief Minister: Mr Chairman, this is a settlement of an outstanding part of the contract – or the arrangement; it is not a contract – entered into with the MoD, which, when it was resolved, left outstanding the issue of migration of some pensions. There was a migration, in effect, to people from the MoD pension scheme of those who were going to continue. There had to be an adjustment made and it has taken us some time to negotiate, but that is the effect of it going forward.

Hon. K Azopardi: Sorry – it is the effect of it going forward, so it is not a one-off, it is a going-forward cost?

Hon. Chief Minister: No, I do not ... it continues.

Mr Chairman: Head 36, Airport Fire and Rescue Service, subheads 1 and 2 stand part of the Bill.

Clerk: Head 37, Housing, subheads 1 to 3.

240 **Hon. D J Bossino:** This is a very important question and it may be challenging to answer, but
there is an overall increase in the Salaries section, which is 1(1)(a) – although I see that the total
payroll actually goes down, so I am not sure why there is an increase at the top of the tree there,
from £574,000 to £610,000, and yet the overall summary complement in the Department goes
down by £5,000, from £29,000 to £24,000.

245 **Hon. Chief Minister:** That is because we are filling the vacancies, Mr Chairman. What will
happen is people will qualify for the higher salaries and therefore the cost of the full complement
is the £610,000. Even though you might see a reduction, when you put people into those existing
vacancies, which are, in effect, promotions, that is the full-year effect.

250 **Mr Chairman:** Head 37, Housing, subheads 1 to 3 stand part of the Bill.

Clerk: Head 38, Employment, subheads 1 to 3.

255 **Mr Chairman:** Head 38, Employment, subheads 1 to 3 stand part of the Bill.

Clerk: Head 39, Youth, subheads 1 to 3.

Mr Chairman: Head 39, Youth, subheads 1 to 3 stand part of the Bill.

260 **Clerk:** Head 40, Sport and Leisure, subheads 1 to 3.

Mr Chairman: Head 40, Sport and Leisure, subheads 1 to 3 stand part of the Bill.

265 **Clerk:** Head 41, Digital Services, subheads 1 to 3.

Hon. K Azopardi: Can I just ask, firstly on the salaries at Personal Emoluments, Payroll 1(1)(a) ...
an explanation of that increase, given the overall establishment seems to be lower?

270 **Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola):**
Mr Chairman, it is the same as the last answer: filling in vacancies that were not in last year.

Hon. K Azopardi: Does the Minister know how many vacancies have been filled for that
difference?

275 **Hon. A J Isola:** No, Mr Chairman, I do not have that information with me.

Hon. K Azopardi: Can I, then, ask about item 2(7), Consultancy Services, and what is
envisaged? What is the scope of that, for what purpose, and so on?

280 **Hon. A J Isola:** Mr Chairman, these are five individuals on consultancy agreements.

Hon. K Azopardi: So five separate consultancy agreements for individual names, not
companies? Am I right to assume that these were all entered into during the course of the last
year and therefore account for the increase in the forecast outturn? And also, £224,000 would be
the full-year effect – is that right?

Hon. A J Isola: Yes, that is right.

290 **Hon. K Azopardi:** And what is the scope of the services these individuals are providing to the
Ministry?

Hon. A J Isola: The scope is varied. Some of these individuals are working with contractors, whom we then reach agreement with to have consultancy arrangements directly, which is far cheaper. Hence the switchover from [inaudible] – some of them, not all of them – to directly consulting at a significantly reduced cost.

Hon. K Azopardi: Yes, but I am trying to understand what they are actually doing for the Ministry. What kind of services are they providing?

Hon. A J Isola: Mr Chairman, it varies across the scope of different services, from software developers to ...

Hon. K Azopardi: Can I just pull a thread so I understand it? Are these individuals providing services on a focused basis in respect of the proposed rollout, say, for example of e-government or digital services, or is it outward-facing services? Is it in relation to that – client-facing services? Or is it in relation to support for internal government administration?

Hon. A J Isola: No, Mr Chairman, it is not internal government administration; it is in respect of the design of the services, and as and when those services are completed the consultants' arrangements will then cease.

Hon. R M Clinton: Mr Chairman, just one additional on that point: these consultants, are they located in Gibraltar, or could they be elsewhere?

Hon. A J Isola: I think they are all located in Gibraltar. They could be elsewhere, but I do not think they are.

Mr Chairman: Head 41, Digital Services, subheads 1 to 3 stand part of the Bill.

Clerk: Head 42, Information Technology and Logistics Department, subheads 1 to 3.

Mr Chairman: Head 42, Information Technology and Logistics Department, subheads 1 –

Hon. D A Feetham: May I just ask one question?

Mr Chairman: Of course.

Hon. D A Feetham: What is the difference in consultancy services that appear under this head and the consultancy services that appeared in the head we were just discussing a few minutes ago?

Hon. A J Isola: Mr Chairman, they will be similar, providing software design and services to ITLD for specialists.

Hon. D A Feetham: Providing support, aren't they, to the local, Government-employed IT Department, if I can call it that, in Gibraltar? Some of them are providing support. I am asking the Minister because I am familiar with somebody who is a consultant and is employed under a consultancy agreement.

Hon. A J Isola: Mr Chairman, there is one individual in particular who is and has been working with us for a very long period of time and is critical to the work that we do, for example, for the Income Tax Office. He has been involved in most of the transition from what we have to where we want to go. Others are directly supporting ITLD in the development of software that they

require to provide for some of the services they are rolling out for Government. So it is varied, but obviously all within the Government network.

Hon. D A Feetham: But some of these contracts will be directly between the Government and the individual consultant, rather than between the Government and an organisation that then essentially employs these people? That is correct, is it? Or is it a mixture of both?

Hon. A J Isola: Mr Chairman, it is a mixture of both. The individual I mentioned who works with us on the Income Tax and a number of other critical data systems that we operate is an individual, but one of the other contractors ITLD works with is a company and we have had the same two individuals working with us for some time from that same company.

Hon. K Azopardi: Can I just ask on that point, is it the same individuals or some of the same individuals under this head as in the previous head, or are they different?

Hon. A J Isola: Mr Chairman, they are different.

Hon. K Azopardi: Can I just understand ...? In view of the answer he has given my hon. colleague it is slightly confusing. Who is spearheading the rollout of e-government services? Is it that both Digital Services and Information Technology and the Logistics Department are both doing that in different areas? Is that right?

Hon. A J Isola: Yes, Mr Chairman. One cannot work without the other. You have the back end and you have the front end, and the two different parts come together when the rollout happens.

Hon. K Azopardi: I understand that, but in terms of the overall rollout, does the Government not think it should perhaps be in some way merged in the planning and then rollout? Let me explain my question. I am just not understanding why there are two different Departments planning e-government, both of which also have consultants engaged to do that. Why isn't there one Department driving all this?

Hon. A J Isola: I think if I talk about the gentleman who is helping us with the Tax Office, who has been working with us for many years – long before the e-government project ever happened – within ITLD he is critical to the transition because he is an individual who knows how to write what requires to be written to create the API to link the two services together.

So there are two separate and distinct functions that each one of those two teams is dealing with. As you know, ITLD is responsible for the entire government network, for the network itself, its maintenance, for our entire email system. Without that backbone, or spine, whatever you put on the front cannot work. So they are very different but they are interconnected.

Hon. K Azopardi: To help me understand, ITLD is, as you say, running the backbone – if I can use that analogy – and making sure that the Government system works, so to that extent I can understand their involvement in the planning of e-government. Would it be right for me to think, then, Digital Services is the more client-facing, consumer-led role, and that is what they do, and it is the interface between those two Departments that then allows the rollout of e-government? Is that what the Minister is saying? If he is not saying that, I am not understanding why there need to be two Departments; I am just not understanding.

Hon. A J Isola: Mr Chairman, there is a design and build of e-services; that is what Digital Services does, the design and build of the e-services. You are working out what each Department requires. You have analysts going in to see what each Department requires and how that can best be delivered, then you design it, and then you build it with the relevant Department. Once you

get through that process, you then plug into the back end. There could already be databases that we have in other parts of Government which we want to link an API to, to link it up so that we link up the old and the new. You have to censor the data that you have, to make sure it is consistent, and then you put them together and they are rolled out. So both parts are critical to the development we are doing, but they are totally different to each other.

Hon. D A Feetham: Yes, I understand all that, but what I do not understand is if this particular company has a contract with the Government in order to undertake these services, why is the Government paying extra in order to employ extra consultants? I thought that these consultants might have been people the Government is employing in order to help them implement whatever strategy the company the hon. Gentleman has mentioned essentially provides for the Government. In other words, it is extra manpower but with a consultancy for the Government itself, rather than essentially people under the umbrella of a company, which it seems logical to me would have been included within the original contract they have with the Government.

Hon. A J Isola: Mr Chairman, in respect of the contract that the providers of servicing ITL deal with, that is a far shorter term and that is in the process of being terminated. The job is done and now they are being terminated. The other consultants, the individuals like the one who is helping us with the tax and the billing of the API will continue. So, some have a job to do and then they move on – that is the reason why they are in the way that they are.

Hon. R M Clinton: Mr Chairman, I am still trying to ... just developing the point my colleagues are discussing, ITLD seem to have in their establishment a large number of technical people, but if you look at the establishment for Digital Services you have a lot of administration officers. What kind of project development can these people do? What skills do they bring?

Hon. A J Isola: I have just referred to the business analysts who go into each of the Departments to understand exactly what each Department does, what their forms look like if what we are doing is transitioning from paper to digital. If you do not understand in some detail what that is and engage with the Departments to a huge degree, you cannot begin to build what they are going to need in a digital format for it to work, so the administrative officers are actually business analysts.

Mr Chairman: Head 42, Information Technology and Logistics Department, subheads 1 to 3 stand part of the Bill.

Clerk: Head 43, Broadcasting, subheads 1 and 2.

Hon. K Azopardi: Again, Mr Chairman, the increase in the contribution to GBC of £250,000 – what is the scope of that? What is the intention there?

Hon. A J Isola: Mr Chairman, the majority of that is rental of property, which is now being picked up by GBC – rental in respect of the new premises.

Hon. K Azopardi: Thank you for that. The majority of the increase is the rental – is that what he said? So what is the rental for the new premises?

Hon. A J Isola: Mr Speaker, the rent is £300,000 per annum, so it accounts for the increase and some has been cut off.

Hon. K Azopardi: And I assume the lease is in the name of GBC – is that right? And if so, what is the length of the lease?

Hon. A J Isola: Mr Chairman, the lease will be in the name of GBC. It has not yet been completed. Rent is being paid – we are in the process of finalising that. It is a long-term lease. I cannot remember exactly how long it is. There is an option to purchase from the developers at the end of a period of time, during which the rents paid to date will be set off against the price, so that could be looked at in the coming period.

Hon. K Azopardi: And the intended lease is with the developer – is that right? And the developer entity, do we know who that is?

Hon. Chief Minister: The developer entity is the entity to whom they gave the tender for the site, which was Sharrock Shand. The lease is being negotiated for Sharrock Shand by Triay Stagnetto Neish.

Mr Chairman: Head 43, Broadcasting, subheads 1 and 2 stand part of the Bill.

Clerk: Head 44, Financial Services, subheads 1 to 3.

Hon. R M Clinton: Mr Chairman, on subhead 1(1)(f) there is reference to 'Central Register' and in the establishment numbers on page 132 there was one HEO there and there is obviously no real expense in the outturn. I was wondering what the 'Central Register' refers to and what is the alternative provision for it.

Hon. A J Isola: Mr Chairman, I believe – and I will be corrected shortly, if I am wrong – that we had a person specifically looking after that register last year, and this year it is somebody from within the Finance Centre office who covers that.

Hon. R M Clinton: Mr Chairman, just to be absolutely clear, the register we are talking about is the Register of Beneficial Owners?

Hon. A J Isola: Yes, Mr Chairman.

Mr Chairman: Head 44, Financial Services, subheads 1 to 3 stand part of the Bill.

Clerk: Head 45, Gambling Division, subheads 1 to 3.

Mr Chairman: Head 45, Gambling Division, subheads 1 to 3 stand part of the Bill.

Clerk: Head 46, Health and Social Care, subheads 1 to 3.

Hon. E J Phillips: Mr Chairman, in relation to Appendix F, on pages 224-25, just insofar as relief cover, whether the Minister could explain the estimate of £1 million? Clearly there is a huge difference between the actual [inaudible] 2019-21 and the forecast outturn for 2021-22 was £11.1 million. Can the Minister explain the £1 million provision at item (12) on page 225?

Hon. A J Isola: Mr Chairman, could I suggest we deal with that when we get to those pages?

Hon. E J Phillips: Yes, because I think that the hon. Member [inaudible]

Mr Chairman: Head 46, Health and Social Care, subheads 1 to 3 stand part of the Bill.

Clerk: Head 47, Gibraltar Health Authority Elderly Residential Services Section, subheads 1 and 2.

500 **Hon. K Azopardi:** The same point arises here, Mr Chairman, that we may have questions but they are on the green pages – so when we get there.

Mr Chairman: Head 47, Gibraltar Health Authority Elderly Residential Services Section, subheads 1 and 2 stand part of the Bill.

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Clerk: Head 48, Care Agency, subheads 1 and 2.

Mr Chairman: Head 48, Care Agency, subheads 1 and 2 stand part of the Bill.

510 **Clerk:** Head 49, Drug and Alcohol Awareness and Rehabilitation Services, subheads 1 to 3.

Hon. E J Reyes: Mr Chairman, on subhead 2(18) there is £10,000 set aside under the heading 'Youth Service'. Can we have some clarification on what 'Youth Service' actually does?

515 **Hon. A J Isola:** Mr Chairman, it relates to programmes, drugs related, for under-17s, to create more awareness and support for young under-17-year-olds.

Hon. E J Reyes: And the section in subhead 2(20), Secondment, £242,000, is that in respect of salaries? It does not appear under Payroll, it just appears under Secondment – whether it is human resources or whatever it is.

520

Hon. A J Isola: Mr Chairman, this is a provision for seconded Care Agency personnel for the Rehabilitation Centre – Bruce's Farm.

525 **Mr Chairman:** Head 49, Drug and Alcohol Awareness Rehabilitation Services, subheads 1 to 3 stand part of the Bill.

Clerk: Head 50, Utilities, subheads 1 and 2.

530 **Hon. K Azopardi:** Can I just ask on item (6) Salt Water System – Contract – AquaGib Ltd, and on (5) ...? These are AquaGib contracts. In view of the proposed purchase of AquaGib, is that going to in some way impact on these arrangements?

Hon. A J Isola: Mr Chairman, no, that would continue.

535

Mr Chairman: Head 50, Utilities, subheads 1 and 2 stand part of the Bill.

Clerk: Head 51, Business, subheads 1 to 3.

540 **Mr Chairman:** Head 51, Business, subheads 1 to 3 stand part of the Bill.

Clerk: Head 52, Tourism, subheads 1 to 3.

545 **Hon. D J Bossino:** Mr Chairman, the overall staff complement has reduced by four. Can the Minister explain why that is the case and whether that is the intention going into the future? Is that the direction of travel?

550 **Minister for Business, Tourism and the Port (Hon. V Daryanani):** Mr Chairman, this is part of the restructure that we are looking at, at the moment, within the Tourist Board. The decrease in complement ... There are some people who have retired and some who ... we took the decision that they were surplus to requirements within the Tourist Board and that they would be better

off in another Government Department. Insofar as the future is concerned, I hope to discuss the final part of the restructure with the new CEO of the Tourist Board when he starts on 1st September.

555

Hon. D J Bossino: In relation to that particular individual, is he within the 14 under the GTB staff? Is the CEO of the GTB one of the 14 in number which the Hon. Minister has envisaged will continue to be employed under (4) which is the GDC staff?

560

Hon. V Daryanani: Mr Chairman, he is not part of that complement, as the contract was done after the Book was published. (*Interjection*)

565

Hon. R M Clinton: Mr Chairman, I note, in terms of the estimate for next year, that in fact total tourism costs are expected to go up by £271,000. I was wondering if the Minister could indicate what particular values – I notice that most of it seems to be in marketing – he intends to extract from this additional expenditure, which is obviously not a reduction.

570

Hon. V Daryanani: Which additional expenditure is the hon. Member referring to, Mr Chairman?

Hon. R M Clinton: Sorry, Mr Chairman, yes, on subhead 2(13), Marketing, what is the intention there?

575

Hon. V Daryanani: Mr Chairman, the intention is to market. If he looks at the estimate of 2021-22, it was £850,000 and we have estimated it will go down to £700,000, so £150,000 less than it was the previous financial year.

Mr Chairman: Head 52, Tourism, subheads 1 to 3 stand part of the Bill.

580

Clerk: Head 53, Postal Services, subheads 1 to 3.

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Hon. R M Clinton: Mr Chairman, in relation to subhead 1(1), Postal Emoluments, there is quite a large increase in salaries, and I do note on page 156, on the establishment side, it is going up from 58 to 79, of which I notice 22 seem to be in respect of messengers. I am just wondering why the Post Office now needs 22 messengers, and is the increase of salary entirely due to that?

590

Hon. Chief Minister: Mr Chairman, the hon. Gentleman, in his detailed analysis, will have noted that there are no messengers anywhere else in the Book and that, therefore, all the messengers are now coming under the head of Post. So there is not an increase in salary, there is just a centralisation of all the messengers in the Government in one place.

595

Hon. R M Clinton: Mr Chairman, I am grateful to the Chief Minister for his answer. Is there any particular logic in that? Is there some efficiency gain anticipated to have them under the Ministry of Postal Services?

600

Hon. Chief Minister: Yes, Mr Chairman, because messengers in the Government deliver letters and that is what a postal service is, the delivery of letters. And so if it was felt that it was a better and more efficient way to record the service that is being provided, even if it is being provided in Departments, under the head of Postal Services, which is what our messengers do. Although they will continue to be deployed in the Departments and they will continue to do the excellent work they do, the way we account for them will be through here.

Mr Chairman: Head 53, Postal Services, subheads 1 to 3 stand part of the Bill.

Clerk: Head 54, Port, subheads 1 and 2.

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Mr Chairman: Head 54, Port, subheads 1 and 2 stand part of the Bill.

Clerk: Head 55, Maritime Services, subheads 1 to 3.

610

Hon. E J Phillips: Mr Chairman, just in relation to the establishment on page 161, it appears that the assumption remains the same whilst salaries appear to be lower at £687,000, even with the forecast outturn 2021-22 at £800,000, which seems to be consistent with the two years 2019-21. If the Government could explain how they intend to make those savings there?

615

Hon. V Daryanani: Mr Chairman, I have not heard the hon. Member's question. Speak louder, please.

620

Hon. E J Phillips: Sorry, I just thought everyone was fed up of my loud voice over this long period of time, but I will repeat the question. The establishment appears to remain the same, whilst the forecast outturn for 2021-22 was at £800,000, which is pretty consistent with the actual previous two years. I am just wondering how the Government intends to achieve those savings on the £687,000 at Salaries in head 55, Payroll, page 162.

625

Hon. V Daryanani: Mr Chairman, we had one vacancy last year and we have four vacancies this year. That is why the cost in general will be lower.

630

Hon. D A Feetham: Mr Chairman, may I invite the Minister to look at 2(14) in the first instance? The Minister will see the estimate for 2021-22 is £114,000, the outturn was £116,000, and now the estimate is dropping down to £80,000. I just wonder how that saving is expected to be achieved.

May I also invite him to look at Investigations at (12) –

Hon. Chief Minister: One at a time.

635

Hon. D A Feetham: I have no problem with that.

Hon. V Daryanani: The reduction, Mr Chairman, is due to the negotiation with the MCA.

640

Hon. D A Feetham: Can you just explain that a little bit, so that perhaps Members can understand it?

Hon. V Daryanani: We persuaded them to reduce the cost.

645

Hon. D A Feetham: So this has been, in the past, a fixed cost or a percentage cost? How did the Government persuade them to reduce the cost?

Hon. V Daryanani: It was a fixed cost, Mr Chairman.

650

Hon. D A Feetham: Can the Minister also look at item (12)? He will see the forecast outturn at £45,000 in terms of Investigation Expenses. Then, if he looks at Maritime Accident Investigation Expenses, he will see that the estimate was £150,000 for the year ending 2022. The forecast outturn was £27,000, so it came in significantly lower, and now it is going up to £90,000. Is that essentially an ongoing explanation for that? Is there an ongoing investigation that straddles two financial years, so you have to take the £27,000 together with the £90,000? Is there any

655 connection at all between that and Investigation Expenses at (12); and, if not, what is that forecast
outturn of £45,000 when an estimate of £1,000 was placed in the Estimate Book last year?

Hon. V Daryanani: Mr Chairman, in the questions that the hon. Member asks reference (12)
and (16), both are demand led and that is why they vary so much.

660

Hon. D A Feetham: Do they relate to just one case, or do they relate to more than one case?

Hon. V Daryanani: Various cases, Mr Chairman.

665 **Hon. Chief Minister:** Mr Chairman, the hon. Gentleman should be interested to know that
these are the costs associated with those investigations and the Maritime Accident Investigation
Expenses. There is a receipt by the Government of those costs and additional amounts in the blue
pages of revenue.

670 **Mr Chairman:** Head 55, Maritime Services, subheads 1 to 3 stand part of the Bill.

Clerk: Head 56, Gibraltar Audit Office, subheads 1 to 3.

675 **Hon. R M Clinton:** Mr Chairman, with reference to subhead 1(1), Personal Emoluments, it is, I
guess, possibly the same point as I raised on the Statistics Office. If we go to page 260, where we
have the Government's salaries, it would appear that most of the auditors are now also personal
to holder. Is that the same reason as we heard earlier in respect of the Statistics Office?

680 **Hon. Chief Minister:** It is the same answer as I gave earlier in respect of the Statistics Office,
Mr Chairman.

Mr Chairman: Head 56, Gibraltar Audit Office, subheads 1 to 3 stand part of the Bill.

685 **Clerk:** That concludes clause 2 of the Appropriation Bill.

Mr Chairman: Clause 2 stands part of the Bill.

Clerk: Clause 3, head 58, Contribution to Government-owned Companies.

690 **Mr Chairman:** Page 167.

Hon. D A Feetham: Mr Chairman, can the Government confirm that £30 million, as per practice
in the past, goes into Gibraltar Investment Holdings Ltd, the company at the top of the pyramid of
all Government-owned companies?

695

Hon. Chief Minister: No, Mr Chairman, it does not go into Gibraltar Investment Holdings, it
goes into different companies which in the judgement of the Government require the direct
injection of capital. As the hon. Gentleman knows, this is a practice that we introduced when we
were elected because the companies were not getting sufficient injections of capital and therefore
700 we were seeing companies with very large amounts of losses that were not being made good and
were simply being written off, in particular the trading companies. GIH is not a trading company
but you have other companies which are trading and which have losses because they do not
receive income, and this is sometimes put directly into those companies to ensure that the loss is
redressed. This is the 10th year that we do this, I think, so now we have contributed £300 million
705 to the companies structure in this way.

Hon. R M Clinton: Mr Chairman, would the Government be able to provide a breakdown as to which companies are likely to be beneficiaries of this £30 million? Certainly I recollect having asked this question in the past and being told that it all went to Gibraltar Investment Holdings. Obviously what we are hearing today is it does not go directly, necessarily, to that – at least not this year. Could he give us an indication of amounts going to which companies?

Hon. Chief Minister: Mr Chairman, let me correct what I have said. The injection into the company structures may go through Gibraltar Investment Holdings. The spreading of the £30 million goes into different companies. It does not stay in Gibraltar Investment Holdings.

Hon. K Azopardi: As I understand his answer, entry point Investment Holdings and then to different companies, so each year will be different, the onward transmission of funds will be different each year – is that right? Do they have a projection of where the money is going this year?

Hon. Chief Minister: Mr Chairman, yes, the injection is into Gibraltar Investment Holdings and then it is distributed in keeping with the views of the directors of Gibraltar Investment Holdings etc. The Government commitment is to provide £30 million a year to the Government companies structure because it was not being provided before, and therefore the companies structure was being left with losses.

Hon. K Azopardi: I understand that answer but it is not really what I asked. What I asked specifically was do they have a projection of where the money is going to go this year, or is this a notional provision and they will then, as the year goes on, make a dynamic assessment of where the money is going? Is that the answer to that particular question?

Hon. Chief Minister: Yes, Mr Chairman, that is the answer to that particular question, based on the trading needs of the companies – in other words, the companies that are trading and their income is not sufficient to cover their expenses, but they have employees etc.

Hon. K Azopardi: And so, as it is dynamic, I guess they cannot tell how they are going to use the money this year – but how did they use the £30 million last year?

Hon. Chief Minister: Mr Chairman, that, I think, is information which relates to the companies structure, not to the Government accounts.

Hon. K Azopardi: I am just asking if ... The Government has indicated it receives ... It sends an injection to Investment Holdings and then spreads it, depending on which company needs the money. I am just asking the direct question: in the year that has just gone, how has the £30 million been used beyond Investment Holdings?

Hon. Chief Minister: Mr Chairman, I am giving him a direct answer and I will give it again: to pay the losses of the trading companies.

Hon. K Azopardi: I just wanted to know which companies received what moneys.

Hon. Chief Minister: The trading companies, Mr Chairman – the Bus Company, for example, is a trading company – the companies that are incurring liabilities because they are paying wages, because they have employees, and they are not getting income. The Bus Company receives very little income from the public because it is free – some people pay but not a lot of people pay – and so, in order to make good those losses, where previously there were just losses under the

former administration, we now provide this amount to ensure that the trading companies have their losses provided for.

Hon. K Azopardi: I am asking specifically, because I understand there are a number of trading companies, which of the trading companies received what money from the £30 million.

Hon. Chief Minister: Allocations are not yet finalised for last year, but it would include Gibraltar Air Terminal, Gibraltar Car Parks, Gibraltar Bus Company and Kings Bastion Leisure Centre.

Hon. K Azopardi: Would it also include Gibraltar Joinery and Building Services?

Hon. Chief Minister: No.

Mr Chairman: Head 58, Contribution to Government-owned Companies, subhead 1 stands part of the Bill.

Clerk: Head 59, Transfer from Government Surplus, subhead 1.

Mr Chairman: Head 59, Transfer from Government Surplus, subhead 1 stands part of the Bill.

Clerk: Head 60, Contribution to the Improvement and Development Fund, subhead 1.

Hon. D A Feetham: Mr Chairman, if one looks at the contribution to the Improvement and Development Fund, we see the estimate in the year ending 2022 at £16.5 million and we see the forecast outturn at £19.5 million. We now have an estimate for the coming year of £1,000. That is a notional figure, I understand, but does the Government have an idea of essentially how much realistically is going to be needed as contributions into the Improvement and Development Fund from projects that the Government may have in mind for the next financial year? Of course, £1,000 is unrealistic.

Hon. Chief Minister: I refer the hon. Gentleman to the reply I gave yesterday to hon. Members, in particular to Mr Clinton, where I explained in detail why we had put in £1,000 and where we expected the revenue to come from. I am surprised he does not remember. Perhaps some of what was said yesterday has affected his ability or his desire to remember what I said.

Mr Chairman: Head 60, Contribution to the Improvement and Development Fund, subhead 1 stands part of the Bill.

Clerk: Head 61, Contribution to the COVID-19 Response Fund, subhead 1.

Hon. R M Clinton: Mr Chairman, just a general question: would the Government envisage closing the COVID Response Fund at the end of the financial year 31st March 2023?

Hon. Chief Minister: We would very much wish to, Mr Chairman, but I think we will be having to continue to consider where we are on COVID. Only this morning I have been reading the frankly terrible news that once again there are considerable issues – once again in the United Kingdom mandatory facemasks on the wards to fight against COVID in the NHS – and the unfortunate news of a press release that the Government will soon issue of another COVID death today in Gibraltar. I think we would all want to share the hope that this financial year we will be able to close the COVID Fund, and that those who pray should pray that we can, and those who hope should hope hard.

810 **Mr Chairman:** Head 61, Contribution to the COVID-19 Response Fund, subhead 1 stands part of the Bill.

Clerk: That concludes clause 3 of the Appropriation Bill 2022.

815 **Mr Chairman:** Clause 3 stands part of the Bill.

Clerk: Clause 4, head 62, Exceptional Expenditure, subhead 1.

820 **Mr Chairman:** Head 62, Exceptional Expenditure, subhead 1 stands part of the Bill.
Clause 4 stands part of the Bill.

Clerk: Clause 5, head 57, Supplementary Provision, subhead 1.

825 **Mr Chairman:** It is page 166. It has always been the case that we go back. *(Interjection)* Yes. So it is on page 166. We are still on clause 5, Supplementary Provision, head 57.
Head 57, Supplementary Provision, subhead 1 stands part of the Bill.
Clause 5 stands part of the Bill.

Clerk: Improvement and Development Fund, head 101, Works and Equipment, subhead 1.

830 **Mr Chairman:** This is clause 6. We are a page 174.

Hon. K Azopardi: Mr Chairman, can I ask on 'Contribution to Housing Works Agency', which is (g) – *(Interjection by Hon. D J Bossino)* Sorry, did you want to pick that up?

835 **Hon. D J Bossino:** No, I was going to ask Edwin. He raised it in his speech.

Hon. K Azopardi: Can we have an explanation of how they intend to use that money?

840 **Hon. D J Bossino:** And why the reduction?

Hon. K Azopardi: And the reason for the reduction compared to last year.

845 **Minister for Industrial Relations, Employment, Housing and Sport (Hon. S E Linares):**
Mr Chairman, it is a question of trying to cut down on waste, as in turnover of houses. We are also offering more people, so that they can get the houses earlier ... that they do their own self-repair. So there are a couple of schemes that we are doing, and we think that we can get to that amount this year.

850 **Hon. D J Bossino:** Is that a complete explanation, Mr Chairman? It seems like a significant reduction from £4.6 million to about £2.7 million, when, as I understand it, all that has been done is encouraging people to do their own self-repair. The quid pro quo that the individual gets the tenancy earlier is what I understand the Minister to have said, but is that the totality of the explanation as to the intended reduction of waste, as he put it?

855 **Hon. Chief Minister:** Mr Chairman, there are also fewer houses to repair. They will have seen from the answers we give them that we have been making sure that we get as many houses out the door as possible, so the number of houses that are awaiting repair before handover are lower. So you have got the work that the Housing Works Agency does in repairs of areas etc., but in the whole refurbishment of homes that are pending refurbishment to be handed over to new tenants
860 you have got the new system that the hon. Member is talking about and you have actually got a

lot fewer houses that are waiting to be handed over. At some stage that has got to happen. As you become as efficient as we have in making sure that we get houses in and get them out the door, so to speak, to the tenants, you have fewer and fewer of them available. We probably expect to see that next year there will be more money spent here for the simple reason that, as Hassan Centenary Terraces phase 1 is handed over and more people who are in government housing will leave homes and move into the new homes at Hassan Centenary Terraces, more homes will be available to repair or refurbish and hand over to new tenants. But at the moment, the exercise is coming to ... not an end, because there are always people who pass away or move to the elderly housing and we have homes to repair, but at the moment the numbers of houses ... If he traces it through the questions that they asked, the number of houses available has become a smaller number because you have had all the handovers of affordable estates etc., and as you move towards the next handover of estate, which is the big thing that makes homes available, you will see that number rise, but that will be after the next financial year, not in this one.

Hon. D A Feetham: But, Mr Chairman, isn't part of the explanation that during 2019-21, because we are dealing with lockdown years, there are essentially no works being undertaken during those years? So, essentially what you see in the year ending 2022 is a catch-up with what has not been done during the two previous years because of the lockdown. Now that we are reaching normality, what you see is a downturn from the £4.6 million to the £2.7 million. Essentially, what you are moving to is a more normal situation (**A Member:** Hear, hear.) because last year was an abnormal situation.

Hon. D J Bossino: Trying to catch up.

Hon. D A Feetham: Yes, exactly.

Hon. Chief Minister: No, Mr Chairman. Attractive though it might be to simply say yes in order to move on, that is not the case because the amount of work that could be done in the year after lockdown year would have been the same anyway – we could not have done double the work. And in any event, the reason it is zero in the earlier year is not the lockdown – the lockdown does not take you to zero, because you are not locked down for the whole year – it is because it was booked somewhere else and not there. This is a new subject. I can hardly see what I am being shown these days, but it is page 175 in the disappearing subhead which is at the bottom of the page, 'Housing: Works and Repairs'. So, even when it comes to conjecture that might have been helpful to the Government, I cannot agree with the hon. Gentleman.

The breakdown includes starting some external refurbishment works in a number of estates, which is also covered through here. It is not just the individual houses, it is also the external refurbishment works for some of the estates. (*Interjection*) That is right, yes.

Hon. E J Phillips: Mr Chairman, just in relation to (1)(n)(iii) and (iv), Environment and Roads, I know that the Minister for Transport gave the explanation for the increase in relation to sewers and drains, but insofar as road maintenance and resurfacing I noted quite a significant increase. Can the Minister give a bit more of an explanation in relation to that?

Hon. Chief Minister: Mr Chairman, there are a number of explanations. The Hon. Minister I am sure will be able to say more, but in respect of what has come to me, for example, we are expecting to open the tunnel approach road, which will mean that all of that work on resurfacing etc. will have to be done in this financial year, which is quite a considerable project. It is the opening of the largest section of road that Gibraltar has opened probably in a number of generations, and that will have to be dealt with this financial year in addition to the annual provision that is made for continual resurfacing.

915 **Hon. E J Phillips:** I just asked that question because I thought that that was already being provided for under another head, the runway tunnel. These are the approach roads that I think the Chief Minister is referring to.

920 **Hon. Chief Minister:** 'Tunnel' is the tunnel and the project for the tunnel ends at a particular point. Beyond that, you are dealing with the approach roads, which are not part of the government tunnel project.

Hon. K Azopardi: Mr Chairman, just moving on slightly to ... Are we still on head 101? Okay, well, then, I will ask my questions ... *[Inaudible]*

925 **Mr Chairman:** Head 101, Works and Equipment, subhead 1 stands part of the Bill.

Clerk: Head 102, Projects, subheads 1 to 7.

930 **Hon. K Azopardi:** On that, can I ask: on the MoD Lands, specifically on MoD Project Euston, so that particular sum there in relation to (a) the £305,000 on MoD Lands ... Let me just ask that first. What are those relocation costs for?

935 **Hon. Chief Minister:** The short answer to that, Mr Chairman, is the contract that *they* signed with the MoD for the relocation of property. The exact spend I will find in a moment.

Hon. K Azopardi: In relation to (2)(b), which is the Project Euston – Requested Works, can the Government perhaps explain the scope of those works?

940 **Hon. Chief Minister:** Mr Chairman, I can confirm that this is the amount that the taxpayer is still having to pay in respect of Lands Agreements 2004 and 2007 and Lands Agreement 2011 – that is to say the Lands Agreement that they entered into. I am trying to get the detail of the works that are still being done.

945 On £305,000, as part of the Land Transfer Agreement for the Lathbury Barracks parade ground, which I think is Agreement 2007, there is a need to demolish the old band block building and construct a new car park for 60 parking spaces. Half of this will be provided at the Lathbury car park, which will make it cheaper, and the other half of the band block site – the GSD agreement 2004-07.

950 Both the other amounts are infrastructure works which are being carried out in respect of the Four Corners estate. They are being carried out at the request of the MoD in one instance and otherwise as part of the agreement, but both are funded by the MoD. In other words, this is the cost but there is a compensatory payment by the MoD because it was not something that was covered that we were required to do – but we are doing and we are being refunded by the MoD so that they only have one contractor on site.

955 **Hon. K Azopardi:** Can I ask on item (3), Reclamation Projects, what reclamations would that be in respect of?

960 **Hon. Chief Minister:** Mr Chairman, this is the cost of moving that part of the rubble which is in the Eastside reclamation and which is going to Victoria Keys and to Coaling Island.

Hon. K Azopardi: Is the entire £5 million for that purpose, or is it part of that £5 million?

965 **Hon. Chief Minister:** There are a couple of other tokens in there. The vast majority, about £4 million, is that processing, and some other works at the Coaling Island reclamation – caissons etc. – is the other £1 million. The rest is just a token for some investigatory works elsewhere.

Hon. E J Phillips: Mr Chairman, just in relation to head 102, subhead 1, Roads and Parking Projects, I do not want to labour the point, but if you look at (a)(i) and (ii), Tunnels and Roads to North Front and Highways Resurfacing Programme, in relation to the answer the Chief Minister gave me in respect of the general head under 101(iv)(n), Road Maintenance and Resurfacing, the answer was that the increased cost there was in relation to roads that led to the tunnel and he explained the segment of the tunnel that was under the particular cost ... I am not casting aspersions, but it does seem slightly duplicitous in terms of the language of the subhead that we are looking at, insofar as roads to North Front and tunnels and highway resurfacing programme, when it would appear to have been provided in the answer that the Chief Minister gave. I just wonder whether he might be able to provide further information as to that, or the breakdown.

Hon. P J Balban: Mr Chairman, traditionally there have always been two sections within the I&DF regarding road resurfacing and repair. One of them is the highways maintenance programme, which is something that happens every single year, and that is the resurfacing of vast stretches of road. We have seen that on Queensway and we have seen it along Rosia Road. We still have not decided and finalised what areas we are going to be doing in this year's major resurfacing works. That accounts for one of those subsections and the other one includes the stretches of road, once the tunnel is finished, around the new roundabout at Devil's Tower, at Eastern Beach exit and also what today is the entrance into Gibraltar, which will also be cut off because of the runway. It also includes pothole repair when it rains and we have smaller areas which need to be fixed; and also, when a smaller section road of road is in need of repair because it has been repaired multiple times, we may choose to do a bigger patch repair, but it is not in the highways resurfacing programme, it is not a programme resurfacing a whole road, it is a small section of a road because it has got into a bad state of repair because of lorries or whatever. So traditionally there have always been those sections, one the resurfacing campaign, and two the general maintenance of the roads.

Hon. E J Reyes: Mr Chairman, on subhead 4, Other Projects, there is a point where there is not a subhead to the subhead. I am looking at page 180. One of the items close to halfway down the page refers to Boat Moorings, for which there was, last year, an estimate of £1,000 but there was no forecast outturn and no further provision made. Can we have some clarification on what boat moorings that subhead was referring to?

Hon. Chief Minister: Mr Chairman, on page 180, which is the italicised bit, those are all the disappearing subheads. That is why they are zero this year.

Hon. E J Reyes: But what I am asking for, Mr Chairman, is ... In the previous year, we had an estimate of £1,000, of which no expenditure was incurred, and my question is what boat moorings was that heading referring to. There is the Small Boats Marina and there are other places with boats, and I am seeking clarification in respect of which boats this heading would have referred to.

Hon. Chief Minister: None, Mr Chairman, because none were done.

Hon. E J Reyes: Mr Chairman, I cannot find it here but is there a provision under any of these projects for the commitment that apparently Government has given to those individuals who moor their boats at what is commonly known as the old Sheppard's Marina? Is any provision made for the expenditure in respect of that project?

Hon. Chief Minister: Mr Chairman, the old Sheppard's Marina became Ocean Village. Is the hon. Gentleman referring to the Watergardens Marina, not the old Sheppard's Marina? In relation to the Watergardens Marina I understand that that cost is being undertaken by the Port Authority.

I do not think it is here, is it? It may be in the green pages, but I do not think it is here as a government capital project.

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Hon. E J Reyes: If I understood correctly, I think that the Minister is saying that that is a Port Authority project. Can I find anywhere in the Book what the estimate would be towards those works which I have seen in a written manner? The Minister has confirmed to those who moor their boats there that some works will be undertaken.

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Hon. Chief Minister: Yes, but not yet, Mr Chairman. He can see it when we get to the green pages under Port Authority.

Hon. K Azopardi: Sorry, can I just go further back, to page 177, and in particular subhead (4)(r) Infrastructure Provision for New Developments? That is in respect of what particular development? Are we talking about the ...? I imagine it is not the housing projects, because Housing Projects is at (o), so what developments is that in relation to?

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Hon. Chief Minister: Mr Chairman, this is the new pumping station that is going to be required on the Eastside, part of that cost; the Western Water Mains Relief Project, where the project will be completed with this year's provision; a new sewage pumping main from Eastside to Transport Road; South Jumpers intermediate sewage pumping station; a new sewage pumping main from the Dockyard Road to Transport Road; a service corridor from Ragged Staff to Harbour Views; Coaling Island development infrastructure; and the extension of the storm water culvert on the Eastside.

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Hon. K Azopardi: And is any of that infrastructure provision for the Eastside recouped in any way through the agreement with the Eastside developers, or not?

Hon. Chief Minister: Well, when they pay us £90 million, the £200,000 that it costs will have been recovered. The Government has always agreed to provide infrastructure to the edge of that plot, and this is the Government's obligation to take the infrastructure to the edge of the plot.

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Hon. K Azopardi: So this is to the edge of the plot and then in the plot itself the developer will undertake the cost at their expense?

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Hon. Chief Minister: On the plot itself it is the obligation of the developer; to the edge of the plot and interconnection, therefore, on the edge of the plot is what the Government is responsible for. That is exactly the same position that we inherited from them in respect of the £28 million deal that they had done on the Eastside, which Mr Clinton thought we should not have undone, although we have done a £90-plus million deal on the Eastside.

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Hon. K Azopardi: Can I ask on (za), Works to Buena Vista Estate: the projection of £1.173 million, last year, £325,000 but the estimate was £1 million – can I assume that this is just cost that straddles both financial years? Is that right? And in respect of what, given that the total would be higher than last year's estimate?

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Hon. Chief Minister: Mr Chairman, this is works to the estate which the Government has agreed to do because of the state in which the properties were in when we took them over. We hope to be able to recover a lot of the cost that we are having to expend on these properties from the MoD and we will have to negotiate that with them, but the reason why last year we estimated spending a million and did not manage to spend it was twofold. First of all, the MoD did not move out from one of the blocks that they continued to occupy, which they were occupying in lieu of the old Britannia House on Queensway until later in the period than was anticipated, and

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1070 therefore the cost could not be expended. Therefore, part of the cost is now to refurbish that
block before it is sold to the successful tenderers. That block is the block known as Phillimore and
Prevost House. Then there is a cost to repair the footpaths and the road inside the estate, which
are not private footpaths and not private roads, they are highway. And then some refurbishment
1075 works which are still due in respect of some other parts of the estate where there is a balance to
complete.

Hon. K Azopardi: And can I ask on (zb), Soft Loans and Repairs to Housing Estates, the reason
why they envisage that degree of expenditure, £640,000, to housing estates? Do they have a
particular project plan in mind, having discussed it with housing estates?

1080 **Hon. Chief Minister:** Yes, Mr Chairman, and he can see that we had anticipated spending more
last year and we were not able to. This includes works in respect of Cumberland Terraces and
Nelson's View, Calpe Quarters, Beach View Terraces, Bay View Terraces, Brympton Mount View,
Brympton Bridges and Harbour Views.

1085 **Hon. K Azopardi:** And this is engagement, presumably, between the Government and the
tenants' associations, the management companies of these estates, and agreements reached in
respect of each? When it says 'soft loans', presumably there is some kind of financing put in place,
which is then repaid out of service charges? How does it work?

1090 **Hon. Chief Minister:** Yes, Mr Chairman, it is exactly that. There are some works which are
carried out by the Government and there are some works which, either because the tenants'
associations and management companies want to carry them out and because they sometimes
also want to carry them out at the same time as the Government is mobilising its own contractors
1095 to carry out those works, we carry out together. But the management company may not have the
ability to finance them at this time, which would just mean having to pay for mobilisation costs in
the future. The Government therefore looks at what it considers as its obligations, usually as a
developer in respect of these estates at the beginning of their lives when things might have gone
wrong and need to be repaired as latent defects, and the things which are desirous to be done to
1100 the estates which the management company simply want to do and which are not the obligation
of the taxpayer. We reach an accommodation with those management companies on that which
they wish to do but the Government has no obligation to do, or considers it has no obligation to
do ... they do, and, where necessary, we provide them with loans that they then repay from the
roll of service charges, which is the income of the management companies. We have been doing
1105 that for some considerable time since we were elected, and indeed it is something that they were
doing when we were elected also.

Hon. K Azopardi: Can I ask on (4)(a), is it too early to say the kind of projected costs that that
joint facility would cost the UK-European treaty joint facility?

1110 **Hon. Chief Minister:** Yes, Mr Chairman, it is too soon. We do not know what it will cost, we do
not know how we will spread the cost of that, but we believe it is possible that it is a cost that may
have to be incurred in this financial year. That is why we have made a token. If we did know what
it was going to cost, we would have put it in there.

1115 **Hon. K Azopardi:** And then, on the next line, which is (zj), Relocations Associated with
Affordable Housing Projects, are these moneys in respect of the Bob Peliza/Chatham Views
projects, or one of the projects, or other projects?

1120 **Hon. Chief Minister:** Mr Chairman, this is in relation to all of the projects, so Hassan Centenary
Terraces, Bob Peliza Mews and Chatham Mews.

Hon. K Azopardi: In respect of Hassan Centenary, what kind of relocations are associated with that development?

1125 **Hon. Chief Minister:** There are a number of leaseholders on the site in respect of leases that ...
In fact, the ones that need to be relocated I think are leases that they granted and they therefore need to be provided for elsewhere.

1130 **Hon. K Azopardi:** I am not sure I understand. I understand that there are commercial leases adjoining. Is that what he is talking about, that the property extends to ...? There needs to be a relocation of the commercial tenants on the adjoining plots – is that what he is saying?

Hon. Chief Minister: There needs to be a relocation of one construction tenant.

1135 **Hon. K Azopardi:** Is there a breakdown of how the £3½ million would be spent across the various ...? If you had to book them in accordance with the particular affordable housing projects, how would the £3½ million fall to be divided?

1140 **Hon. Chief Minister:** Mr Chairman, at the moment there is a token provision made in respect of one of them, so £1,000; there is a very specific provision made in respect of another, which affects only one relocation, and therefore I am loath to give the figure because we are negotiating and hoping to reduce it, and therefore, if I give him any other number it will be possible for the counterparty to the negotiation to know how much we have provided for, although we wish to negotiate further down from that number.

1145 **Hon. D J Bossino:** Subhead (4)(a), Heritage Building Refurbishments – can more particulars be given for that? There is only a provision for £10,000 given to it. I just wanted to get a bit more sense of detail in relation to that item.

1150 **Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof. J E Cortes):** Can you repeat the question? I was looking for the ...

Hon. D J Bossino: Yes, of course. Mr Chairman, it is just more detail on item (4)(a), which is Heritage Building Refurbishments.

1155 **Hon. Prof. J E Cortes:** This is an allocation which will be used for any issue that arises during the course of the year in which a heritage building or monument requires some works.

Hon. D J Bossino: And the same question in relation to (4)(g), which is Heritage Projects.

1160 **Hon. Prof. J E Cortes:** This is in relation to specific projects that I mentioned during my speech last week, two of them being repairs to Southport Gates and the Tower of Homage.

1165 **Hon. R M Clinton:** Sorry, Mr Chairman, just jumping down to page 179, subhead (4)(zzj), Digital Transformation, we seem to have an estimate of £450,000 that came in at close to £3½ million, which is a significant difference, and I was wondering if the Minister could advise why that was.

1170 **Hon. A J Isola:** Mr Chairman, I will have to revert to him. It was formerly called E-Services and it is now Digital Transformation across the entire Government, but I have to get that breakdown for him so I can explain it to him more clearly. I do not have that information here.

Hon. D J Bossino: Mr Chairman, may I ask why (zzm), which is Beautification of Landport to Casemates, and then (zzx), Landport Gate, are treated separately? Is it not the same project?

1175 **Hon. V Daryanani:** Mr Chairman, subhead (zzm) – is that what the hon. Member is referring to?

Hon. D J Bossino: And subhead (zzx).

1180 **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Chairman, just to clarify, this is part of the Walk the Wall project which the Government announced a long time ago and which I believe already has planning permission for parts of the project. That entry refers to that project.

Hon. D J Bossino: By ‘that entry’ – because I was referring to two – presumably the hon. Member is referring to (zzm).

1185 **Hon. V Daryanani:** No, (zzm), Mr Chairman, is the beautification that we announced recently via Casemates tunnels.

Hon. D J Bossino: So what the Hon. the Deputy Chief Minister was referring to then is (zzx) – is that correct? Landport Gate? Okay.

1190 Is the reason why the Duke of Kent House Gibraltar Archives, (zzu), is only allocated £1,000 ...? I think in answer to a question, or during the course of his speech, the Hon. the Chief Minister mentioned a feasibility study that still needs to be carried out. Is that the case and why there is no specificity yet as to the amount that that particular project is going to cost?

1195 **Hon. Deputy Chief Minister:** Mr Chairman, yes, that is right. This refers to that particular project and to what I said at the time, which was that the Government is now working on feasibility studies and costings on the proposal to move the archives to Duke of Kent House, but we do not envisage there being a major refurbishment or construction at this particular time.

1200 **Hon. K Azopardi:** On that same page, at (zzy) and (zzz), e-ID Card System and New Passport Issuing System, are these standalone projects, or are these in any way related to the discussions going on? If they are, the Government may not wish to comment in great detail, but if they are not, if they are standalone projects, can there be an explanation of what exactly these projects are for?

1205 **Hon. Chief Minister:** No, Mr Chairman, these may be relevant to any treaty that may be entered into, but they are not about a treaty to be entered into. This is an additional machine to print more ID cards. I think we have always one. We get one new one every couple of years because of the need to upgrade the way that we do the security, and we have always the ability, therefore, to have one down and being refurbished etc. This is the year when we need to get a new one. The new passport issuing system is the upgrade of the system that we maintain with the United Kingdom in respect of passport issuance.

1210 **Hon. K Azopardi:** So the first one was a machine. That last one – does it include equipment, or is it just software?

1215 **Hon. Chief Minister:** It is a processing system. It is not a printing machine because, as he knows, the United Kingdom withdrew all the printing from all of its passport offices in the Overseas Territories, in the large embassies and even throughout the United Kingdom, and centralised in one place in the United Kingdom. The sending of the information is through a secure system from Her Majesty’s Passport Office and this is the cost, to all of the Overseas Territories and all of the Dependencies, of providing that.

1225 **Hon. E J Phillips:** Mr Chairman, just in relation to the Main Sewer, (zt) on page 178, can the Minister explain the significant increase up to £1 million of the estimate for 2022-23 in relation to the main sewer provision, given the fact that there is, in the context of these pink pages, an additional element for sewers generally?

1230 **Hon. Chief Minister:** Mr Chairman, (zt), as far as we can see, does not suffer an increase at all. It is exactly the same amount as was estimated last year.

1235 **Hon. E J Phillips:** No, I appreciate that it has been estimated the previous year for £1 million and the forecast outturn was £285,000, and the previous year, 2019-21, £1.433 million. Insofar as the amount is concerned, it would just be interesting to explain what that is for insofar as the detail of the main sewer works, maybe.

1240 **Hon. P J Balban:** Mr Chairman, we cannot say that we will spend a million pounds every year, because it depends on the projects that we set out to achieve financially. This is the one I mentioned in my Budget speech, which is, I think, from Bomb House Lane. Actually, it was the largest section of main sewer within the city walls, and that then will complete the whole length of sewer within the city walls. It is, I think, from Bomb House Lane all the way to Ragged Staff Gates. It is that project.

1245 **Hon. E J Phillips:** The reason why I ask, of course, is because there is an element within this as well for drains and sewers, so it is difficult ... If this is specific Bomb House Lane sewer remedial action, then that is fine; it is just that it is not clear and immediately obvious from the Book, that is all.

1250 **Hon. P J Balban:** There are different parts of it. One is the project, which is the relining of the sewer, and then there are also other works like desilting and cleaning and doing smaller sections of the sewer, which we do on a yearly basis. Similar to what we said with the road resurfacing, one is a big project and the other is the maintenance that we have to give our sewers if we are going to ensure they are working properly for us in the immediate future.

1255 **Hon. E J Phillips:** Just in relation to the STTPP at (zu), the actual for 2019-21 was £477,000 and the forecast outturn for 2021-22 was £205,000. Is there a reason for the significant increase to £800,000? Is this in relation to implementation of certain parts of the STTPP? I know that there was an indication given in the hon. Gentleman's Budget speech about certain implementation of items there, but it seems like a lot of money and I just wondered whether he had any further information with him to explain that.

1265 **Hon. P J Balban:** We are involved now with the design stage of our bicycle infrastructure. Once we have drawn out the final plans then obviously it is a question of getting boots on the ground and doing these projects. To develop a cycle lane, it is not just painting, it is not segregating with dots. It is a lot more that we have ... Even things like the sewers, the drains and the storm drains – for a bicycle they have to be set at 90° to the wheels of the bicycle, otherwise you risk the bicycle going into the ... and if we are going to be moving out of road, using part of the road where the pavement is, maybe the sewers are badly lined. We are dealing with every single bit of work from things like the drains to removing pavements and so forth, painting, using segregation, so it is a massive ...

1270 It does not sound much, but creating a bicycle infrastructure can be pretty expensive, and this is obviously part of a bigger project because we cannot think for one moment that this will be it. This is the beginning of getting some sort of infrastructure in Gibraltar, and it is a plan that will span many years in that respect.

1275

Hon. E J Phillips: So that is part of the segregated pop-up scheme that you are going to expand out from many of our roads?

1280 **Hon. P J Balban:** Yes, the first stage is what we call phase zero, which is to mark out using pop-up, which is temporary infrastructure, to see how things go, see what the take-up is. I obviously get the feedback from cyclists. This is like when you build a gravel road and eventually you build up to a motorway. This is like our gravel road for cycling. We need to create the infrastructure so that people feel brave enough to cycle, and once we have the throughput of cyclists using it, then
1285 we will start upgrading. So the first stage is the pop-up infrastructure, which is removable and you can change its position and see how it goes, and then, once you see that it is working and take-up is good, you start thinking about more permanent infrastructure and it is the people who will be saying they want more of this, and so forth. That is the plan behind it.

1290 **Hon. E J Phillips:** Mr Chairman, in relation to (zzzc) on page 179, Ex-Chronicle Printing Works – Justice Offices, I am just wondering what that item refers to. (*Interjection*) It just appears to be something new insofar as the (zzc) Ex-Chronicle Printing Works – Justice Offices and I am just wondering what the intention is for those premises. Is that to decamp the Ministry for Justice into that particular building, or to expand the provision?

1295 **Hon. Miss S J Sacramento:** Mr Chairman, it will be premises to collocate officers to deliver some Justice projects. For example, it will be a MAPPA hub for police officers, social workers and probation officers to work together. It is that kind of office. It is not anything to do directly with the Ministry for Justice but Departments that come under the auspices of the Ministry for Justice.

1300 **Hon. D J Bossino:** Mr Chairman, just by way of explanation, if the Hon. Deputy Chief Minister could assist, I think he did say that (zzx), which is Landport Gates, related to the Walk the Wall project – which, as he has rightly pointed out, had been announced and I think it was in their manifesto, in fact. Isn't there a separate provision for that under (zzt), where it says City Walls –
1305 Walk the Wall, for which I think a nominal provision of £1,000 is made?

Hon. Deputy Chief Minister: Mr Chairman, if I recall correctly, the project was being done in phases, so it could well be that different parts of the project have been entered separately into the list of projects.

1310 **Hon. R M Clinton:** Mr Chairman, just looking at (zzs), The Mount, £400,000, I was wondering if this is in anticipation of the generous donation of £1 million towards the refurbishment of the Mount. And how does the Minister envisage this working? Will the Government incur the expense first, and then expect reimbursement?

1315 **Hon. Deputy Chief Minister:** Mr Chairman, no, this is for the refurbishment – I think I referred to it in my address – of the Porter's Lodge into the Marriage Registry and also of the events hall in its proper restoration and refurbishment into an events hall plus the gardens around that area. This is not the Parasol money. That money is being used separately for a different phase of the
1320 project.

Hon. R M Clinton: I am grateful to the Minister for that explanation. How would the Government effectively account for that? How would it work? I would expect to see something in the Book for that element and then covered by a reimbursement. How, in your minds, do you see
1325 that working?

Hon. Deputy Chief Minister: Mr Chairman, yes, this would appear in the revenue section of the Improvement and Development Fund. If he looks at page 173, the hon. Member will find the

different sources of revenue which come into the fund, including reimbursements and others, and grants, so it would be shown on that page and would be offset against the project as the money starts being spent.

Thank you.

Hon. R M Clinton: Yes – I am grateful to the Minister – that is exactly the way I would expect it to function for the Book. Based on what he has just said, then, it would appear that the second phase is not anticipated in this next financial year.

Hon. Deputy Chief Minister: Mr Chairman, the first phase is one we anticipate this year. The second phase may or may not happen at the same time because the source of funding is separate, it is not Government funding. So it may happen at the same time but my best guess would be that at this stage in this financial year we would only do phase 1.

Mr Chairman: Head 102, Projects, subheads 1 to 7 stand part of the Bill.
Clause 6 stands part of the Bill.

Clerk: Clauses 7 and 8, Gibraltar Development Corporation.

Mr Chairman: Page 184.

Hon. R M Clinton: Mr Chairman, the Gibraltar Development Corporation obviously has substantial payments. I just would like more information about recurrent payments, item (19), Contribution to Economic Development & Employment Company Ltd, £11,782,000 last year and this year. I would like to know exactly what this entity does for the Gibraltar Development Corporation.

Hon. Chief Minister: Mr Chairman, this is essentially Sir Joe Bossano's head and he is not here now, but this is the Economic Development Ministry. The Future Jobs Strategy was run through here, all of the activity of the Economic Development Ministry is run through here, part of the National Economic Plan is run through here, etc. This amount, he will see, goes back some considerable time and is provided each year.

Hon. R M Clinton: Mr Chairman, I know this is something I keep on referring to, but would the Government at least commit to publishing the accounts of this entity on an up-to-date basis, in the very near future rather than later because obviously significant amounts of money are being spent through this entity?

Hon. Chief Minister: Mr Chairman, yes, the Government is committed to publishing the accounts of all the Government corporations as soon as possible.

Hon. E J Reyes: Mr Chairman, on subhead (25), Training and Development Courses, it says 'Other Projects – Government Financed' with a projected increase twice the amount of the forecast outturn for last year. Can we have some information on what projects it entails and what are the future ones?

Hon. Chief Minister: Mr Chairman, it may be an increase in the forecast outturn, but it is exactly the same estimate, which is being run by the Economic Development Company, and it is just a question of whether the courses are taken up and therefore whether the cost is incurred.

Hon. R M Clinton: Mr Chairman, a slightly different question. On the Capital Account, on page 187 there is the sale of a share for what looks like £1. I would be grateful if the Government could advise what that is in respect of.

Hon. Chief Minister: Yes, Mr Speaker, it is the sale of one share, which is part of a restructuring of the internal way that the government companies are held. We are racking our brains just to remember, because we spent a lot of time working out how we would do this and how we would restructure, but it was x months ago. It is not often that you see in these Estimates £1, you usually see £1,000, but it is £1 because it is precisely £1 for one share.

Hon. R M Clinton: Yes, Mr Chairman, I fully appreciate that from the Book. My question is: in respect of the shares of what entity?

Hon. Chief Minister: It may be one share in Credit Finance, Mr Chairman.

Hon. R M Clinton: Mr Chairman, if my memory serves me correctly, I have seen one share of Credit Finance appear in the recent summary of the investments of the Gibraltar Savings Bank. First of all, I am I correct that that is the same share? And, secondly, what was the reason for it?

Hon. Chief Minister: It is to permit a distribution of profit in that company. Otherwise, because of the preference shares, if you do not do the exercise that we are doing now, you are not able to pay the distribution of profits.

Hon. R M Clinton: Sorry, Mr Chairman, while I just think this through. If I recall correctly, there was a dividend which was deemed ... it was a dividend up, but it was deemed to be reassigned to the Savings Bank – I think it was about £9.7 million – and by effectively giving the Savings Bank this particular share it would avoid that problem in future. Does this particular share have any particular special class to it that gives it any special dividend rights?

Hon. Chief Minister: No, Mr Chairman, it is an ordinary share, but if you do not do it this way you have to do the deemed dividend, which is what the hon. Gentleman has identified. In this way, we can do it direct.

Mr Chairman: The Gibraltar Development Corporation stands part of the Bill.

Clerk: Borders and Coastguard Agency.

Mr Chairman: Page 211. Borders and Coastguard Agency stands part of the Bill.

Clerk: Housing Works Agency, on page 214.

Mr Chairman: Housing Works Agency stands part of the Bill.

Clerk: Gibraltar Sports and Leisure Authority, on page 217.

Hon. E J Reyes: Mr Chairman, on subhead (8), in respect of electricity and water, if we look at the figures in previous years the estimate for this coming year tends to be of the same spending per year. I agree that the electricity supply to the main football pitch, which has been leased out to Gibraltar Football Association ... those floodlights are used. The electricity bill – is that still being paid by the Sports and Leisure Authority, or is it now on a separate meter, the running costs of which will be met by the Gibraltar Football Association?

1430 **Hon. Chief Minister:** No, Mr Chairman, the GFA pays for its own utilities. This is not GFA related. I wonder whether the hon. Gentleman needs to look back and then calculate the increase in the in the utilities and the other sites that have come on stream, and that probably balances out.

Mr Chairman: Gibraltar Sports and Leisure Authority stands part of the Bill.

1435 **Clerk:** Gibraltar Health Authority, on page 220.

Hon. E J Phillips: Mr Chairman, just in relation to page 225, Recurrent Payments, could the Minister give an explanation as to the rationale for the relief cover at £1 million?

1440 **Hon. Chief Minister:** Mr Chairman, I refer the hon. Gentleman to the statements I made in my reply speech, where I addressed this specifically.

Hon. K Azopardi: Just on a related item, under the forecast outturn of £11 million, is there a breakdown of how that sum has been spent?

Hon. Chief Minister: Mr Chairman, I think I actually gave him the breakdown yesterday in the course of my speech. I know he might have not wanted to hear much of what I had to say, but £4.3 million came from the COVID Response Fund, which he can see on page 228 at the top, and the balance is having to provide the relief cover necessary as a result of the continued pandemic, which had rolled on in a way that we had not expected when we had prepared the Estimates in January, February and March of 2021, because in the financial year 2021-22 the pandemic continued and therefore we had more cover than we had to provide etc. It is what we say is the demand-led cost of ensuring that the GHA had the individuals available doing the jobs that were needed when others were not able to do them, and what he says is my terrible mismanagement and the reason why I could not be trusted.

Hon. K Azopardi: I am asking for a more specific breakdown, and we are getting into that because we are past the Second Reading – otherwise we will be here all day. How does this break down in terms of staff numbers, who they are, what kind of jobs? What is this? They projected £2.5 million as the estimate, it then came in at £11 million, so what is the specific breakdown?

Hon. Chief Minister: Mr Chairman, I do not have the management accounts here, but we do have the name of every individual who was paid as a result of this. If the hon. Gentleman is asking do we have that breakdown, we do. I do not think we have it here because we have it in the ... He is asking us about not the estimate for this financial year, which is what we are debating today; he is asking us for the forecast outturn for last year, which informs our work in making the estimate for this year. I am not saying he should not ask, what I am saying is I do not have the information here. This relates to individuals who have been paid to do the work that the GHA has determined was required and was not in complement for reasons that I have explained to him both yesterday and before, because I explained it in my main speech. The £2.5 million was the view that we were taking for a year when we expected COVID to end, and the £11 million is the actual cost for a year through which COVID rolled and continued to require us to incur costs. In the context of the argument that COVID is being used as an excuse, unfortunately, as I told hon. Members a moment ago, I have another death certificate, which shows that this ain't no excuse, this is real and the number of Gibraltarians lost to it now is 105.

Hon. E J Phillips: I think it feeds into another question we asked about how realistic is the £1 million figure, because the Chief Minister has referred to what has happened in the United Kingdom and the sad loss of another life and the reason why the forecast outturn is £11 million.

We put this in our Budget speech and in our contribution we talked to the principles of the Bill. We asked the question how realistic was the £1 million in that context.

Hon. Chief Minister: Mr Chairman, the £2.5 million was realistic when it was estimated in February/March. The £1 million is realistic when it has been estimated this March. If we have to come to this House to seek £21 million at the end of the year, and if they behave like they have behaved this year, they will say it is a terrible mismanagement on my part and I will say that is what we needed during the course of 2022-23. I do hope that we will need less than a million and that we will not have to have people wearing masks in the Hospital again going forward throughout the year and that we do not have another spike.

The hon. Gentleman is asking me how accurate the estimate is in the face of the, hopefully, last roll of the pandemic dice – and it is literally a roll of the pandemic dice. We could have put a thousand pounds in here, so that it was obvious that it was literally just a token, but this is not just relief cover for COVID, this is relief cover generally in the GHA and we have to make our best estimate, with all our vacancies filled, how much relief cover we will require and how much of COVID will still be there and how it will affect relief cover. It is an impossible estimate to make beyond being a guesstimate, and there is no way that anybody can find a better way of estimating against this number in the public health circumstances in which we find ourselves.

Mr Chairman, I emphasise the point: it has not stopped them – despite agreeing with us now more convivially when looking at the detail – from accusing me of mismanagement and that trust in me should be lost because of the increase in the forecast outturn, the actual, in effect, against the estimate, but I am telling them now it is a guesstimate. It was a guesstimate last year – it could not be anything more than that – and it is a guesstimate this year, and I look forward to being accused of mismanagement next year.

Hon. K Azopardi: Well, it is not about clutching at straws, Mr Chairman. It was not presented as a guesstimate, it is presented as an estimate. Presumably the Health Authority and the officials are providing advice on these matters, and what we are trying to probe is the accuracy of these figures. Do you want to carry on?

Hon. Chief Minister: Yes. Mr Chairman, of course this is based on advice. You are not probing the accuracy of this estimate unless you have not heard everything that I have said from the first speech, because I said from my first speech, before the hon. Gentleman got up to accuse me of mismanagement because we had not kept to the estimate, that it was impossible to estimate and that we were doing our best in the face of a public health pandemic. If we had stuck to the figure religiously out of a desire to demonstrate our management and our ability to estimate, we would have butchered frontline services because we would not have had people on the frontline.

And so what I am saying – again, because I said it in my main speech about the estimate for this year and I said it in my reply about the estimate for this year, and last year I said it about the estimate that we were making as well – this cannot be anything other than a guesstimate. We have filled vacancies or are in the process of filling vacancies. There should, therefore, be less need for relief cover if it is the ordinary course of business, if it is business as usual, but we do not know that it is – and I shared with hon. Members this morning an article I read in *The Times* about the effect on the NHS. I am making the point with vehemence so that I can, if necessary, point hon. Gentlemen to it next year when they make the accusations that they have made in the terms that they have made them for the reasons that they say they made them in respect, in particular, of this increase and this failure to keep to estimate, or indeed the Government's decision to ensure that the provision necessary for the GHA was there, even though it exceeded the estimate.

Hon. K Azopardi: And I hear the explanation, but the point is that on this side of the House we do not necessarily accept the explanation, or in the terms that it has been put. That is the point we make.

Hon. Chief Minister: Sorry, what did you say?

1535 **Hon. K Azopardi:** I said I hear the explanation but on this side of the House we do not necessarily accept that explanation.

Hon. Chief Minister: I understand that you do not accept it, because hon. Members do not accept reality. They might like to see that there is a footnote on the next page that says that
1540 funding will be provided to the level required in the event that the level required is in excess of the amount. Mr Chairman, if they do not accept the explanation, can I invite them not to bother seeking it? What is the point? They are going to vote against this estimate. They do not accept our explanations and yet they seek them. Why? Simply to make a note in order to then try and compare it to our explanations next year? Well, they will find that we are consistent in saying that
1545 we will provide the amount that the GHA requires, even if it exceeds the estimate where it is in a demand-led area, because that is not a failure of management. That is to provide, as the footnote on page 227 sets out, such funding as may be required to continue to be able to deal with the ravages of the public health pandemic that we are suffering. That is what happened last year and that is what would happen this year, although would that it need not happen this year.

1550 If he does not want to accept that explanation, frankly, Mr Chairman, it is a matter for him, but I will deploy the explanation again because it is the truth and it is reality.

Hon. K Azopardi: Mr Chairman, we have been asking a lot of questions on the specifics, and we are interested in the explanations and clarifications on the numbers that we have been asking
1555 for. The distinction that I have just made is that he has made a long explanation about how these numbers have been reached and how it was impossible to control. I was making the specific distinction that we may not accept the explanation he has just given about that issue. I am not talking about the more macro level of read-across in his remark, 'Well, if they are not interested in the explanation, why are they even asking these questions?' I am asking him specifically on this
1560 issue. I have made that distinction. In respect of the other numbers, of course we are interested in the specific questions we have been asking.

Hon. Chief Minister: I understand he does not accept the expression, Mr Chairman. He has called me a thief because of the increase. He has told me that I have become a highwayman to
1565 pay for the increase, so that must mean that I have stolen it. If he does not want to accept the natural meaning of his words, so be it.

Hon. K Azopardi: I understood that ... [*Inaudible*] Be serious. It was an exchange. He was talking about the renaissance and I made an allusion which was intended to be comic, and everyone
1570 understood it like that. He has made an exaggeration of it. Fake outrage, Mr Chairman.

Hon. Chief Minister: Mr Chairman, I am extraordinarily grateful to the hon. Gentleman that he has clarified – although he had an opportunity to do so yesterday when I was replying, but he did not seek to have me give way because he wanted to clarify it – that he called me a highwayman
1575 in jest, that he did not mean it and that he does not believe I am a thief. (**Hon. K Azopardi:** Of course.) He is saying 'of course'. I genuinely appreciate his belated but hugely important clarification.

Mr Chairman: Are we ready to proceed?
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Hon. E J Phillips: Mr Chairman, just in relation to point (13) in the same column, Visiting Consultants Fees and Expenses and Other Contracted Medical Services, can the Minister for Health or the Chief Minister explain how they are going to achieve that particular saving?

1585 **Hon. A J Isola:** Mr Chairman, on the same basis as the Chief Minister has already outlined, this is the estimate that the professionals provide us with and we are prepared to support.

Hon. E J Phillips: In relation to item (14), recruitment expenses, the forecast outturn 2021-22 is £2 million that is provided in terms of the estimate for this year. In relation to recruitment expenses, item (14), the estimate 2022-23 is listed at £750,000. I wonder whether the Minister might be able to explain a bit more about that.

1595 **Hon. A J Isola:** Mr Chairman, it is all related in terms of the extra number of people needed during COVID, which we hoped not to be needing during the course of next year. When you have relief cover to the extent that we did, that obviously had a cost to it, not just in respect of the recruitment but also in respect of the expense of bringing people over and accommodating some of them whilst they are here providing relief cover.

1600 **Hon. E J Phillips:** So in relation to the recruitment expense, that £2 million that was spent in 2021-22 relates to the payment of fees towards agents and also the bringing over of resource, potentially. I think there was one aspect of flying nurses over. Was that in relation to that resource being imported for the benefit of the GHA?

1605 **Hon. A J Isola:** Yes, Mr Chairman, it relates to bringing people here, accommodating them – some of them on short-term arrangements – and then them leaving.

1610 **Hon. E J Phillips:** Just in relation to item 21, GPMS Prescriptions, the forecast outturn for 2021-22 was at £12 million. If we roll back to 2019-21 it was £24 million, pretty consistent from those years. And then we get to the estimate this year being a lot less at £9 million. I just wondered whether the Minister might be able to explain the thinking behind that estimate.

1615 **Hon. A J Isola:** Mr Chairman, we issued a press release some two months ago, I believe, which explained that we were removing certain items from the list of prescriptions. In that press release we said we anticipated a saving of £4.3 million in the course of the year. I think you will find the numbers are quite close to that.

1620 **Hon. E J Phillips:** I think it really fed into the point that I was making. I know the Chief Minister picked up on the 'life-saving' words in the contribution that I made, but also critical medicines that was added on – it was life-saving and other medicines. Is it the case that there has been a general review by the Chief Pharmacist or, indeed, the Health Authority in relation to medications, or a re-designation of certain medications that patients require, and that has been communicated down to pharmacists up and down Main Street in relation to dispensing those? I think he referred to it in the answer to the last question that I asked here ... that it related to specific medicines. Has there been any sort of change in approach by the Chief Pharmacist or, indeed, the GHA in communications to pharmacies in Gibraltar about issuing those medicines to people?

1630 **Hon. A J Isola:** Yes, there is a press release which details the thinking behind it, as well as the use of generic medicines as opposed to branded medicines, which will also obviously have a saving. I think that was all in the same press release, which explained why we were hopeful of a £4.3 million reduction in the cost of pharmaceuticals through GPMS during the course of the year.

1635 **Hon. E J Phillips:** That is very helpful; that is well understood. I think the point I was trying to get at, probably not in an articulate way at this time of the evening, but the point that has been made to me by patients is that there are certain medicines that they are receiving that are significantly expensive – they understand to be, now – and are not being made available, given the expense. That is obviously a comment being made to me by a number of patients and

discussions that I have amongst pharmacists in our community. I would just like to seek clarification on that, because it is a genuine concern of people who have asked me, so I thought it best to ask it here – it is the only place we can do.

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Hon. Chief Minister: Mr Speaker, we would never preside over a Government – and, as I said to him yesterday, neither would they and neither would anyone, I think, who has sought office in this community – which would deny members of our community who need a particular pharmaceutical. There is no question of that. There is a concern – which is a medical concern, not
1645 a financial concern, although it has financial consequences – of an overmedicated population and the consequence that that can have for public health. In other words, more medication means less good health, not better health; and, secondly, there are some instances of people seeking expensive medications simply for the purposes of trading the prescription for non-medical goods. We have had that before. I have given interviews on GBC about the subject. We have debated it
1650 across the floor of this House. I cannot remember whether it was in the lifetime of this Parliament – I think it was in an earlier Parliament – and I cannot remember whether it was the first Parliament to which I was elected as Chief Minister or the second, so I cannot remember whether he was here, but there is a very serious concern about that. There is pharmaceutical fraud going on, and I think that at the time I looked at this I was told that they had had the same concerns
1655 when they were in government and they had taken some of the same measures at different times. They had even deployed undercover officers at one stage, I understand, to try to catch out pharmacists who were involved in this, because this is a two-to-tango issue.

Let me just give the hon. Gentleman a statistic that I was given, which made me really raise my eyebrows. Without casting aspersions on anyone but telling hon. Members today what I think I
1660 said on television at the time, every time a new pharmacy in Gibraltar opens, for the same number of people in the population we end up with 10% more prescriptions. How can that be? So there is no question of the Government depriving anyone of life-saving medication, as I told him. He has now said to the Minister, ‘Well, I had my answer on that. What is my answer on other prescriptions, just things which happen to be expensive?’ The issue here is also (a) overmedication
1665 and (b) pharmaceutical fraud. That is what has been the subject of the investigation and the attempt to put in new systems which will prevent that.

I would hope that all of us, as Members of this House, and every Gibraltarian should want the Group Practice Medical Scheme to work and to give the people who need medication the medication they need whether it is expensive medication or not expensive medication, certainly
1670 if it is life-saving medication. If it is medication they need, then of course. If it is medication they want, it is different. If they want it because it is pain relief, then, in my view, they need it and the doctor should prescribe it, unless the pain relief is causing them a difficulty. Hon. Members will know that there is a huge opioid crisis in the United Kingdom and in the United States, where people become addicted to pain relief and they can die from the pain relief, which causes them
1675 the problem.

So the issue of overmedication is a very serious medical issue, the issue of pharmaceutical fraud is a very serious financial issue, and all of these things make up the concern that the Government is trying to deal with through the review that is being carried out.

Hon. E J Phillips: Mr Chairman, I thank the hon. Gentleman – that was a very helpful answer.

In relation to item (23), Medical Departments, as we can see from the run across the line there from £16.8 million through an estimate of £3.8 million at 2021-22, then to the forecast outturn for 2021-22 at £12.1 million ... Apologies, I have lost my train. It was £18.2 million and then the reduction to £5.7 million, a very significant reduction there, the least on the surface of the items.
1685 Insofar as ‘Medical Departments’ is quite a generic description, perhaps the Minister might be able to explain the rationale for what on the surface looks like a reduction.

Hon. A J Isola: Mr Chairman, the difference between the amount in the outturn and the amount forecast is the cost of LFT tests.

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Hon. E J Phillips: Mr Chairman, about £13 million in tests that has been run through the Medical Department aspect of this?

Mr Chairman, just one question. I assume the answer is that Dressings, Aids, Medical Gases and Tests at item (27) are other tests, not those tests that relate to COVID. Again, if that is the case, there is a reduction of over a million from the outturn last year. I would have thought that Dressings, Aids, Medical Gases and Tests would be a pretty consistent figure, so why the reduction in procurement of those items?

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Hon. A J Isola: Sorry, I was about to agree with the first part of the question. I am not sure where is he taking it with the second part of the question.

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Hon. E J Phillips: Mr Chairman, insofar as the second part of the question, whilst I appreciate the tests do not relate to COVID tests, that these are run-of-the-mill tests that are conducted at the GHA, I just want to know why, for Dressings, Aids, Medical Gases and Tests, the figure now stands at £1.75 million as an estimate, when the forecast outturn last year was £2.83 million.

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Hon. A J Isola: You are referring me to the reduction from £2.8 million to £1.7 million? Mr Chairman, I do not have that information here and I would rather not guess as to the cause. I am happy to come back to him.

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Hon. E J Phillips: Mr Chairman, dealing with the fairly large amount of ... I know this is a heated debate in the exchanges and I do not want to encourage that again, but insofar as item (37), Sponsored Patients, we have seen, again, from 2019-21 right the way through the line up until the estimate, fairly consistent figures for sponsored patients, and I just wondered how the Government arrived at that estimate for £10 million and whether it was realistic in the context of the work that we do in sponsoring our patients to receive medical care in other jurisdictions.

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Hon. A J Isola: Mr Chairman, the Chief Minister also referred to this in his address during the course of the Appropriation Bill. As we repatriate more and more services, we need to send fewer and fewer people out, and the estimation at this stage is that this will serve a reduction of that amount by repatriating services here.

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Hon. Chief Minister: And, if not, we will overspend. In other words, not through mismanagement but because we will provide the sponsored patient provision that is necessary, but we are trying to reduce it by bringing back the services.

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Hon. E J Phillips: Just a general question on that. I think the repatriation of services is an interesting point. I know that the Hon. Neil Costa, when he was in this House, explained the rationale for repatriation of services. I think that many Governments have tried to do that over many years, but on occasion it does actually significantly increase the cost of providing that service. So it is a bit of a fine balancing act that I think the Hon. Mr Costa talked about in this House previously. Obviously they have suggested a figure of £10 million because of repatriation. I wonder whether there is a breakdown of that further, insofar as what services are being repatriated in a bit more detail so that we can ascertain that.

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1735

Hon. Chief Minister: Mr Chairman, yes, and what the Hon. Mr Costa also told the House was that in some instances, if it cost a lot more to repatriate the service it did not make sense to do it, but if it made patients in a difficult situation considerably more comfortable, if there was potentially an increase in the cost but there was a better service provided to the Gibraltar patient,

1740 then it would be something that we would pursue. And then Mr Costa left this House and we had
a General Election, and no sooner than we had a General Election we had a pandemic. Literally,
we had works which had been ongoing, we had cleared areas which were going to be used to
provide certain services, and those areas then had to be used for pandemic purposes. That is why
the hon. Gentleman is right to point to things that were said during the lifetime of the last
1745 Parliament and that we are now in the second half of this Parliament and we have not been able
to do those things, but that is the criterion that is in our minds.

When you look at the cost of the repatriation of services, you have an indication of how many
people you send away in respect of those services and you can do – again, I emphasise this – a
guesstimate, which is a finger in the air. If we have no longer got to send people we sent for this
service away from Gibraltar ... How many people on average do we send away for this service?
1750 What does that mean in terms of sponsored patients? Maybe we can make that saving. But of
course, like everything in medicine, those are averages. You might actually find that there is a year
when you do not send anyone for a particular service. It is very unusual, but say you were to send,
usually, 70 people, for angiograms, to the United Kingdom – I am not a doctor, and I think we send
1755 angiograms to the Costa del Sol, but say you were to send 70 people for angiograms in the United
Kingdom and you sent 70 every year, and so you do an average and it works out to 70 and you
then say, ‘How much do those 70 cost in terms of sponsored patients?’ Say it costs you £4 million,
you say, ‘We can reduce it from £4 million because we are going to treat the 70 here.’ And then,
the following year, you have 10 angiograms, so the amount that you have invested is not going to
1760 show you as much of a benefit as you expected, because you are not treating 70 in your new
angiogram facility in Gibraltar. Or you have 170, and you treat 70 and you have to send a hundred
out because you cannot deal with them, even though you have repatriated the service, because
you do not know how many angiograms you are going to get in a year, even if you have had a
pattern of angiograms for a number of years.

1765 **Hon. E J Phillips:** Just one final question on this list before ... I believe that hon. Members may
have certain questions on this side of the House, but in relation to item (42), Disposal of Clinical
Waste, again, this seems like an fairly consistent amount of money, generally speaking, and I just
wondered why the difference between the forecast outturn last year and this year amounting to
1770 nearly £1 million difference, and how that is going to be achieved.

Hon. A J Isola: Mr Chairman, the forecast outturn is influenced, again, by COVID. Around
£400,000 of that cost is disposing of COVID-specific waste. The estimate for the forthcoming year
is more in keeping with what it has been in previous years, although slightly higher, he will see,
1775 but I think that is the estimate they are providing at this moment in time.

Hon. E J Phillips: Just one question in relation to page 226 on the Europort Paediatric Centre. I
assume that all children’s services are dealt with in respect of the Paediatric Centre? That is the
first question. I will follow up on that, depending on the answer.

1780 **Hon. A J Isola:** Mr Chairman, I think the Paediatric Centre has always been intended to cover
all aspects of the paediatric services the Hospital provides. We are doing some work on that to
see how we can reinforce that message better across the community.

1785 **Hon. E J Phillips:** A follow-up question: does that also include diagnosis of autism at that centre,
or is that dealt with somewhere else?

Hon. A J Isola: I would not know, Mr Chairman. I am certainly happy to find out and come back.

1790 **Hon. R M Clinton:** Mr Chairman, a minor question. On Recurrent Payments, item (39), Rents
and Service Charges, I note it seems to have gone up from £35,000 to £150,000. And just by way

of aside, I know you have a section specifically for rentals, which goes from £48,000 to £52,000 and I was wondering, first of all, what is the increase in respect of? What is the rent for? And should it perhaps not be reclassified under the subheading later on?

1795

Hon. A J Isola: Mr Chairman, I am afraid we do not have that information available. I agree with the hon. Member's comment that it seems a rather sudden increase, and if it is rent or any part of it, it should be in the other column, so I will have to get that information and revert to him.

1800

Hon. R M Clinton: Many thanks, Mr Chairman.

Hon. A J Isola: If I may, just by way of assistance, I understand some of that may be in relation to storage off site, as opposed to the actual premises themselves, which are under the other head, but again, I will confirm that.

1805

Mr Chairman: Gibraltar Health Authority stands part of the Bill.

Clerk: Gibraltar Health Authority – Elderly Residential Services section. That is on page 230.

1810

Hon. E J Phillips: Mr Chairman, just in relation to page 231, the summary of the totals of full-time and part-time, it appears that we may have lost 31 people within the Elderly Residential Services Section. I wonder whether the Minister might be able to give an explanation as to the loss of numbers in human resource there.

1815

Hon. A J Isola: Mr Chairman, I understand that the reduction in numbers is a result of the Jewish Home and people moving from here on to the books of the Jewish Home.

Mr Chairman: There is a section, as part of the GHA, which talks about the Elderly Residential Services Section, which we have just covered, but there is also another section which talks about the COVID-19 Response Fund. Is that something that has been looked at, or shall we ...?

1820

Gibraltar Elderly Residential Services Section stands part of the Bill.

Clerk: Care Agency.

1825

Hon. K Azopardi: Just a question on that. At item (29), Home Support – Supported Living in the Community, and the projection of a lesser sum there, I assume that having spent £4 million there would have been an assessment of ongoing needs in the community and I just wanted to understand why the Government thinks it would be less.

1830

Hon. A J Isola: Mr Chairman, during COVID, over £1 million – £1.18 million – was spent in providing additional support to families who were at home, as opposed to under our care. The day centres were closed as well, and so more support was provided. We believe that by removing that support we will get much closer to the number that we believe we should be spending in this respect.

1835

Mr Chairman: Care Agency stands part of the Bill.

Clerk: Gibraltar Electricity Authority.

1840

Mr Chairman: Gibraltar Electricity Authority stands part of the Bill.

Clerk: Gibraltar Port Authority.

1845 **Hon. E J Reyes:** Mr Chairman, referring to a question I asked before on a previous page, where the Chief Minister kindly pointed out to me that perhaps the answer could be found in the green pages, under subhead (14), Maintenance of Port Installations and Equipment, is that the area that would include those small boats moored on the Watergardens side that we were talking about before?

1850 **Hon. V Daryanani:** Mr Chairman, yes, it is, as the hon. Member said, in the green pages. On page 252 under Capital Account he will see Payments and then he will see Works and Equipment.

Hon. E J Reyes: I beg your pardon, Mr Chairman, but because I am hard of hearing perhaps the Minister could kindly repeat that, so I can make a note.

1855 **Hon. V Daryanani:** Mr Chairman, it is on page 252 under Capital Account and then Payments, and he will see Works and Equipment. Capital Account, then there is Payments underneath Receipts, and there is Works and Equipment. Has the hon. Member ...?

1860 **Hon. E J Reyes:** Yes, thank you, Mr Chairman, I think I have got that. One clarification: is the whole £522,000 exclusively for that project, or are they amalgamating different subsections, bringing a grand total as per the estimate?

1865 **Hon. V Daryanani:** Mr Chairman, no, the £522,000 is not only for the Watergardens project, there are other things involved there.

Mr Chairman: Gibraltar Port Authority stands part of the Bill.
Clauses 7 and 8 stand part of the Bill.

1870 **Clerk:** The Schedule.

Mr Chairman: The Schedule stands part of the Bill.

Clerk: The long title.

1875 **Mr Chairman:** The long title stands part of the Bill.

**Legal Services (Amendment) Bill –
Clauses considered and approved**

Mr Chairman: Legal Services.

1880 **Clerk:** A Bill for an Act to amend the Legal Services Act 2017.
Clauses 1 to 3.

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

Clerk: Clauses 4 to 12.

1885 **Mr Chairman:** Clauses 4 to 12 stand part of the Bill.

Clerk: The long title.

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

**Traffic (Amendment) Bill 2022 –
Clauses considered and approved with amendment**

1890 **Clerk:** A Bill for an Act to make changes to amend the Traffic Act 2005.
Clauses 1 to 3.

Mr Chairman: I believe there is an amendment to be moved.

1895 **Minister for Transport (Hon. P J Balban):** Mr Chairman, I beg to give notice that I shall be moving amendments to the Bill for the Traffic (Amendment) Act 2022 during the Committee Stage. The amendments are as follows:

1. *Substitute the following for paragraph (a) in clause 3(3)-*
"(a) in subsection (1)-
(i) after paragraph (c) insert-
"(ca) the Transport Planner for the Government;";
(ii) in paragraph (e), delete "and";
(iii) for paragraph (f), substitute-
"(f) three other members appointed by the Government; and"; and
(iv) after paragraph (f), insert-
"(g) one person appointed by the Government after consultation with the Gibraltar Cycling Association."; and".
2. *After clause 3(3) insert -*
"(4) In section 65(2), insert the following paragraph after paragraph (b)-
"(ba) as a result of the administration of a preliminary drug test, the police officer making the requirement has reasonable cause to believe that the person required to provide a specimen of blood or urine has a drug in his body; or".
- (5) *In section 91(3) for "level 1" substitute "level 3".*
- (6) *In section 98(1)-*
(a) after "Act" insert "or subsidiary legislation made under this Act";
(b) for "level 1" in both places it appears substitute "level 3";
(c) for "three months" substitute "six months".

Mr Chairman: Are Members of the Opposition content with the amendment?

Clauses 1 and 2 stand part of the Bill.

1900 Clause 3, as amended, stands part of the Bill.

The long title stands part of the Bill.

**Appropriation Bill 2022 –
Third Reading approved: Bill passed**

Clerk: The Hon. the Chief Minister.

1905 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to report that the Appropriation Bill 2022, the Traffic (Amendment) Bill 2022 and the Legal Services (Amendment) Bill 2022 have been considered in Committee and agreed to with some amendment. I now move that they be read a third time and pass.

Mr Speaker: Those in favour of the Appropriation Bill 2022?

1910

Hon. Chief Minister: Mr Speaker, I call a division.

Mr Speaker: A division is required.

Voting resulted as follows:

FOR

Hon. P J Balban
Hon. Prof. J E Cortes
Hon. V Daryanani
Hon. Dr J J Garcia
Hon. A J Isola
Hon. G H Licudi
Hon. F R Picardo
Hon. S E Linares
Hon. Miss S J Sacramento

AGAINST

Hon. K Azopardi
Hon. D J Bossino
Hon. R M Clinton
Hon. D A Feetham
Hon. E J Phillips
Hon. E J Reyes

ABSENT

Hon. Sir J J Bossano
Hon. Ms M D Hassan Nahon

Mr Speaker: The result of the division, as requested, is 9 in favour, 6 against, and 2 Members are absent, which means that the Bill is passed. *(Banging on desks)*

1915 **Hon. Chief Minister:** Mr Speaker, before we carry on with the rest of the business the House needs to deal with this afternoon, I am conscious that you have been in the Chair since we started the exercise, and I wonder whether this might be a convenient time to take a short recess until twenty to eight.

1920 **Mr Speaker:** The House will now recess to twenty to eight.

The House recessed at 7.26 p.m. and resumed at 7.40 p.m.

**Traffic (Amendment) Bill 2022 –
Legal Services (Amendment) Bill 2022 –
Third Readings approved: Bills passed**

Mr Speaker: Those in favour of the Legal Services (Amendment) Bill 2022? **(Members: Aye.)** Those against? Carried.

Those in favour of the Traffic (Amendment) Bill 2022? **(Members: Aye.)** Those against? Carried.

Questions for Oral Answer

TRANSPORT

Q220/2020

**Taxi fleet –
Encouragement to go green**

1925 **Mr Speaker:** I think we now revert to Questions, those that remain from the beginning of this session.

Clerk: Question 220/2022. The Hon. E J Phillips.

Hon. E J Phillips: Further to Written Question 14/2022, can the Government state what it is doing to encourage our taxi fleet to go green?

Clerk: Answer, the Hon. the Minister for Transport.

Minister for Transport (Hon. P J Balban): Mr Speaker, the Government, in consultation with the Gibraltar Taxi Association, is looking into the possibility of installing EV charging points in taxi ranks at strategic locations in order to encourage our taxi fleet to go green. We are already in the process of installing the first EV charging point at the ground floor of Midtown car park solely for taxis. The hon. Gentleman is reminded that Import Duty for electric vehicles remains at zero and the cashback incentive is £2,500.

Hon. E J Phillips: Mr Speaker, when this Written Question was put for the Minister, obviously he was not here at the time and we agreed to convert it into written. I think the answer was that only one taxi in Gibraltar was EV, and therefore the reason why I have asked about how we are going to encourage the taxi fleet is ... My view is they all should be electric or hybrid, as the case may be, and whilst I understand that in putting infrastructure in these particular areas so that they can access that, is it right to say that not the complaint but the concern of the Taxi Association is the lack of infrastructure? Are they waiting for that in order to make that investment in the services they provide, in buying electric vehicles?

Hon. P J Balban: Mr Speaker, the Taxi Association is in the process of testing. They tested some vehicles out with one of the local businesses. I think their biggest fear is range and size. I think that is what they were most fearful about, that they would not be able to do their full day's work on a charge.

Now, as you rightly say and in my Written Question reply I said, there was only one electric vehicle. I think that will probably spread like wildfire, because obviously the cost of fuel nowadays will make the e-vehicle a lot more attractive. I think they have satisfied their doubts as to range and size range and they know they can use it for the whole day, so I think it will push on a lot quicker now, especially because there is one in the fleet already. I think they will see it and they will talk about it, and very soon I think there will be more. As I have said in my reply, we will be working with them to see whether we can place some EV charging points at ranks as well, other than the coach park, and that will, I think, help them in that respect, too.

Q221/2020

Electric motorcycles and bicycles – Eligibility criteria for grants towards purchase

Clerk: Question 221/2022. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, further to Written Question 17/2022, can the Government state in detail the eligibility criteria for the provision of grants towards the purchase of electric motorcycles and electric bicycles?

Clerk: Answer, the Hon. the Minister for Transport.

Minister for Transport (Hon. P J Balban): Mr Speaker, the eligibility criteria are as follows. The electric motorcycle must be fully electric and the bicycle must be an electrically assisted bicycle

without a throttle where the electric engine does not exceed a speed of 25 km per hour. In addition to the above, the electric motorcycle or electric bicycle must be purchased in Gibraltar through an authorised dealer.

Q222/2020

**Parking permit fees –
Rationale for higher fees within same household**

Clerk: Question 222/2022. The Hon. the Leader of the Opposition.

1975

Hon. K Azopardi: Mr Speaker, what is the rationale for applying higher fees to persons from the same household who seek a zone parking permit when someone else in the same household is renting an indoor parking space elsewhere?

1980

Clerk: Answer, the Hon. the Minister for Transport.

Minister for Transport (Hon. P J Balban): Mr Speaker, when an individual owns or rents a parking space and another member of the same household applies for a zone permit, he or she will enter into tier 2. The rationale for this is to discourage multiple car ownership per household, and use of other, sustainable modes of transport. Further information can be found in the policy booklet that was published in 2017.

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Hon. K Azopardi: Mr Speaker, is that policy going to be reviewed at any point in the foreseeable future, or is that policy something that the Minister thinks should continue, going forward?

1990

Hon. P J Balban: Mr Speaker, the whole point of this policy really is if you own a private parking space or you rent a subsidised parking space from Gibraltar Car Parks or the bank that Gibraltar Car Parks manages ... We want to encourage people to use their parking space and not park their car on the highway, so by increasing the fee, what you are saying is you want the car to use the parking space they have acquired at a lower rate than market value.

1995

I think the policy is a good one, because if you have your own private parking space and you rent at the cheaper rate, it encourages you to say, 'Well, I will just use the parking there,' because it is much easier to find or it is much more advantageous for the individual to park outside their front door, if they were to find a parking space, than to go 200m to the car park itself. So that discourages, hopefully, that behaviour. At the end of the day, what we want to see is fewer cars on our roads and less usage.

2000

Q223-25/2020

**Parking fees paid by residents of parking zones –
Revenue re first, second and third vehicles**

Clerk: Question 223/2022. The Hon. the Leader of the Opposition.

2005

Hon. K Azopardi: Mr Speaker, can the Government state the revenue by way of parking fees paid by residents/householders resident in the various parking zones for a first vehicle, broken down by parking zone and by numbers of permits per zone?

Clerk: Answer, the Hon. the Minister for Transport.

Minister for Transport (Hon. P J Balban): Mr Speaker, I will answer this question together with Questions 224 and 225.

Clerk: Question 224/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Can the Government confirm the revenue by way of parking fees paid by residents/householders resident in the various parking zones for a second vehicle, broken down by parking zone by numbers of permits per zone?

Clerk: Question 225/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Can the Government confirm the revenue by way of parking fees paid by residents/householders resident in the various parking zones for a third vehicle, broken down by parking zone and by numbers of permits per zone?

Clerk: Answer, the Hon. the Minister for Transport.

Hon. P J Balban: Mr Speaker, I have prepared the reply but I think it might be better if I offer the hon. Gentleman a schedule, so he can see for himself and I will not need to read it out, which will be helpful in that respect. Thank you.

Hon. K Azopardi: He is going to hand it to me?

Hon. P J Balban: Yes. *(Interjection)*

Hon. K Azopardi: Oh, I see.

Answer to Q223/2022

First Vehicle (Tier 1)

** Please note that Tier 1 is a combination of Pensioners and Tier 1 permits**

Zone	Number of permits issued	Revenue
Zone 1	407	£24,420
Zone 2	324	£16,500
Zone 3	435	£26,040
Zone 4	21	£1,110

Answer to Q224/2022

Second Vehicle (Tier 2)

Zone	Number of permits issued	Revenue
Zone 1	110	£13,200
Zone 2	111	£13,320
Zone 3	426	£51,120
Zone 4	328	£39,360

Answer to Q225/2022

Third Vehicle (Tier 3)

Zone	Number of permits issued	Revenue
Zone 1	19	£4,560
Zone 2	13	£3,120
Zone 3	57	£13,680
Zone 4	25	£6,000

Hon. K Azopardi: Mr Speaker, can I just ask ...? First of all, I am grateful for the breakdown, which is very helpful, and there may be further questions that I ask in future meetings in respect of that, but can I understand the note on tier 1? First vehicle, second vehicle, third vehicle, so it is tier 1, 2 and 3. Where it says that tier 1 is a combination of pensioners and tier 1 permits, what does that mean?

Hon. P J Balban: Mr Speaker, the pensioner gets a 50% discount on the permit, so tier 1 could be at the full rate for a non-pensioner or it could be at half rate for a pensioner.

Hon. K Azopardi: That would not affect, obviously, the number of permits, so within the number of permits – say, for example, zone 1, 407 – some of those will be pensioners, some of them will not be, but would you hold a specific number? Does the Department hold a specific number of how many of these are pensioner permits?

Hon. P J Balban: Mr Speaker, the point that was trying to be made there will not tally. If we multiply the 407 by £60 or whatever, you will not get a figure ... It will be less, because of the pensioners. I am sure, yes, of course, the car parks GPMSL Minister will have a log of how many of those would be pensioners.

Hon. K Azopardi: Slightly off, but related to the questions I have been asking – I have not done the maths on this but the Minister will know that when you add the numbers of permits in zone 1 or in 2, 3 and 4, how does that correlate with the available spaces in the zones? Is that a good supply of permits per parking space available?

Hon. P J Balban: Mr Speaker, we do not provide permits for parking spaces, so you will find that in some zones there will be a lot more parking availability than in other zones. For example, in zone 1 there is plenty of parking, in zone 4 there is plenty of parking and in zone 3 there is plenty of parking. The one that has always been, traditionally, a bit more of a problem is zone 2 because there are a lot of houses there that do not enjoy parking spaces other than the parking spaces that the Government has built in Engineers Lane, the Theatre Royal etc. Generally, it does provide much better parking availability for people within their zone, but it is just zone 2 where the numbers are not as great as in the other zones.

BUSINESS, TOURISM AND THE PORT

Q251/2020

**Post Office private letter boxes –
Number available to rent**

2070 **Clerk:** Question 251/2022. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise the total number of private letter boxes the Post Office has made available to rent?

2075 **Clerk:** Answer, the Hon. the Minister for Business and Tourism.

Minister for Business, Tourism and the Port (Hon. V Daryanani): Mr Speaker, the total number of post boxes is 1,719.

Q252/2020

**Minister's visit to Bangladesh –
Details**

2080 **Clerk:** Question 252/2022. The Hon. D J Bossino.

Hon. D J Bossino: Please provide the following details relating to the Minister for Tourism's trip to Bangladesh: (i) who comprised the Government's delegation; (ii) the total cost of the trip, broken down into air travel costs, lodgings and entertainment; (iii) who the Minister met; (iv) what new business has been secured as a result of the trip; and (v) the duration of the trip.

2085 **Clerk:** Answer, the Hon. the Minister for Business and Tourism.

2090 **Minister for Business, Tourism and the Port (Hon. V Daryanani):** Mr Speaker, the Government's delegation comprised John Reyes from the Ministry of Business, Tourism and the Port, and myself.

The costs of hotel and accommodation for myself were covered by the Commonwealth Enterprise and Investment Council in London. The flight for Mr Reyes cost £3,881.36 and his hotel costs were also covered by the Council.

2095 For the rest of the information the hon. Member requests, he should refer to my press release of 27th January 2022.

2100 **Hon. D J Bossino:** Did he say that the organisation, which I have not taken a full note of ...? I have the press release here with me, but I seem to have misplaced it in preparing for the question. Did he say that, in effect, all the costs were covered save for Mr Reyes's flight costs? Is that correct? Have I understood him?

Hon. V Daryanani: Yes, Mr Speaker, that is correct.

2105 **Hon. D J Bossino:** May I ask what class of travel he used – Mr Reyes, because he is the one whose travel resulted in an expense to the public purse?

Hon. V Daryanani: Mr Speaker, this was two flights over 15 hours and Mr Reyes flew club class.

Mr Speaker: Next question.

Q253/2020
FITUR fair –
Government attendance

2110 **Clerk:** Question 253/2022. The Hon. D J Bossino.

Hon. D J Bossino: Please state whether the Government intends to attend the next FITUR fair in Madrid and why it did not attend the fair this year.

2115 **Clerk:** Answer, the Hon. the Minister for Business and Tourism.

Minister for Business, Tourism and the Port (Hon. V Daryanani): Mr Speaker, the Government has not yet decided on whether it intends to attend the next FITUR fair in Madrid.

2120 There are various reasons for not attending this year's event, the main reason being that the principal Spanish tourism that comes into Gibraltar is for day trips from Andalucía. I felt that having a stand and spending approximately £60,000 would not make a difference on this and was not really worth it at this stage. The fact that from March onwards we have seen a formidable return of day trippers, a full Easter and an extremely busy few months after that proves our judgement was correct.

2125 Finally, Mr Speaker, the Government does not rule out attending next year.

Hon. D J Bossino: Mr Speaker, may I ask what factors he is considering as to which side of the line, whether a yes or a no, he is likely to be deciding as to whether to attend or not? He says he has not decided yet and he talks about the improved numbers – and he is absolutely right – we are seeing from Spain, but what factors will determine whether the Government will be attending the event this coming year?

2130 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I refer the hon. Gentleman to the logic I set out in my reply to him when I dealt with exactly this question.

2135 **Hon. D J Bossino:** Mr Speaker, the logic, from my recollection, would be supportive of a decision in the negative, if I recall the Hon. the Chief Minister, but what we are getting from the Minister now suggests that that is still in the air, that there has not been a final decision made as to whether there will be an attendance on the next occasion. So I think the question is still valid and I do not think that we have had a proper reply from the Government benches on this one.

2140 **Hon. Chief Minister:** They have had a full and proper reply from the Government benches, which told them, Mr Speaker, that we believed, as the Hon. Minister has set out, that in an ordinary year it makes no sense for us to go to FITUR at a cost of £60,000, which we think would be money thrown away because we do not need to advertise Gibraltar in Spain.

2145 As I told him in my reply, Spain is obsessed with Gibraltar and therefore we do not need to sell Gibraltar in Spain, but if we have a new treaty which potentially provides a new way of accessing Gibraltar, we may consider that next year or the year after, or in no year but maybe next year and the year after it makes sense to go to FITUR to explain the new fluidity arrangements, such as they may be if they are agreed.

2150 That is the logic. That, we are discussing. We have not made a determination yet because the circumstances that we have provided for do not yet obtain, and therefore we will have to see what happens if those circumstances obtain. Otherwise, our view is that going to FITUR is throwing £60,000 of taxpayers' money, literally, away, like holding them up in the wind and seeing them fly. It is our opinion. He may not agree, but as I told him yesterday also, he has different opinions on things and it is fine; we just should not debate those issues until we get to a conclusion which

is the best conclusion for the Gibraltarian taxpayer; and in our view, our conclusion is the right one.

2160 **Hon. D J Bossino:** I am grateful for the reply; I think it is a fuller reply than I originally obtained from his colleague and himself initially.

I am not too sure what the position is, but is this the one occasion when the Government did not attend? Hasn't the Government always attended this fair in the 11 years they have been in office? It has always been a popular fair, certainly when we were in Government. I thought they had carried on with the practice when they have been in office.

2165

Hon. Chief Minister: Mr Speaker, I know that he dips in and out of politics and that he was here for the first four years we were in office and then he took a four-year sabbatical and is now back. I think we have gone on one or two occasions. I do not know if it was two, I do not know if it was one and I do not know if it was three, but it certainly was not 10.

2170

We have had the debate in this House about us continuing to go to FITUR on a number of occasions. Gibraltar needs to seek tourism because we need to get the numbers of tourists in Gibraltar up. The question is whether going to a Spanish tourism fair is the best use of our money. Maybe he would like to explain to us – not in the context of this moment because he needs to ask his questions, but explain to us privately or by exchange of press releases in the headlines of the newspapers why he believes that going to FITUR is going to increase the number of people who come to Gibraltar. If he can persuade us of that, well then we might agree.

2175

I think the policy that we have had, which is to do it but not do it regularly, to just, if there is something new, maybe put it there ... For example, if there is a new treaty or if we have new tourist attractions, as we have had in the time that we have been in government, to explain those, we think it made sense. Otherwise, we think there are other trade fairs where we reach other professionals, which makes more sense. But he is absolutely right that FITUR is a very big trade fair, aka a shindig, and if people here, on this side of the House, were looking to go to shindigs and not looking to look after the taxpayers' money, we would go simply because it is a shindig, but we are looking after the taxpayers' money and we think it is £60,000 wasted.

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2185

Mr Speaker: Next question.

Q254/2020

Entry points to Gibraltar – Efforts to maintain and refurbish

Clerk: Question 254/2022. The Hon. D J Bossino.

2190 **Hon. D J Bossino:** What efforts are being made to maintain and refurbish Gibraltar's entry points by land and sea?

Clerk: Answer, the Hon. the Minister for Business and Tourism.

2195 **Minister for Business, Tourism and the Port (Hon. V Daryanani):** Mr Speaker, all efforts are being made to maintain our entry points. As the hon. Member will have heard last week – perhaps two weeks now – we have announced a wonderful refurbishment and embellishment of the Landport area, which is one of the main entry points to our town centre. Other projects will be announced during the lifetime of this Parliament.

2200

Hon. D J Bossino: Yes, I think it was two ... perhaps even three weeks ago now. I think we lose track of time, we have been so long here.

2205 I am grateful for the answer, but I was more interested to learn what the Hon. Minister's plans are in relation to the Port, the cruise liner berth and also the Frontier. I understand that the Frontier, as a result of the potential Schengen treaty – or in any event – will be the subject of a refurbishment, but I have received quite a lot of complaints about the state of those particular entry points and I would be grateful for the Minister's ... whether he has any plans in relation to those two particular entry points.

2210 **Hon. V Daryanani:** Mr Speaker, regarding the cruise terminal, the Port area, there are plans. I have a certain vision for that area. We need to look at it and it needs to be improved, but of course we are not in a position to give you any further information because we are still at the early stages of that.

2215 Regarding the Frontier entrance, we have already submitted planning for a project that includes the e-gates etc., and that will incorporate a certain clean-up of the area because, once again, the hon. Member is right that it does not look very good. The reason we have not done so has been because we were waiting for this to happen and we were going to do it at the same time as the e-gate project.

2220 **Mr Speaker:** Next question.

Q255/2020
Airport departure lounge bar –
Owner/operator

Clerk: Question 255/2022. The Hon. the Leader of the Opposition.

2225 **Hon. K Azopardi:** Mr Speaker, which company owns and/or operates the bar in the departure lounge at the Airport?

Clerk: Answer, the Hon. the Minister for Business and Tourism.

2230 **Minister for Business, Tourism and the Port (Hon. V Daryanani):** Mr Speaker, the current owner of the departure lounge cafeteria is Lewis Stagnetto Ltd, trading as Bellport Ltd.

Hon. K Azopardi: Does the Minister have information – I assume it is a lease or a licence, a licence I guess – on when it commenced?

2235 **Hon. V Daryanani:** Mr Speaker, no, I do not have that information, but it was not that long ago, so if he wants, I will be able to write to him and give him that information.

2240 **Chief Minister (Hon. F R Picardo):** Mr Speaker, that lease was granted before we were elected into government – or licence, because it is in the duty free area concession – and is being renewed, but it is something that we found when we were elected.

Clerk: Answers to Written Questions.

2245 **Hon. K Azopardi:** Mr Speaker, can I just ask, before we pass to Answers to Written Questions ...? I had understood Sir Joe might have had a couple of questions. My learned and hon. colleague Mr Feetham had left me with custody of one of his questions with a request that it be

converted to written on the assumption that Sir Joe might be answering it – but it might not be on this list. It is not on the written list that I can see in front of me. *(Interjection)* But there is another, I see.

2250 **Mr Speaker:** Those questions which remain unanswered because the answerer is not here can be converted into Written Questions and they will be able, at the next meeting of the House, to ask supplementaries in the form of new questions in supplementaries on these questions which have been converted.

2255 **Hon. Chief Minister:** Or they can convert them to oral, Mr Speaker, or they can keep them as oral questions for the next session.

Hon. K Azopardi: I understood that under the rules the particular questioner will have a number of days.

2260 **Hon. Chief Minister:** Yes, that is right.

Hon. K Azopardi: But to the extent of Mr Feetham's question, I can confirm that he is willing to convert it to written.

2265 **Mr Speaker:** *[Inaudible]* converted to written?

Hon. R M Clinton: Yes, Mr Speaker.

2270 **Mr Speaker:** ... *[Inaudible]*

Hon. R M Clinton: Thank you, Mr Speaker. I am content for mine to be converted to written.

2275 **Hon. E J Reyes:** Likewise, Mr Speaker, I am happy for mine to be converted on the understanding that if I have a follow-up I can file a supplementary.

Questions for Written Answer

Clerk: Answers to Written Questions.

Hon. Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to table the answers to Written Questions W18/2022 to W23/2022 inclusive.

2280 **Mr Speaker:** Ordered to lie.

PRIVATE MEMBER'S BILL

FIRST AND SECOND READING

**SG Kleinwort Hambros Bank (Gibraltar) Limited (Transfer of Undertaking) Bill 2022 –
First Reading approved**

Clerk: Private Member's Bill – First and Second Readings.

A Bill for an Act to make provision for and in connection with the transfer of the undertaking of SG Kleinwort Hambros Bank (Gibraltar) Limited to SG Kleinwort Hambros Bank Limited.

2285 The Hon. A J Isola.

Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola):

Mr Speaker, I have the honour to move that a Bill for an Act to make provision for and in connection with the transfer of the undertaking of SG Kleinwort Hambros Bank (Gibraltar) Limited to SG Kleinwort Hambros Bank Limited be read a first time.

2290

Mr Speaker: I now put the question, which is that a Bill for an Act to make provision for and in connection with the transfer of the undertaking of SG Kleinwort Hambros Bank (Gibraltar) Limited to SG Kleinwort Hambros Bank Limited be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

2295

Clerk: The SG Kleinwort Hambros Bank (Gibraltar) Limited (Transfer of Undertaking) Act 2022.

**SG Kleinwort Hambros Bank (Gibraltar) Limited (Transfer of Undertaking) Bill 2022 –
Second Reading approved**

Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola):

Mr Speaker, I have the honour to move that the Bill be now read a second time.

2300 This Bill makes provision for and in connection with the transfer of SG Kleinwort Hambros Bank (Gibraltar) Limited to SG Kleinwort Hambros Bank Limited, a UK-registered company which has a branch in Gibraltar. In the Bill and in the rest of my comments SG Kleinwort Hambros Bank is called SGKH and SG Kleinwort Hambros Bank Limited is your called SG Kleinwort Hambros Bank Limited. The Gibraltar company is a subsidiary of SGKH Bank Limited.

2305 This transfer will not affect the level of presence of SGKH in Gibraltar as it will initially continued to operate from its current premises at Line Wall Road, Gibraltar, although it intends to move to new premises at Midtown shortly. The public will not see any change in this regard and will continue to be able to deal with their current contacts at the bank in the normal course of business.

2310 The staff working at SGKH Gibraltar will automatically transfer to the branch of SGKH Bank Limited and the banks have confirmed to me that the transfer effected by the Bill will not give rise to any redundancies. The hon. Members opposite will be familiar with the process of transferring undertakings in this manner.

I would be grateful for their support, and I commend the Bill to the House.

2315

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

Hon. R M Clinton: Mr Speaker, I rise to declare a tangential interest in that I have, for many years, had an account at the bank and therefore I would wish to abstain on any particular vote –

2320

not on the merits of it, but just so there is no tangential view that I may have a conflict. That is not to say that the Opposition obviously does support the merits of the Bill.

If I can add that as a former President of the Banking Association and having worked in the banking industry for many years, I first of all obviously welcome the fact that the bank is retaining its presence in Gibraltar, although of course in a branch format it has perhaps slightly less kudos than a locally incorporated entity with a board of directors and share capital etc. De facto they are providing banking services in Gibraltar and I think that is obviously good for Gibraltar. I am glad to hear what the Minister has said in terms of employment, that that will not be affected.

And so, Mr Speaker, I do not know if the Leader will make a few comments, but when we come to the final stage of the Bill, if we can have a division so I can record my abstention?

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

Hon. K Azopardi: Mr Speaker, the Opposition, insofar as subject to a clarification of my hon. colleague Mr Clinton, will support this Bill. As the Minister has said, this has become now not regular practice but it is the practice that has been seen in this House before in respect of other entities, and it has been done by Private Member's Bill by successive Ministers responsible for financial services who have introduced legislation in relation to particular banks, so we have no difficulty supporting this to smooth the passage and make it easier administratively for the bank to handle its business in this way and so that it has no particular issues.

We note what the Minister says in terms of its move to new premises. We hope that is because it intends to expand its services and grow and then recruit, and we are also grateful for his indication that there will be no redundancies, but insofar as the detail and so on, we will, of course, support the principles and detail of the Bill.

Hon. G H Licudi: Mr Speaker, I also rise to declare an interest in this matter because I have been professionally involved in the matters that give rise to this Bill. Unlike the hon. Member opposite, I do not believe that that affects the way I vote and I do intend to support this Bill, having declared the interest that I have declared.

Hon. A J Isola: Mr Speaker, I think that, as the hon. Members have said, as stakeholders in the financial services sector in Gibraltar it is important to support the institutions like SG Kleinwort Hambros. They are obviously responding to the real world in terms of how the banking community is evolving and changing. What gripped me was the investment in new premises, which I thought was encouraging, and their commitment that as a result of this Bill there will be no redundancies to the staff.

I very much hope, as the hon. Member has mentioned, that the bank will continue to grow, will service more and more clients and be more and more profitable in its operations in Gibraltar so they can pay us more taxes and promote and work with us in further developing the financial services community.

I am grateful for their support, Mr Speaker.

Mr Speaker: I now put the question, which is that a Bill for an Act to make provision for and in connection with the transfer of the undertaking of SG Kleinwort Hambros Bank (Gibraltar) Limited to SG Kleinwort Hambros Bank Limited be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

Hon. R M Clinton: Mr Speaker, can we record an abstention by me?

Mr Speaker: Mr Clerk would wish to record the abstention of the Hon. Roy Clinton.

Clerk: Recorded.

The SG Kleinwort Hambros Bank (Gibraltar) Limited (Transfer of Undertaking) Act 2022.

2375

**SG Kleinwort Hambros Bank (Gibraltar) Limited (Transfer of Undertaking) Bill 2022 –
Committee Stage and Third Reading to be taken at this sitting**

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.

2380

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

COMMITTEE STAGE AND THIRD READING

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

2385

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to move that the House should resolve itself into Committee to consider the following Bill clause by clause, namely the SG Kleinwort Hambros Bank (Gibraltar) Limited (Transfer of Undertaking) Bill 2022.

In Committee of the whole House

**SG Kleinwort Hambros Bank (Gibraltar) Limited (Transfer of Undertaking) Bill 2022 –
Clauses considered and approved with amendment**

Clerk: A Bill for an Act to make provision for and in connection with the transfer of the undertaking of SG Kleinwort Hambros Bank (Gibraltar) Limited to SG Kleinwort Hambros Bank Limited.

2390

Clause 1.

Mr Chairman: Clause 1 stands part of the Bill.

Clerk: Clauses 2 to 12.

2395

Mr Chairman: There is an amendment to clause 5, so it is clauses 2 to 4. Clauses 2 to 4 stand part of the Bill.

Clerk: Clause 5.

2400

Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola): Mr Chairman, I would be grateful if it could be amended in accordance with the letter provided to you, the Clerk and Members opposite.

2405

Mr Chairman: Is the Opposition content with that?
Clause 5, as amended, stands part of the Bill.

Clerk: Clauses 6 to 12.

Mr Chairman: Clauses 6 to 12 stand part of the Bill.

2410

Clerk: The long title.

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

**SG Kleinwort Hambros Bank (Gibraltar) Limited (Transfer of Undertaking) Bill 2022 –
Third Reading approved: Bill passed**

Clerk: The Hon. the Chief Minister.

2415

Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to report that the SG Kleinwort Hambros Bank (Gibraltar) Limited (Transfer of Undertaking) Bill 2022 has been considered in Committee and agreed to with an amendment. I now move that it be read a third time and pass.

2420

Mr Speaker: I now put the question, which is that the SG Kleinwort Hambros Bank (Gibraltar) Limited (Transfer of Undertaking) Bill 2022 be read a third time and passed. Those in favour of the SG Kleinwort Hambros Bank (Gibraltar) Limited (Transfer of Undertaking) Bill 2022? **(Members: Aye.)** We note that the Hon. Roy Clinton is abstaining. Those against? Carried.

Adjournment

2425

Chief Minister (Hon. F R Picardo): Mr Speaker, having kept my head when so many around me were the losing theirs and blaming it on me, it is my pleasure to rise to move that the House, after having approved the Appropriation Act 2022-23 on the basis of GSLP Liberal Government votes only, and having done all its other business for this month, should now adjourn *sine die*.

2430

I will be in contact with the Leader of the Opposition to see whether we will have another meeting before the summer. It may be possible to have one, it may be necessary to have one, but for now I move that the House should adjourn *sine die*.

Mr Speaker: I now propose the question, which is that this House do now adjourn *sine die*.

2435

I now put the question, which is that this House do now adjourn *sine die*. Those in favour? **(Members: Aye.)** Those against? Passed. This House will now adjourn *sine die*.

The House adjourned at 8.29 p.m.