



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.04 p.m. – 8.24 p.m.

Gibraltar, Thursday, 22nd December 2022

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The Gibraltar Parliament

The Parliament met at 3.04 p.m.

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

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

Questions for Oral Answer

CHIEF MINISTER

Q635/2022
COVID-19 memorial –
Government plans

Clerk: Meeting of Parliament, Wednesday, 22nd December 2022.
We continue with Answers to Questions.

5 **Mr Speaker:** A slight correction: today is Thursday.

Clerk: Question 635/2022. The Hon. E J Phillips.

10 **Hon. E J Phillips:** Mr Speaker, can the Government state when it intends to erect a memorial to those who were lost to COVID-19?

Clerk: Answer, the Hon. the Chief Minister.

15 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the Government is currently finalising plans for the erection of the COVID-19 memorial and expects to make an announcement early in the New Year.

Mr Speaker: Next question.

Q636/2022
Rt Hon. Alexander Downer –
Reason for payments re legal fees

20 **Clerk:** Question 636/2022. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government state why the Government is paying the Rt Hon. Alexander Downer £3,000 a month in respect of legal fees?

Clerk: Answer, the Hon. the Chief Minister.

25 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the Government has contracted the professional services of the Rt Hon. Alexander Downer in respect of work related to the United Kingdom and Gibraltar's departure from the European Union and the establishment of commercial links with other Commonwealth countries.

30 Mr Downer is a former Foreign Minister of Australia, a post he held for 11 years, and a former Australian High Commissioner to London between 2014 and 2018. He is, therefore, well qualified in the areas in which he works with us.

Hon. E J Phillips: I am grateful for the answer. I was just slightly perplexed that the cost of this service that the Rt Hon. Alexander Downer was providing the Government was included in a legal services schedule, given the fact that I do not believe that this individual is legally qualified, and therefore I wonder whether the Chief Minister might investigate whether this amount might be more appropriately put in a different schedule, rather than for legal services.

40 **Hon. Chief Minister:** Mr Speaker, the Hon. the Deputy Chief Minister I think is right in saying that this is paid for through the office of the Attorney General because he is running that part of the negotiation and this cost has been assigned there. Like him, I too believe that Mr Downer does not have a legal qualification so it would not be a legal fee. I think it is being paid through the GLO office and for that reason may have been put on a legal expenses list, but I will go back and ask that it be removed from a schedule that relates to legal expenses.

45

Mr Speaker: Next question.

Q637/2022

Bullying claims against Government or GDC – Claims and settlements

Clerk: Question 637/2022. The Hon. D A Feetham.

50 **Hon. D A Feetham:** Mr Speaker, how many bullying claims have been made against the Government or the GDC, and how many has the Government settled and for what amount?

Clerk: Answer, the Hon. the Chief Minister.

55 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the Employment (Bullying at Work) (Amendment) Act 2022 came into operation on 27th May 2022. This Act introduced vicarious liability of employers for their employees' conduct, as prior to its introduction there was no such liability.

There are currently 22 claims at different stages of the grievance process.

60 **Hon. D A Feetham:** Mr Speaker, how many bullying claims has the Government settled since the amendments were introduced?

Hon. Chief Minister: Mr Speaker, from the schedule I have before me, I think I can point to one that has been settled.

65

Hon. D A Feetham: Can he indicate what amount that claim has been settled for?

Hon. Chief Minister: From the information I have here, Mr Speaker, £5,000.

70 **Mr Speaker:** Next question.

Q638 and Q645/2022

GDC –

Number of vacancies; number of current employees

Q639 and Q648-49/2022

Government agencies and authorities, HM Customs, and Borders and Coastguard Agency –

Number of vacant posts

Q646-47/2022

Administrator posts in Government Departments –

Number of vacancies and number of acting or temporary post holders

Clerk: Question 638/2022. The Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, how many vacancies are there within the GDC?

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

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer this question together with Questions 639 and 645 to 649.

80 **Clerk:** Question 639/2022. The Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, how many vacancies are there within Government agencies and authorities, identifying the agency and authority?

85 **Clerk:** Question 645/2022. The Hon. K Azopardi.

Hon. K Azopardi: Mr Speaker, how many people are currently employed within the Gibraltar Development Corporation at 13th December 2022?

90 **Clerk:** Question 646/2022. The Hon. K Azopardi.

Hon. K Azopardi: Mr Speaker, how many vacant administrative posts in Government Departments were there on 13th December 2022?

95 **Clerk:** Question 647/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: How many officers were occupying administrative posts in Government Departments on an acting or temporary basis at 13th December 2022, broken down by particular clerical grade?

100 **Clerk:** Question 648/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: How many vacant posts were there in HM Customs at 13th December 2022, including those filled by officers on an acting basis or on temporary promotion?

105 **Clerk:** Question 649/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: How many vacant posts were there in the Borders and Coastguard Agency at 13th December 2022, including those filled by officers on an acting basis or on temporary promotion?

110

Clerk: Answer, the Hon. the Chief Minister.

115 **Hon. Chief Minister:** Mr Speaker, successive administrations, including the one the Hon. Mr Feetham and the Hon. Mr Azopardi were a part of, have consistently told the House they take the view that the GDC is a provider of labour. Consequently, there are no vacancies within the GDC. The continuity of roles within the GDC is assessed on a case-by-case basis and there are currently six posts within the GDC ongoing recruitment as at 13th December 2022.

In respect of Questions 639 and 647, I now hand over a schedule with the information requested.

Answer to Questions 639/2022

Agency	No of Vacant Posts
Borders & Coastguard Agency	5
Gibraltar Electricity Authority	30
Gibraltar Health Authority	105
Gibraltar Industrial Cleaners Ltd	10
Gibraltar Port Authority	3
Gibraltar Sports & Leisure Agency	1
Housing Works Agency	17

Answer to Questions 647/2022

Substantive Grade	Substitution Grade	No of Officer
AO	HEO	4
AO	EO	31
AA	PS	2
AA	EO	1
AA	AO	37
EO	HEO	25
PS	EO	2
HEO	SEO	17
HEO	Accountant	1
GDC Gd 1	AO	8
GDC Gd 1	EO	2
GDC Gd 1	GDC Gd 2	5
GDC Gd 2	EO	1
GDC Gd 2	GDC Gd 3	1
GDC Gd 3	GDC Gd 4	1
SEO	SO	5
Assistant Director	Director	1
TYPIST	EO	1
Clerk/Word Processor	AO	1
Stats Lvl2	Stats Lvl4	1

A total of 273 persons were employed with the Gibraltar Development Corporation as at 13th December 2022.

125 There were a total of 72 vacant administrative posts within Government Departments as at 13th December 2022, of which eight vacant posts are within HM Customs, two of which are covered by acting officers and six of which are vacant posts for customs officers.

There are five vacant posts within the Borders and Coastguard Agency.

130 **Hon. K Azopardi:** Mr Speaker, while I look at the schedule and put any appropriate supplementary to the Chief Minister, can I first start by asking him, given that he says that there are 72 administrative posts that were vacant in Government Departments – I think that is the number he gave me – is it the view of the Government that they will commence or undertake the recruitment in respect of those posts, and how many of those posts are being currently recruited or filled?

135 **Hon. Chief Minister:** Mr Speaker, that process ... it is not a question of it having begun or not begun, it is a process which is constantly ongoing. There are vacant administrative posts and the process in the Civil Service, as he will recall from when he was in government, is that you start to fill the ones at the top, and as a vacancy becomes open at the top you fill it and that leads to another vacancy below. And so that is an ongoing process. There are boards ongoing for SO and 140 SEO, then there will be boards for HEO and EO etc. So that is an ongoing process.

It is not a large vacancy rate in the context of the Civil Service. It is a 2.6% vacancy rate, and that is not vacant posts at the bottom; that is promotions which are being provided for almost all the time.

145 **Hon. K Azopardi:** Mr Speaker, the reason I ask that question ... and obviously I hear what the Chief Minister has said, but his Minister for Economic Stability has indicated in the press on a number of occasions that it is not necessarily the case, given the current situation, that vacant posts will be filled. Is he saying that the policy of the Government will be to fill those vacancies?

150 **Hon. Chief Minister:** Mr Speaker, the position of the Minister for Economic Stability is a little bit more complex than that. What we are embarked on, for example, in the filling of vacancies throughout the hierarchy of the Civil Service, is ensuring that the resources of the public sector more generally are properly applied. So, if you are paying for someone in the wider public sector, then the fact that they are brought into the Civil Service to fill a vacancy, if they fill the criteria for 155 that and they go through the proper process of application, is not going to affect financial stability because you are paying for that person in any event.

I think it is not possible to extrapolate from the statements of the Minister that there is anything which contradicts what I am saying in respect of the Civil Service, because the hon. Gentleman has not asked about the public sector, he has asked about the Civil Service. In terms 160 of the wider public sector, which is the Civil Service, the GDC, the companies and all of the agencies and authorities, we do not want to see that grow any further, but that does not mean that each of those constituent elements of the public sector should not, where appropriate, have their vacancies filled in the Civil Service as one of those where we are doing that and we are constantly doing that.

165 **Hon. K Azopardi:** My understanding of the answer, then, is that they will do so on a case-by-case basis, depending on which department requires it or does not require it. I think that is how I have understood the answer, but he can clarify perhaps when he gets up whether that understanding is correct.

170 Can I ask him also, if he has the information in front of him ...? I have asked about the vacant administrative posts and he said 72. Does he have information as to which departments those arise in?

175 **Hon. Chief Minister:** Mr Speaker, the information I have does not break down where those posts are. Usually that is information that I would see at the time of the preparation of the Estimates Book in the event that there were any vacancies that had not been filled at that time, and then the assessment can be made about whether or not a vacancy has been kept vacant because it is not considered by a head of department, for example, to be necessary to fill it, or a wider discussion is required about filling it. But I have not got that information broken down by department.

180

Hon. K Azopardi: Will the Chief Minister provide me with that information if I write to him to request that information? Otherwise, I am happy to file a fresh question on that basis.

185 **Hon. Chief Minister:** Mr Speaker, I think it probably better to file a fresh question, because in any event we are about to go into a break now, which will take us to more or less the time when I will be calling the next meeting of the House in January, and I think it will be helpful for all of us if the information is provided into *Hansard* rather than simply by exchange of letter in respect of this, as it is a follow-up about this particular number.

190 **Mr Speaker:** The Hon. Edwin Reyes.

Hon. K Azopardi: Can I just ask, on the answer to Question ... Oh, it is my hon. colleague Mr Feetham, so I will not – (*Interjection by Hon. D A Feetham*) No, you can ask that.

195 Mr Speaker, on Question 647, which is my question – I will keep to mine, if I may, at this stage – I see that there were 37, I think, AAs acting in AO posts. Am I reading this table correctly? That is that is how I understand it, the answer to Question 647. As I understand the breakdown, the first column presumably is the grade that the officer has and the second column is the grade in which they are acting. I am assuming that is how it works. There are quite a number of AAs, as I understand the table, acting as AOs – 37, if I am reading it correctly – and 25 EOs acting as HEOs. Again, I ask the same question: is the Government taking steps to substantively fill these posts?

200

Hon. Chief Minister: Mr Speaker, the answer to that is yes, as part of a process that I have provided for. When there are those vacancies, there is not always ... The words 'vacant post' do not mean necessarily that there is no one there. It means that there is somebody acting up into the post. He will recall that we had a recruitment of a large number of AAs – time is a little bit elastic now; I do not know whether it was just after the pandemic or just before, and I do not want, on my feet, to speculate about the date – and so at the bottom we had more people than we had vacancies in order to be able to ensure that as we filled the vacant posts they provided the number of people required below as well from the pool that was available, already recruited. That does not mean the post is not vacant. The post is vacant until the PSC nominates the individual who is going to fill it and the Governor signs off in that respect, but there is a person acting in the post and at the bottom you have more than you had provided for, and therefore everything should settle into the complement being filled.

215 **Mr Speaker:** The Hon. Daniel Feetham.

Hon. D A Feetham: Mr Speaker, thank you very much.

220 In relation to Question 639, the Gibraltar Health Authority, the number of posts is 105. Last night, the Hon. the Minister for Health indicated that there were 1,100 employees within the GHA. That is 10%, I make it. (*Interjection*) Well, even if it is ... Let me just ask the question, because it may well be that we have got the figure wrong. I have asked my colleagues and they have heard the same thing. In any event, the question is this: does he consider that 105 vacancies within the GHA, on the information he has, is unusually high? And, if so, what is the reason for that high number? It does appear, to me, to be high at 105.

225 **Minister for Digital, Financial Services, Health Authority and Public Utilities (Hon. A J Isola):**
Mr Speaker, yesterday I had an exchange in Parliament with my hon. Friend the Leader of the
Opposition and I undertook to get him some further information and breakdown in respect of the
vacancies. Remember, there were nine filled, nine in the process of interviews and a further 36
which were going to be taken up in January. I promised to write to the hon. Member and give him
230 some more details. This morning, as I have been going through those numbers I have been told
that there are more than the number I disclosed yesterday to the hon. Member, and I have now
seen the 105 in this answer, so I will pursue the answer to give correct information if what I gave
yesterday was wrong. If that was wrong and this is right, then that requires a different answer. If
my information yesterday was right and this is wrong, that it is not 105 but closer towards 50
235 something, which is the number that I gave yesterday, 36 plus nine, plus nine ... I think with the
GHA, as I mentioned yesterday in two different interventions, there are certain areas where –

Hon. K Azopardi: Will the hon. Member give way?

240 **Hon. A J Isola:** Yes, of course.

Hon. K Azopardi: If the hon. Member will give way, I think all the figures may be correct,
because if he recalls, when he gave me the figure of 54 it was at a different point in time, and my
hon. colleague has now asked a question subsequently in terms of the numbers of current
245 vacancies, so the situation will have moved on because when he gave me that figure, 54, I think it
was probably about a month or six weeks ago. So it may be that yes, the figure he gave me was
correct yesterday in relation to the figure of 54 – how many posts had been filled and how many
were ongoing in terms of recruitment – but since that time there is now a much bigger number of
vacancies. If that is helpful ...

250 **Hon. A J Isola:** I am grateful for that. The information I was disclosing yesterday was the current
position. In other words, the information as to how many interviews are actually in progress now,
how many we are going to be working on in January. So there is a difference in numbers and I
realised when I saw this answer that there is a discrepancy and we will need to revert.

255 What I was going to say was, as I also disclosed yesterday in answer to questions, there are
certain services that we have actually subcontracted in, to get help. Those will be in areas where
we have not been able to fill some of the vacancies. So the jobs are being done. The numbers of
vacancies ... It is not that that work is not happening, the work is happening. Is that number higher
than I would like? I said yesterday I thought 50 in an organisation of some 1,100 – I think it is just
260 over – is a relatively low number. If it is 100, then it is a little bit more – it gets closer to 10% rather
than 5%. I will undertake to revert to the hon. Member with more details and clarity in respect of
what is the actual position in respect of these numbers of vacancies at the GHA.

Hon. D A Feetham: Bearing in mind that he is going to revert, could he also perhaps provide a
265 breakdown of where these 105 – if it is 105, or if it is 54 – vacancies actually lie? That perhaps will
then allow us to analyse the figures and ask further questions next time, Mr Speaker.

Hon. A J Isola: Yes, Mr Speaker.

270 **Mr Speaker:** The Hon. Edwin Reyes.

Hon. E J Reyes: Thank you, Mr Speaker, sir. You may recall during the course of this current
calendar year I have had, at times, questions to the Hon. Minister for Sport in respect of the
staffing at the Gibraltar Sports and Leisure Authority. I think there is a typing error in the Chief
275 Minister's schedule, because by legislation it is Sports and Leisure Authority.

The Minister was telling me at the time that he was in the process of undergoing discussions in respect of the staffing and so on. Seeing that the Chief Minister, in his answer, has put that there is one vacant post, does that mean the staffing exercise is now completed and therefore one post will be subsequently advertised, or is the Chief Minister basing these figures on what had
280 been previously agreed, which may or may not result in the advertisement of one post?

[A mobile phone rings]

Minister for Housing, Employment, Youth and Sport (Hon. S E Linares): Mr Speaker, it happens to be my mum. *(Interjections)* Yes. Hi, Mum. Sorry.

Mr Speaker, in relation to that vacancy, it is one where somebody has probably retired and will
285 be replaced automatically. We are still going through the process of looking at staffing levels in the GSLA, but the information that the Chief Minister would have got, rightly, is one vacancy.

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

Then, in Question 638 my hon. colleague Mr Feetham asked about vacancies in the GDC, to
290 which the Chief Minister explained that there were zero because those are on a case-by-case basis. Last month, in exchanges I had with the Father of the House, he was telling us that the process was ongoing because the adverts had gone out in respect of the Construction Training Centre – one post for centre manager and I think it was two, if not three, instructor posts – and applications were invited to be sent to the GDC. Because the Chief Minister said it is on a case-by-
295 case basis, does he have any more information in that respect? I believe, sir, later on the Order Paper you are going to allow me to ask about the Training Centre manager, but not ... I had not filed a question in respect of the other vacancies because I know it was only asked a month ago. Given that this has arisen now, maybe the Chief Minister does have some information in respect of the instructors, not the Training Centre manager, in this GDC vacancy.

300

Hon. Chief Minister: I do not, Mr Speaker.

Mr Speaker: Next question.

Q640/2022
Chatham Views –
Changes to plans and designs

Q641-42/2022
Bob Peliza Mews, Chatham Views and Hassan Centenary Terraces –
Construction costs

Clerk: Question 640/2022. The Hon. D J Bossino.
305

Hon. D J Bossino: Please state whether the plans and designs for Chatham Views have been changed in order to accommodate current residents of the old Westside School. I think Westside Mews is probably appropriate.

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

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer with Questions 641 and 642.

Clerk: Question 641/2022. The Hon. D J Bossino.

315 **Hon. D J Bossino:** Why has the Government not already negotiated the construction prices for Bob Peliza Mews and Chatham Views?

Clerk: Question 642/2022. The Hon. D J Bossino.

320 **Hon. D J Bossino:** When were the construction costs agreed in respect of Hassan Centenary, broken down in respect of each phase?

Clerk: Answer, the Hon. the Chief Minister.

325 **Hon. Chief Minister:** Mr Speaker, the design for Chatham Views has not been changed in order to retain the Westside Mews building. The easternmost block has been shifted slightly south but the layout and configuration of the apartment blocks and the apartments has not changed.

The tenders for Bob Peliza Mews and Chatham Views were issued over three and a half years ago. During this period, there have been major changes in construction costs due to external factors such as COVID-19. In order to ensure that HMGoG receives value for money, a decision
330 has been taken to retender the projects on a competitive basis rather than negotiate with a preferred bidder.

The construction costs for Hassan Centenary Terraces were established through the tender process carried out for the entire project. These costs were agreed in December 2019, albeit there
335 were some commercial points to close out.

Hon. D J Bossino: If I can take the last point first, in relation to Hassan Centenary, Mr Speaker, he refers to one date, which is the December 2019 date, and in fairness to him, in answers to supplementary questions that we had in the last session he said that as far as phase 1 was
340 concerned the contract price had been fixed before COVID, I think he said, so that is before March 2020, and I am assuming that that is the date which applies, but that in relation to phase 2 it was fixed before, I think he said, the war in Ukraine, which would have been February this year.

Can he give a bit more information – because I have not been able to take a full, detailed note of his answer – in relation to the date? He has only provided one date. Is that the date when the
345 construction costs were agreed in respect of both phases? Is that his position now?

Hon. Chief Minister: No, Mr Speaker. In fairness to me – and I am surprised that the hon. Gentleman gets up to say that he is going to preface things ‘in fairness’; I do not think there is any other way in which we should be addressing each other, other than in fairness – what I have said
350 is that in December 2019 the constructions costs were established through a tender process but there were commercial aspects to provide for, and those commercial aspects included some elements which relate to aspects of the price. Those had not been resolved until, I think, May 2022, when we were able to start the second phase, and the second phase included the work on the revetment, not just the work on the towers.

355 **Hon. D J Bossino:** Let’s put it in simple terms. In relation to phase 2, the costs were fixed in May 2022, as I understand it, once the commercial aspects had been provided for, he says, in relation to the price. In relation to phase 1, at what point in time were the construction costs in relation to that development fixed? The concern here – and I raised it at the last session of the House – is that the information I have received is that construction started before there was a
360 fixing of a price and that that in itself has resulted in an over-expenditure to the tune of ... I have been provided with various figures of between £30 million and £50 million. If we had had a fixed price earlier, that would not have happened. That is the concern that we have on this side of the House insofar as the management of this particular development is concerned.

365 **Hon. Chief Minister:** Mr Speaker, the hon. Gentleman is wrong, the information that has come to him is wrong and the figures that have been given to him are entirely wrong because the basis on which they have been provided to him is wrong. I checked the dictionary definition of the word 'drivel', which he used yesterday: it means nonsense, and what he has said is drivel.

370 **Hon. D J Bossino:** Can he answer the specific question that I required clarification on, which related to when the price was fixed in respect of phase 1? He has given me a lot of dates. He has mentioned December 2019, no doubt in order to provide as confusing an answer as possible, but can he ...? He says that May 2022, as I understood it, was the date of the fixing of the price in respect of phase 2. When was the fixing of the price in respect of phase 1 arrived at, contractually signed?
375

Hon. Chief Minister: Mr Speaker, I do not think I have given him a lot of information in order to confuse him, but of course that betrays the principle that when faced with a lot of information he believes he might be confused, which is a worrying aspect for somebody who purports to want to do a ministerial job, because in a ministerial job you will find that you face a lot of information a lot of the time.
380

Hon. D J Bossino: *[Inaudible]* and I do not think that is parliamentarily acceptable and he should be called to order.
385

Hon. Chief Minister: Mr Speaker, I am not casting aspersions on anyone's character. The hon. Gentleman has said that I have given him a lot of information in order to confuse him. That suggests he is a person who, when faced with a lot of information, is potentially confused. He may have cast an aspersion on his character if he believes that putting a lot of information to a person leads them to confusion. It is a matter for him, but in fact I do not seek to cast aspersions on his character. I think his character speaks for itself and there is no need for me to characterise his character in any way. If he wants the information, I have a date here: 18th December 2019.
390

Hon. D J Bossino: Mr Speaker, are you going to give a ruling in relation to the point of order I have just raised? *(Interjection)* **(A Member: Wow!)** *[Inaudible]*
395

A Member: You give me a lot of information to confuse me.

Hon. Chief Minister: If I get all the information, I may be confused.
400

Mr Speaker: I think Members need to settle down after lunch and just get stuck in and dig into the answers given by the Government, and both sides should refrain from using words which cast aspersions on individuals. I would ask you to continue with the way that the questions were being answered and put before by other Members of the Opposition and let's continue in that vein.
405

Hon. D J Bossino: Mr Speaker, in relation to the answer the hon. Gentleman provided in relation to Question 641, I think he talked about retendering. The point is – and this ties in with the response he gave at the last session of the House, which is that construction prices had as yet not been arrived at or indeed fixed because they had not been negotiated yet in relation to Bob Peliza Mews and Chatham Views – we also have information from the hon. Gentleman, in answer to questions that we posed, that the prices in respect of those flats which have been allocated will remain fixed insofar as those purchasers are concerned. Given the rise in inflation and given, therefore, the reported rise in construction costs in the region of 30% or 35%, according to the international press, will that not result in the Gibraltar taxpayer having to foot the excess bills?
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415 **Hon. Chief Minister:** I could not hear what you said because the expression seemed to have been tangled on your tongue.

Mr Speaker, the things that are said in the international press about construction prices –

420 **Mr Speaker:** The Hon. Chief Minister, as I mentioned before, should just get on with the question without making any remarks that might upset other people.

Hon. Chief Minister: Well, Mr Speaker, if I am not going to make any remarks that might upset the hon. Member opposite, then my answer will be in words of one syllable: no.

425 **Hon. D J Bossino:** Mr Speaker, he carries on and does it. He has completely ignored your recommendation.

430 **Hon. Chief Minister:** Mr Speaker, I begged the hon. Gentleman's pardon because I did not hear the last phrase. He made a barbed comment from a sedentary position, so I responded in kind. The hon. Gentleman is the typical who can give it but cannot take it. He needs to learn just not to give it so he does not have to take it, or to give it and take it.

435 **Hon. D J Bossino:** Can the hon. Gentleman be stopped? What is he talking about, giving it and taking it? Again, he is casting aspersions on my character. He keeps on doing it. He is not following your recommendation.

Hon. Chief Minister: How am I casting aspersions on your character *[inaudible]* give and take?

440 **Hon. D J Bossino:** *[Inaudible]*

Mr Speaker: The Chief Minister was supposed to answer a question posed by the Hon. Damon Bossino. Can the Hon. Damon Bossino repeat the question?

445 **Hon. D J Bossino:** I think he has answered.

Mr Speaker: Right.

Hon. K Azopardi: Can I ask in relation to the answer that they are going to retender on Bob Peliza and Chatham Views, is that a recently arrived-at position?

450 **Hon. Chief Minister:** Mr Speaker, it is one we have informed the House of some time ago, already.

455 **Hon. K Azopardi:** I welcome that clarification. It is just that, if he recalls, I had asked about Bob Peliza and Chatham Views and he said, 'Ask me in February and I will be able to give you ...', so I thought that perhaps there had been, now, a new decision to retender. That is not the case?

460 **Hon. Chief Minister:** No, Mr Speaker, the answer I gave him was that we were tendering, that we would be fixing the prices in that context and that that process would not be finished until then, and that is when I expected to be able to give him the numbers.

465 **Hon. D J Bossino:** Just by way of clarification, in relation to the answer the hon. Gentleman gave in respect of Question 640, which dealt with Chatham Views, did he say that it is the ...? As I understand it, there are two blocks and one is on the eastern side and that is the one that is being shifted slightly – I think he used that term – in a southerly direction, and that is presumably to make space for the residential area which is now being kept. It was not going to be kept in the

original plans; there was an open space there. Is that the position? Have I understood his reply correctly?

470 **Hon. Chief Minister:** Mr Speaker, that is an accurate comprehension of the first answer I gave.

Hon. D J Bossino: Mr Speaker, are purchasers aware of the change of plans? I am told that there are individuals who will be expecting to find an open space on the northern side of that particular block, and now they are going to be faced with a building. Are they aware of the change
475 of plans? Is that known to the purchasers?

Hon. Chief Minister: Well, Mr Speaker, it appears from the way that he has structured his question that the answer can only be yes.

480 **Mr Speaker:** Next question.

Q643/2022

Flight diversions to Malaga – Arrangements for Gibraltar passengers

Clerk: Question 643/2022. The Hon. D J Bossino.

Hon. D J Bossino: Mr Speaker, what measures are in place for passengers on flight diversions to Malaga to be able to cross the Frontier to catch flights there and leave the aircraft to return to
485 Gibraltar?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, HM Government of Gibraltar has been in
490 contact with the Spanish government following the difficulties faced by air passengers diverted to Malaga airport from Gibraltar last week. I have received assurances directly from the Spanish Minister of the Interior, Sr Fernando Grande-Marlaska, that the Spanish authorities at the border will continue to accept a boarding pass for a diverted Gibraltar flight departing from Malaga as a valid reason for entering the Schengen Area. Additionally, passenger manifests will be provided
495 to ensure accurate data is available containing those who are coming into Schengen because they are booked on a diverted flight.

Any suggestion that British citizens require any sort of visa to enter the Schengen Area for less than 90 days is nonsensical and has no basis in European law.

500 May I add that in all my communications with him, Sr Grande-Marlaska has always sought to be helpful and has shown a regard for the well-being of people who may have to cross the Frontier for all legitimate reasons, although his very positive attitude may not always filter through to the front line.

Hon. D J Bossino: Mr Speaker, can he assist the House, perhaps by way of explanation, in
505 connection with the requirement that ...? As I understand it, the implementation of this measure affected only British nationals and other non-Schengen nationals. It did not affect British nationals who are eligible residents and were able to produce a red ID card. Why is there a need for the boarding pass?

510 I know of individuals who were there at the relevant time and the question that was being put to me was why haven't the immigration authorities on the Spanish side of the Frontier allowed British nationals who are not residents of Gibraltar simply to cross over and stamped them in the

usual way? So they would be stamped going into Schengen and then stamped again leaving Malaga. Why the need for that extra layer?

515 **Hon. Chief Minister:** Mr Speaker, this Government is not answerable in this House for the actions of the Spanish immigration authorities.

Mr Speaker: The Hon. Daniel Feetham.

520 **Hon. D A Feetham:** I was on that flight and I can tell the House what actually happened because I was at the very front. Essentially, we crossed the Frontier from the Gibraltar terminal and Spanish police officers set us to one side. One of the Spanish police officers then came round asking for those with Spanish passports. Those with Spanish passports were then allowed to cross. I then intervened and said, 'Well, I have a Spanish passport and a Gibraltar ID card.

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Two Members: A British passport.

Hon. D A Feetham: A British passport, sorry. I beg your pardon. *(Interjections)* That's right. We are in the Christmas and generous spirit here, so I will give them ammunition for their next grubby podcast.

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Hon. Chief Minister: Mr Speaker, I am sorry, on a point of order –

Hon. D A Feetham: I am going to ask a question.

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Hon. Chief Minister: Mr Speaker, how can we not have aspersions cast on our character and, indeed, our production facilities if our podcasts are referred to as grubby?

Hon. D A Feetham: I will withdraw then – their magnificent podcasts. So they can use that in their magnificent podcast. *(Interjection by Hon. Chief Minister)*

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I showed my passport and the ID card and they allowed me to cross. One of the things that I regret not doing at the time is saying to the Spanish police officer, 'Hang on a minute, it has nothing to do with a boarding pass – British passport holders are perfectly entitled to cross and then,' as the hon. Gentleman, my hon. Friend has said, 'get stamped going into Schengen and then get stamped in Malaga airport coming out of Schengen.'

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Is that the understanding from the Government of Gibraltar's point of view, that nothing should have prevented them from actually going into the Schengen Area? They could have been stamped and they could have been stamped coming out at Malaga when they left.

This not designed to be contentious, by the way, so I hope the hon. Gentleman does not take it in that way.

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Hon. Chief Minister: No, Mr Speaker, I do not believe that the hon. Gentleman is being contentious by factually telling us what happened to him, and I am grateful that he has shared that with the House, but I must tell him that what he is wrong about is his interpretation of the Schengen rules. A British citizen is not entitled to enter Schengen. Those days are gone. We were entitled – No, whether we are stamped or not. We are not entitled to enter Schengen. You have to understand that, because it is fundamental to understanding how we resolve issues that British citizens, whether they are resident in Gibraltar or not, may have crossing the Gibraltar-Spain Frontier into Schengen.

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We are able to access the Schengen area without a visa if we can prove what we are going to do and we have evidence that that is what we are going to do. Therefore, in some instances one may need proof of a reservation to go and do a thing, and one may need proof of one's ability to sustain oneself within the Schengen Area for that period. So if you say, 'I am going to catch a

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565 flight,' and you do not have evidence that you are going to catch a flight, in particular because you do not have a booking for a flight that leaves Malaga airport because your flight was not ever intended to leave Malaga airport, you may be asked to prove that you are on a diverted aircraft and that you have a boarding pass for that diverted aircraft.

570 It is a complete misnomer to think that because we are not visa-requiring nationals, because British citizens are not visa-requiring nationals, we are entitled to enter Schengen. Those days are gone. Brexit did for that. We are no longer European citizens. We do not have the right to access the Schengen immigration zone.

Mr Speaker: Next question.

Q644/2022
ITLD –
Resolution of dispute

Clerk: Question 644/2022. The Hon. the Leader of the Opposition.

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Hon. K Azopardi: Mr Speaker, how is the Government going to address the dispute with civil servants in ITLD?

Clerk: Answer, the Hon. the Chief Minister.

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Chief Minister (Hon. F R Picardo): Mr Speaker, HM Government of Gibraltar continues to liaise with ITLD through its representative union, the GGCA. The Government has tabled a series of measures further to the concerns expressed by the workforce. We are optimistic that there will be a favourable resolution very soon.

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Hon. K Azopardi: Mr Speaker, does the Government recognise there is a dispute with ITLD?

Hon. Chief Minister: Mr Speaker, the Government does not declare a dispute. The Government has not declared a dispute with ITLD. The structure of our Trade Union and Disputes Act allows a union to declare a dispute with the employer, in this case the Government.

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Hon. K Azopardi: Mr Speaker, the union appears to have declared a dispute, but the Government appears not to recognise that there was a dispute. Hence my question: does the Government recognise there is a dispute with the GGCA in relation to ITLD?

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Hon. Chief Minister: The union has declared a dispute. The Government is seeking to resolve any issues that we may have with the members of the union who are responsible for ITLD. If I may say so, Mr Speaker, despite attempts extraneous to the union, to ITLD and to the Government to create more problems, I am very happy to say that both the leadership of the union, the leadership of the Digital Services Ministry, the Industrial Relations Ministry and my office, with the people in ITLD, have been able to assess what the issues between us are and have worked very well to try to resolve them, trying genuinely to understand what may be causing difficulties and how those can be resolved and those concerns can be assuaged. I think that is the best way to continue to try to work together going forward.

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Hon. K Azopardi: Mr Speaker, does the Government accept that ITLD was set up to fail?

Hon. Chief Minister: No, sir.

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Hon. K Azopardi: He has talked about measures that are being ... that he is engaging with the GGCA, or at least the Government is engaging with the GGCA, in respect of a resolution of the dispute. Can he give us a bit more information about how the Government thinks that dispute will be resolved?

Hon. Chief Minister: No, Mr Speaker, the Government does not believe that whether one is dealing in a negotiation with ITLD or whether one is dealing with the negotiation of a treaty between two high contracting parties, it is in the interest of any of the parties to put the issues that are being discussed into the public domain and to put positions into the public domain. It is better to put solutions into the public domain. Otherwise, one ends up having the negotiation in the public domain. That can only lead to each party needing to satisfy an audience rather than just satisfy its criteria.

What I would ask the Leader of the Opposition to do is allow us the space to resolve the issues in a way that is satisfactory to the excellent civil servants in ITLD and the excellent civil servants in Digital Services and Industrial Relations, so that we can ensure that we move forward together in a way that provides the service that the public and other civil servants beyond ITLD require – something which I am very confident we will be able to do.

Hon. K Azopardi: Finally, Mr Speaker, can I just ask – without asking how the matter will be resolved, giving him the space that he says he wants – is resourcing one of the issues at the heart of the discussions that the Government is having with ITLD? Does he think ITLD have been properly resourced?

Hon. Chief Minister: Mr Speaker, I know the Hon. the Leader of the Opposition has a slightly thicker skin than Mr Bossino, so he will not, no doubt, spring to silence me if I say that it is a little bit like doublespeak to say he will give me the space to do what I have asked him to permit me the space to do, but at the same time ask me details about what is ongoing in the negotiation, which might do the opposite of what he has suggested he would do by giving me space. So he will forgive me for keeping my counsel in that respect, because I think it is important that we do not put our respective positions out there. We did that when the matter was raised into the public domain when the issue first arose. We are now trying to resolve matters, and I think it is better that we continue to try to resolve matters and not seek to exacerbate them further.

Mr Speaker: Next question.

Q650/2022
Dialysis patients –
Arrangements re treatment whilst in EU member states

Clerk: Question 650/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, are there any current arrangements in place or proposed arrangements being contemplated in the event of a EU-UK treaty on a future relationship in respect of Gibraltar that would allow Gibraltar dialysis patients to obtain dialysis treatment while away temporarily in EU member states?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, there are currently no reciprocal healthcare arrangements between Gibraltar and the member states of the European Union. The

655 arrangements with Spain came to an end on 30th June 2020 and with the rest of the EU on
31st December 2020. This means that, absent other arrangements, patients from Gibraltar on
holiday or otherwise in the EU need to avail themselves of private medical insurance as part of
their travel insurance scheme, much as would be the case if a Gibraltar dialysis patient were
traveling anywhere else.

660 **Hon. K Azopardi:** Mr Speaker, that answer deals with part of the question, if I may say so, which
was what are the current arrangements in place? He has given me that, but are there any
proposed arrangements being contemplated? Perhaps he could comment. I have asked generally
on other occasions as to whether there is a healthcare dimension to the discussions should a
665 treaty emerge. Are there any arrangements being contemplated which would benefit these
patients?

He will understand the thrust of the question. Clearly, dialysis patients who are having to
undergo treatment several times a week are rather limited in terms of their options for travel and
so on. When we were members of the EU, it was easier, of course, to come up with some kind of
reciprocal treatment when you were away, but this has now ended, as he says, and they will get
670 relief if they know that it is within contemplation of the Government to provide for them within
the context of a new treaty.

Hon. Chief Minister: Mr Speaker, the hon. Gentleman and I, I think, both care just as deeply
and equally about dialysis patients in Gibraltar who may want to travel to Spain or beyond in the
675 European Union. And not just dialysis patients, there are many other classes of individuals who
have health issues, who nonetheless want to be able to travel and during our period of
membership of the European Union had protections which enabled them to travel in that respect.

I do not want to get into the detail of the negotiation in respect of the treaty between the UK
and the EU, either directly when I answer a question about it, or tangentially by answering a
680 question about any particular aspect. If I do, I may prejudice my opportunity to negotiate
something for dialysis patients or for other patients, because by putting out there that something
is important and matters to Gibraltar, the price that one may have to pay for that in the context
of a negotiation would obviously go up. Not least because a Chief Minister may have told the
Leader of the Opposition that this something which he agrees is important, should be on the table
685 and he will try to achieve, immediately the cost of that is multiplied in the negotiation because
there is a public commitment, which then there would be a loss of face in not achieving. He will,
no doubt, understand that, and for that reason, Mr Speaker, expressing my sincere concern to
ensure that our dialysis and other patients are able to continue travelling freely throughout the
world, as we have always sought to achieve, I would pray that the Hon. Leader of the Opposition
690 ask me no further in respect of this particular subject.

Q651/2022
Tax returns –
Online registrations

Clerk: Question 651/2022. The Hon. Ms M D Hassan Nahon.

695 **Hon. Ms M D Hassan Nahon:** How many online registrations have there been for this year's
tax returns?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, to date, 18,705 online users have registered with the Tax Office for the purposes of submitting their tax returns.

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Hon. Ms M D Hassan Nahon: Mr Speaker, I thank the Chief Minister for that answer. Can I ask if there is any information on the split – how many were via email and how many on the actual e-Government portal?

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Hon. Chief Minister: Mr Speaker, those are all on the portal. Additionally, 7,866 have come in via email. So the 18,705 are the portal, 7,866 are email, and 32,735 people have registered for all e-services.

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Hon. Ms M D Hassan Nahon: Mr Speaker, if my information is correct, there were 18,705 on the e-Government portal and 7,866 on email, which represents about 30% of the entire subscription being email. Can Government explain to us why perhaps, after an average of £20 million spent, most of this year's returns – if not most, a good part of them – have been on email and not the portal? Can we understand when that might migrate more towards a fully online service instead of people having to resort to email, which is effectively a pretend e-Government service, really?

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Hon. Chief Minister: Far from it, Mr Speaker. To be clear, what that represents, given that we expect approximately, from the information I have, 41,000 returns, well more than half have come in through electronic means and almost half have come in through the portal, which in the context of the process which is being undertaken seems to me to be an extraordinarily successful number. Of course, we would all wish that everybody would come in through the portal, but this seems an extraordinarily successful number given the difficulties we have had in the period when we have been going digital. It is moving only in one particular direction.

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I would say that some of the issues that prevent people from submitting digitally have nothing to do with the portal. They have more to do with fear of the portal and not being confident in going in to do the return in this way, which seems to me to be by far the easiest method for the submission of a tax return that I have come across. So I do not think that there is any reason for the implied criticism that the hon. Lady has proposed. There is a cause for celebration.

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Hon. Ms M D Hassan Nahon: Thank you for that answer.

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Mr Speaker, while we celebrate, can the Hon. Chief Minister tell us if the Government has any ideas or plans to encourage a bigger uptake generally on the portal for next year?

Hon. Chief Minister: Yes, Mr Speaker.

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Hon. Ms M D Hassan Nahon: Can I ask in what form these ideas might be planned to be?

Hon. Chief Minister: Yes, Mr Speaker, they will be announced closer to the time.

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Mr Speaker: Next question.

Q652/2022
Airport terminal –
Anticipated opening date

Clerk: Question 652/2022. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Can Government give the people of Gibraltar a date by when the Airport terminal will be completed and open to the public?

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Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Yes, Mr Speaker, I have. As I already said during my most recent *Direct Democracy* before the time for filing questions, we expect the tunnel to be operational by the end of the first quarter of 2023. The Airport tunnel site has now been handed over to the Government and we are currently in the process of ensuring that we exercise all of the systems and instruments in the tunnel and do all the things that we need to do in order to achieve final certification. Therefore, I fully expect that, as I already announced publicly, the tunnel will be operational by the end of the first quarter of next year.

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The best way to describe this project colloquially is as having had the gestation period of a mule. Thankfully, we now expect to be able to see the tunnel operational. I will say more about the frankly abysmal performance of the contractor in the near future. Our job, however, has been to ensure that we got the right product for the taxpayer.

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

I did want to put this question here in the House to the Chief Minister for the record of *Hansard*. Have there been any additional costs to the project due to this delay of the gestation of a mule?

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Hon. Chief Minister: Yes, Mr Speaker, considerable costs have arisen as a result of the failure of the contractor. We have had to take the contractor to litigation. We have recovered a lot of our costs, but not all of them. We have supervisory costs in respect of changes required to the tunnel works from the original plans, and I think I have shared schedules of those costs in this House in the past.

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

Is the Brexit outcome likely to have any bearing on the deployment of this infrastructure in the next few months with the ongoing negotiations and talks?

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Hon. Chief Minister: Yes, Mr Speaker, it may just have a very big roundabout at the end of it.

Mr Speaker: Next question.

**SOCIAL SECURITY, ECONOMIC DEVELOPMENT, ENTERPRISE,
TELECOMMUNICATIONS AND THE GSB**

Q544/2022

**Construction Training Centre Manager –
Breakdown of costs**

Clerk: Question 544/2022. The Hon. E J Reyes.

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Hon. E J Reyes: Mr Speaker, can Government update this House in respect of the selection process for the vacant post of Construction Training Centre Manager?

Clerk: Answer, the Hon. the Minister for Social Security, Economic Development and Enterprise.

785 **Minister for Social Security, Economic Development, Enterprise, Telecommunications and the GSB (Hon. Sir J J Bossano):** Yes, Mr Speaker, the successful candidate for the Construction Centre Manager post has now been identified.

Hon. E J Reyes: Thank you, sir.

790 Having identified the successful candidate, does the Hon. Father of the House know if he is already in post or will be taking up post shortly in the New Year – a start date?

795 Mr Speaker, last month, the Hon. Father of the House explained to us that he had not yet finalised training courses to be offered during 2023. My logic tells me it makes a certain amount of sense to wait for a new centre manager to be appointed. I am asking so he gives me a guideline of when to next pose a question about trades courses being offered in 2023. That is why I seek that information – not just being petty but to plan ahead and keep tabs on the development of the Training Centre.

800 **Hon. Sir J J Bossano:** I am not involved in that kind of detail, but since the person selected is an internal candidate, yes, I think the question of making arrangements for the post that is being relinquished and then taking over the post in the Construction ... I would expect it to be happening in January.

805 **Hon. E J Reyes:** And just seeking clarification ... The answer is that there has been an internal candidate. By that, does the Member mean internal within the Training Centre itself or internal within the Government, the GDC, or whatever set-up it is going to be?

Hon. Sir J J Bossano: Internal within the Government.

Mr Speaker: Next question.

Q545/2022
Modular units –
Financial arrangements

Q546-47/2022
Public finances –
Update

Q548-49/2022
GBIC Ltd –
Directors' remuneration; National Economic Plan projects

Q550-53/2022
Community Supplies and Services Ltd –
Fees paid to directors as directors or lawyers;
purchase of loans notes and security given; charity registration

Q554-56/2022
National Economic Plan –
Role of Gibraltar Properties Ltd and GSBA Ltd; cost to date and proportion financed by GSB

Q557-59/2022

Victoria Stadium –

Loan notes and security given; financial analysis re viability

810 **Clerk:** Question 545/2022. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise if the manufacturers of the modular units in China, or any other entities, are providing any special financing arrangement for the purchase of these modular units; and, if so, what are the financing arrangements?

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Clerk: Answer, the Hon. the Minister for Social Security, Economic Development and Enterprise.

820 **Minister for Social Security, Economic Development, Enterprise, Telecommunications and the GSB (Hon. Sir J J Bossano):** Mr Speaker, I will answer this question with Questions 546 to 559.

Clerk: Question 546/2022. The Hon. R M Clinton.

825 **Hon. R M Clinton:** Mr Speaker, can the Government please provide the total gross debt, aggregate debt after application of the Sinking Fund to gross debt, cash reserves and net debt figures for public debt for the following date, being 1st November 2022?

Clerk: Question 547/2022. The Hon. R M Clinton.

830 **Hon. R M Clinton:** Can the Government advise the balance on the General Sinking Fund on the following date: 1st November 2022?

Clerk: Question 548/2022. The Hon. R M Clinton.

835 **Hon. R M Clinton:** Can the Government advise the remuneration paid to each of the directors of GBIC Ltd?

Clerk: Question 549/2022. The Hon. R M Clinton.

840 **Hon. R M Clinton:** Can the Government advise why GBIC Ltd is the preferred contractor on building projects in its National Economic Plan?

Clerk: Question 550/2022. The Hon. R M Clinton.

845 **Hon. R M Clinton:** Can the Government advise if the directors of Community Supplies and Services Ltd have been paid any fees as directors or lawyers; and, if so, please identify the amount since incorporation?

Clerk: Question 551/2022. The Hon. R M Clinton.

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Hon. R M Clinton: Can the Government advise which Government-owned company or companies, Gibraltar Savings Bank-owned company or companies, or Gibraltar Development Corporation-owned company or companies have purchased loan notes from Community Supplies and Services Ltd and in what monetary amount and for what tenure and interest rate?

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Clerk: Question 552/2022. The Hon. R M Clinton.

860 **Hon. R M Clinton:** Can the Government advise what security has Community Supplies and Services Ltd given in respect of loan notes purchased by Government-owned company or companies, Gibraltar Savings Bank-owned company or companies, or Gibraltar Development Corporation-owned company or companies?

Clerk: Question 553/2022. The Hon. R M Clinton.

865 **Hon. R M Clinton:** Can the Government advise why Community Supplies and Services Ltd has not registered as a charity?

Clerk: Question 554/2022. The Hon. R M Clinton.

870 **Hon. R M Clinton:** Can the Government advise what role does Gibraltar Properties Ltd play in the National Economic Plan?

Clerk: Question 555/2022. The Hon. R M Clinton.

875 **Hon. R M Clinton:** Can the Government advise what role does GSBA Ltd play in the National Economic Plan?

Clerk: Question 556/2022. The Hon. R M Clinton.

880 **Hon. R M Clinton:** Can the Government advise the estimated cost to date of the National Economic Plan and how much of this will be financed by the Gibraltar Savings Bank?

Clerk: Question 557/2022. The Hon. R M Clinton.

885 **Hon. R M Clinton:** Can the Government provide the details of the monetary value, interest rate and term of the loan notes to be purchased by the Gibraltar Savings Bank in respect of the proposed Victoria Stadium development?

Clerk: Question 558/2022. The Hon. R M Clinton.

890 **Hon. R M Clinton:** Can the Government advise who conducted the financial analysis of the viability of the Victoria Stadium development and has this been subjected to independent expert review?

895 **Clerk:** Question 559/2022. The Hon. R M Clinton.

Hon. R M Clinton: Can the Government advise what security will be given in respect of the loan notes to be purchased by the Gibraltar Savings Bank for the Victoria Stadium development and what loan-to-value ratio does this represent?

900 **Clerk:** Answer, the Hon. the Minister for Social Security, Economic Development and Enterprise.

905 **Hon. Sir J J Bossano:** Mr Speaker, neither the manufacturer of modular units in China nor any other entity is providing any special financing arrangements for the purchase of the modular units.

The gross public debt and the aggregate debt after the application of the Sinking Fund to gross debt, cash reserves and net debt figures were, on 1st November 2022: gross debt, £872.7 million; aggregate debt, £846.3 million; cash reserves, £84.6 million; net debt, £761.7 million.

The balance on the General Sinking Fund on 1st November 2022 stood at £26.4 million.

910 The directors of GBIC are not remunerated.

GBIC is the preferred contractor for the delivery of the National Economic Plan projects because, as the GSD Government told Parliament at the time when they placed their delivery of their £1 billion-plus programme of construction projects in the hands of a consultant, the construction sector generally charges higher prices when they work directly on Government
915 contracts than for private sector projects.

The Government has not paid CSS any fees as directors or lawyers.

Gibraltar Community Projects is purchasing loan notes at 4% for three years from CSS. The total sum is £22 million to date and the use of most of these funds has been to meet the construction cost of the new Rooke residential home. The security provided by CSS is the value of the assets
920 that have been created by GBIC.

I am not aware whether CSS has registered as a charity or not, but if the hon. Member knows that it has not and from the nature of the questions thinks it should be, I will pass on his advice to the owner of CSS, that happens to be registered as a charity.

At present, Gibraltar Properties Ltd plays no role in the National Economic Plan.

925 GSBA invests in real estate in Gibraltar and in some instances will sublease land for the purpose of delivering a project in the National Economic Plan.

At this stage it is not possible to say what interest rate or terms the loan notes will be subject to in the future funding of the Victoria Stadium complex. These matters will be dealt with when the issue of the loan notes is required. The funding to be provided to the National Stadium
930 company whilst it is in the ownership of the Savings Bank will represent 100% of the required expenditure for the construction of the project unless some parts of the project are sold off plan to outside investors.

The financial analysis of the viability of the Victoria Stadium complex development has been conducted as an exercise with input from people with expertise from the property market and
935 assessed by a former partner of EY and has had input in terms of the technical features which lead to assessing the viability financially from experts in construction of stadiums, including the person who was the project manager of a stadium with 60,000 seats who happens to be currently a member of the staff of GBIC, and the design team that produced the concept that has been made public which has had an input from the construction of a number of stadium projects in Portugal.

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Hon. R M Clinton: Mr Speaker, with your indulgence, given the number of questions, it will take a bit longer to analyse the Hon. Minister's answer. I am grateful.

If I could just ask the Minister to repeat his answer in respect of the ... I think he said £22 million or 4%. I did not quite catch the name of the company. If he could just repeat that bit, I would be
945 grateful.

Hon. Sir J J Bossano: Of the money that has been used for the construction of the residential people's home? Well, the company that is building the home is GBIC. (*Interjection by Hon. R M Clinton*) The entity that is financing, with a loan, the building is CSS.

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Hon. R M Clinton: Sorry, Mr Speaker, I think the Minister misunderstands me. What I asked was specifically who had purchased the loan notes, and I think he gave us the name, but I did not quite catch it.

955 **Hon. Sir J J Bossano:** The loan notes are CSS and the cash obtained from the issue of the loans is paid to GBIC, which is building the home.

Hon. Sir J J Bossano: Mr Speaker, I understand that perfectly, but my question related to who had purchased the loan notes from CSS. If the Minister recalls, we had this discussion at the last
960 session of Parliament and he could not recall which Government company actually had bought the loan notes issued by CSS.

Hon. Sir J J Bossano: The loans are purchased by Gibraltar Community Projects.

965 **Hon. R M Clinton:** And Gibraltar Community Projects is owned directly by the Government – is that correct? – following on from what he had said in the last session of Parliament.

Hon. Sir J J Bossano: Not the GDC, but one of the two.

970 **Hon. R M Clinton:** And if I may, Mr Speaker, it is £22 million, if I understood correctly, at 4%? I am not sure that I heard the tenure of the notes over what period.

And if I may ask the Minister, where does Community Projects obtain its funding from?

975 **Hon. Sir J J Bossano:** The tenure is three years, but it is not ... That is to say the money is provided as it is needed, and therefore the three years is not the whole £22 million from the same date. As the project has been developing, loan notes have been issued, and therefore the three years starts when the loan notes are issued, so the money is not ... The money comes from money within the companies or money that has been obtained from the Savings Bank. The hon. Member knows, because I give him a breakdown every House, that there are loan notes issued by Government companies to the Savings Bank.

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Hon. R M Clinton: Mr Speaker, yes, I understand what the Minister is referring to, but as he knows, there are a number of entities of that description that have borrowed money from the Savings Bank and I would be grateful if the Minister could indicate which one of those it would be that is the primary supplier of funding to Gibraltar Community Projects. I can give them a list, or at least... For the benefit of the House, is it Credit Finance Company Ltd? Is it the Gibraltar National Mint Ltd? Is the GSBA Ltd? Is the Gibraltar Properties Ltd? Is it Gibtelecom Ltd? Which one of these entities would it be?

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Hon. Sir J J Bossano: Some of it will be the GSBA. Credit Finance is principally funding, as the hon. Member knows, the purchase of annuities for civil servants.

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Hon. R M Clinton: Mr Speaker, I really must beg your indulgence because this is a quite complicated topic, although I am sure it is quite simple for the Minister.

Looking at the last schedule that I had from the Minister, on 30th September, GSBA, so far, had issued £40 million worth of debentures to the Gibraltar Savings Bank, which have tenure of five years. Of that £40 million, I assume £22 million has been earmarked for the Rooke project. How much of that £40 million remains to be earmarked? One of my later questions is about the cost of the National Economic Plan to date. How much, does he anticipate, of that £40 million is going to be used for other projects within the National Economic Plan?

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Hon. Sir J J Bossano: The way the National Economic Plan will work, Mr Speaker, is that the Savings Bank, as we stated in the manifesto, is financing the delivery of projects, and then, after the projects have been finished, we expect that the project will be invested in by private investors and therefore the money can come back and be recycled. The original programme in 2019 provided for an investment of up to £500 million. I do not think we will be able to invest that much in the time that there is left of our term office, but the fundamental methodology is that it is to make the projects happen that the funding is ... although there may be some that appear to be particularly attractive and the Savings Bank may want to take a long-term part in any project that it thinks it is worth having its money invested in. But fundamentally what will be happening will be that as new projects come in the investment will be provided, and as projects are completed and then sold, or other people invest in the finished product, the money will then be used to repay the loan notes and will come back to the Savings Bank.

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1015 **Hon. R M Clinton:** Mr Speaker, again, your indulgence. If the Minister could perhaps just clarify
my mind as to the actual financing arrangements, we all now understand that GSBA Ltd is the
main funder for the National Economic Plan. How does it transfer the money to Gibraltar
Community Projects? Does Gibraltar Community Projects in its own right issue loan notes to GSBA,
or under some structure of loan which obviously will then pay an interest, I guess to GSBA, and
1020 Gibraltar Community Projects in turn then buys the loan notes issued by CSS Ltd? Is that correct?
What is the mechanism in between?

Hon. Sir J J Bossano: That is exactly how it happens, Mr Speaker.

1025 **Hon. R M Clinton:** So Gibraltar Community Projects then issues loan notes to GSBA. Will they
match exactly the tenure of the loan notes issued by CSS Ltd – i.e. are they back to back? So if
there is £22 million of CSS loan notes bought by Community Projects, Community Projects issues
exactly the same amount and for the same period – I do not know if it takes a margin on the rate –
to GSBA Ltd.

1030 And just to confirm the rate, because again I may not have heard him correctly, was the rate
4%?

1035 **Hon. Sir J J Bossano:** Mr Speaker, the 4% for three years is the rate that is higher than the
Savings Bank pays on the investments. The matching is not 100%. There may be times when the
money may have moved into Gibraltar Community Projects and not yet been used to buy loan
notes and therefore there may be a situation where the loan notes that are next bought are
bought from money that has already been obtained. So it is not that it has to happen strictly
synchronised 100%, but ultimately the flow of money is as he has described it, and the rate of
interest eventually is the one that provides the 6% return to the Savings Bank, which is what
1040 produces the profits of the Savings Bank.

Hon. R M Clinton: Again, Mr Speaker, your indulgence. Does Community Projects keep any
margin on this transaction? Does it, for example, charge CSS Ltd 4% and pay, say, 3½% to the
Savings Bank? Does it retain any margin?

1045 Also, what security does Community Projects itself give to the Savings Bank – it is not the
Savings Bank, sorry, it is GSBA Ltd, which is obviously owned by the Savings Bank – in exchange
for those loan notes? You have described how the loan notes issued by CSS Ltd would be secured
on, albeit unfinished, construction projects, but what security does GSBA Ltd get in return for the
loan notes issued by Community Projects?

1050 **Hon. Sir J J Bossano:** Mr Speaker, I have already told the hon. Member that when it goes into
being used, the money is secured on the building that is being delivered by a joint venture
company of the Government. The hon. Member knows that all the companies pool their cash,
which was a system invented by the former Government, and therefore if all the companies pool
all their cash, what you have is a net figure of available cash, which itself consists of companies
1055 that are in surplus and companies that are in deficit. That is what was happening before 2011 and
has continued happening since. There has never been any attempt to say the ones that are in
deficit have to produce some security for the ones that are in surplus, because they are all owned
by the same entity.

1060 **Hon. R M Clinton:** Mr Speaker, I understand what the Minister is saying but I think he misses
my point because GSBA Ltd is not a Government-owned company, as he knows, it is owned by the
Savings Bank, so what I am asking is what security does the Savings Bank have through GSBA on
Community Projects? Full stop.

1065 **Hon. Sir J J Bossano:** The security that the one that guarantees the solvency of the Savings Bank is the owner of the company. I would not have thought that it needed more security than the fact that the company from which it is buying the loans is owned by the Government, and the Government underwrites the whole of the Savings Bank according to the Act – so why should the Savings Bank be afraid of lending money to a Government company?

1070 **Hon. R M Clinton:** Mr Speaker, I was not suggesting that there is any notion of fear in lending to a Government company, but if it were a normal commercial transaction I am sure he would accept, and in fact he would demand, that there be security for any money effectively advanced from the Gibraltar Savings Bank through GSBA Ltd. But effectively what is telling the House – and
1075 I am happy to be corrected by him – is that this is de facto Government borrowing and there is nothing backing up the borrowing by Community Projects. Is that correct?

Hon. Sir J J Bossano: Not only is it wrong, it is complete nonsense. He may want to call it Government borrowing, but in fact the borrower is the entity that is financing the construction project, and that is not a Government company, and that is where the money is used. Before it reaches that point, the money is unused. So if Gibraltar Community Projects borrows £2 million and lends £1 million, the security it has on the £1 million is the security of the structure of the building that is going up, and that security obviously is available to the Savings Bank because it is available to the borrower from the Savings Bank. The £1 million that has not been passed over is
1085 not a debt of the Government because the Government is not using that money. It is there until it is needed. It is just that clearly CSS is not going to be issuing loan notes and having to pay interest unless it needs the money, because it would otherwise be incurring a liability to pay interest when there was no asset being created. Therefore, the timing is driven by the pace of the construction project.

1090 **Hon. R M Clinton:** Mr Speaker, I am sorry to labour this, but I really need to understand the methodology.

Given that he is comfortable that CSS has security, and on that basis anything that Community Projects lends it should, by logic, also be secured, would it be the case that if I did a search on Gibraltar Community Projects I would find there has been an unlimited charge registered against it by GSPA Ltd? At the end of the day, they are completely different entities in terms of control. And also, by parallel reasoning, why is it that when you do a search on CSS Ltd there are no charges registered against it, given that he has already issued £22 million worth of loan notes?

1100 **Hon. Sir J J Bossano:** We are talking about what is happening with the development of the National Economic Plan as if we were giving money to people in another country or people who might disappear over the horizon, where we therefore need to be concerned about the risk that is being taken. We know exactly where every penny that is being borrowed is finishing up, because fundamentally the work is being done by a company which is 50% owned by the Government. So
1105 we know where the money going. There is no question of not being able to track it and, therefore, what other assets do they have to be secure. All the concern for security that people have is because they are dealing with people where they may not be able to be confident about what they claim to be, and therefore they need to have something solid if something goes wrong.

In this situation we have created a mechanism that enables us to mobilise the funds of the Savings Bank for investment in creating assets in Gibraltar that will produce income and wealth and therefore, at the same time, generate an income for the Savings Bank which we cannot get by having it sitting in bank accounts, cash, or having it invested in London by the Crown agents, where the returns would not enable us to maintain the level of interest rate that we have consistently paid in the last 11 years to our investors, principally to the pensioners, who have been
1115 getting a very favourable rate. We are able to do these things because we have to make ... and the more money we have in the Savings Bank, the more we will need to find ways of reinvesting

1120 it profitably. The Savings Bank has now got a total amount of deposits of £1½ billion. We are not
going to have the £1½ billion sitting there doing nothing. What we need to do is put it to work, to
make money for the bank – which ultimately is good for Gibraltar because it is the rainy day fund
of the future – and create activity and help us to restore financial stability in Gibraltar, which is
part of my responsibility. The mechanism in which it works, he may think, is risky. I do not think it
is risky, and therefore I am satisfied that the guarantees that are there by de facto being within
our sight all the time is sufficient. That is how it is. He may not agree with it – he does not have to
agree with it; it is information that I am providing.

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Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer, and yes, I am purely seeking information here.

1130 Can I turn, if I may, to the answer he gave to Question 549 when I asked why is GBIC the
preferred contractor on building projects in the National Economic Plan? He referred to some
agreement with which I am not familiar, but he did not actually answer why GBIC itself. He talked
about the costs to Government contracting directly being higher, which again is something I fail
to understand, why that happens in Gibraltar. But why GBIC? There are a multitude of other
contractors. Why is there not a tender put out for each and every project for this particular plan,
the National Economic Plan? It just seems to be that GBIC always appears in every project to do
1135 with the National Economic Plan. I could be wrong and I am happy to be corrected.

Hon. Sir J J Bossano: The role of GBIC is to deliver the National Economic Plan in terms of
construction projects. That is what it exists for. It may also obtain work for our people, but
principally it will be working on the delivery of the National Economic Plan, and there is, in fact,
1140 an agreement between the Ministry for Economic Development, which has the responsibility for
making the plan happen, and GBIC to be the one that delivers it.

1145 Why don't I go out to tender? Well, Mr Speaker, the possibility of other companies coming in
cheaper would be difficult to assess because what tends to happen is that, whereas in the case of
GBIC there is a situation where we are 50% owner and we therefore know exactly what the cost
of the things are, what invariably happens in Gibraltar is that the companies that sometimes come
in cheaper at the beginning tend to come in very expensive at the end. There is a long history of
that, which can be studied. Sometimes the tender process produces the most expensive results
because there are people who put in prices that other people say are below what is reasonable in
the market to make a profit, but then, along the line, all sorts of things happen to be discovered
1150 or not discovered or added or taken away, and then it finishes up becoming very expensive. So
the kind of things that happen in the construction company which sometimes make things take a
very long time ... The tunnel is a spectacular example, which the former administration had many
occasions of experiencing. Sometimes, companies that were the most competitive at the
beginning disappeared over the horizon without paying anybody anything in Gibraltar and leaving
1155 a whole host of debts. Eventually, the former Governor had to engage GJBS to finish half the
projects that they had put out to tender in the private sector. That is the kind of experience we
have had with Government projects in Gibraltar and I am sure that the delivery of the projects
that are going to be done in the National Economic Plan are not going to be affected by any of
those possible risks, because in fact the delivery is by a company that is there for that purpose.

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Hon. R M Clinton: Mr Speaker, again, I thank the Hon. Minister. He mentioned an agreement
between the Ministry for Economic Development and GBIC. If I may ask him a couple of questions
on this, I assume that if I were to ask for a copy of the agreement he would say it would be
commercially sensitive, so I will put that question out there, but I would not be surprised if he
1165 does not answer.

Also, what is the timeframe for the agreement? Is it solely in respect of the delivery of the
National Economic Plan and does it have a value ascribed to it in terms of value of projects? Has

that in any way affected the pricing of the modular units – i.e. are the purchase of the modular units and the signing of this agreement in any way linked?

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Hon. Sir J J Bossano: No, Mr Speaker, the only link with the pricing of the modular units is the fact that our partner is a very important company and a very large company in China and therefore they are able to use their purchasing power to help us buy. That is the only advantage we gain in terms of the sourcing of the material.

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In terms of the quality, we have an advantage, where if we did not have the partner we have it would probably be risky to buy in China, in the sense that everything we buy in China that is now on its way to Gibraltar has been supervised by high executives from our partner's company, to be sure that what is coming is what is supposed to be coming. In a situation where you do not have a presence there, you run a risk that the product you bought and the product you get may not be the same. Because of the relationship we have there, we have been able to have a level of confidence in what we are buying. And of course we have, in the United Kingdom, as our architects, a UK company that is very experienced in dealing with modular building, and with the immediate owner of shares of a joint venture, which is the Manchester company, which is the headquarters of the international branch of the company.

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So those are the safeguards we have, which makes us confident that we are going to be able to deliver this at the most competitive price possible. Obviously, the interest of the Government is not to get the product at a lower price at the cost of the quality. We are happy that everything we are going to be delivering in the next six months is British standard. We are going to have British craftsmen from Manchester coming here to put the final building together. They are familiar with the technology, but they are working for the Manchester company and therefore time will tell, but I am confident that we will be proving that we have got something that is very good value for money and that we will be providing a facility that is needed and would not have been delivered, in my judgement, in any other way.

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Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer, but I asked him specifically about the agreement between the Ministry for Economic Development and GBIC: (1) would he be willing to provide a copy; (2) what is its total value, if there is a value, in terms of committed projects, or is it an exclusivity agreement for the National Economic Plan included in there; and (3) what would be the timeframe this agreement covers?

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Hon. Sir J J Bossano: The timeframe is for as long as we are in government, unless, if they ever get into government, they see the merits of what has been done and decide to continue it.

There is no value because the National Economic Plan is open ended. That is to say we identified in the manifesto a number of things that we already expected would be needed. That was in 219. Some of them are being included, but, for example, the stadium did not feature in 2019 and if somebody else had been able to find a way of delivering the stadium, it probably would not have featured at all. The reality is that the National Economic Plan is going to be delivered on the basis that things that we think are needed or that we think are worth having because they will be profitable, or things that will help us to be self-sufficient will be added as we become aware of them or as people approach us with ideas and we think it is worth supporting those ideas and it will be at no cost to the Government's capital or recurrent expenditure and the activities will generate some revenue for the Government and at the end of the day we will have facilities that we would not otherwise have had. That is the concept. The hon. Member has to understand that that does not mean that there is a written agreement that says all the things I have just told him. There is an agreement that they will be the entity that will assist the Ministry for Economic Development in turning into reality what is written on a piece of paper, but there is no specific list of items there.

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1220 **Hon. R M Clinton:** I thank the Minister, sir. If I understand correctly – and, again, I am happy to be corrected – the agreement is basically an agreement which, as he says, is open ended but effectively ... Just to get this absolutely crystal clear, it effectively has an exclusivity agreement with the Ministry for Economic Development in respect of anything to do with the National Economic Plan. Would that be a correct characterisation of the agreement?

1225 **Hon. Sir J J Bossano:** Exclusivity to the extent that it is the preferred construction company, which was the hon. Member's original question, and that therefore the Ministry will use GBIC in preference to anybody else to do the delivery unless what we are going to be doing is something that GBIC does not have the capacity to deliver or something which is very specialised that requires a company with different set skills to deliver. But if it is possible for GBIC to be the one that delivers a product, then GBIC will deliver it.
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Hon. R M Clinton: Mr Speaker, I am grateful to the Minister again. I will move on now, just slowly ticking off the questions as we go along.

1235 In relation to Question 555, in respect of GSBA, Ltd I think he mentioned something about real estate and subleasing, although we also now understand that it plays a role in purchasing loan notes. Can he expand on what the real estate angle activity of GSBA Ltd is, specifically in the context of the National Economic Plan? As he knows, I am aware that, for example, it owns the Treasury building.

1240 **Hon. Sir J J Bossano:** The Rooke plot of land currently is owned by GSBA and when the building is finished it will sublease the land for a shorter period than the head lease that it has purchased.

1245 **Hon. R M Clinton:** Is this the same mechanism? I imagine the Minister has a blueprint as to how each individual element of the National Economic Plan is undertaken. Is this the methodology that was used, for example, in the Jewish Home project? I presume CSS must have issued loan notes to Community Projects, who in turn issued loan notes to GSBA, and GSBA would have somehow acquired an interest in the lease of the Jewish Home. Is that the same kind of methodology?

1250 **Hon. Sir J J Bossano:** The Jewish Home lease is related to the trustees of the McIntosh Trust, whereas the Rooke site was Government land that was on sale, so the GSBA bought the land from the Government in the Rooke case, and in the other, the actual lease arrangements with the trustees have not yet been finalised in the case of the Jewish Home. It could be that we have a similar process, that it passes through the GSBA first, but that has not happened.
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Hon. R M Clinton: On that particular project, just to follow that last thread, the financing structure – has that actually occurred in terms of the Jewish Home, in terms of GSBA providing the financing for the Jewish Home project, or is that something that has yet to be finalised, given the lease etc?
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Hon. Sir J J Bossano: Construction was originally financed, but it has not yet been filed. The whole thing has not yet been finalised.

1265 **Hon. R M Clinton:** I may, Mr Speaker, later on, file an additional question, in the next session, about the financing arrangements and how that structure is organised for the Jewish Home.

I am trying to get through them as fast as I can, but there is a lot of material here.

In Question 556, when I asked about the cost to date of the National Economic Plan and how much is financed by the Savings Bank, I think it would be safe to say that all of it would be financed by the Savings Bank, but I was not quite clear as to the estimated cost to date of the Economic Plan.
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Hon. Sir J J Bossano: I have told the hon. Member the bulk of the money that has been used in the financing of the plan is the investment in the Rooke plan, so that has taken up the bulk of the £22 million. That might be £20 million on the Rooke and then a couple of million spread in three different things. I gave the hon. Member a list, in the last meeting of the House, of the number of projects at this stage, other than the Jewish Home, which is now completed.

Hon. R M Clinton: Does the Minister have an idea ...? He mentioned before the sum of £500 million. Is that, in his mind, the total facility that he would like to make available for the National Economic Plan? Does he have a limit in mind, in terms of how much the Savings Bank would advance under the plan?

Hon. Sir J J Bossano: No, Mr Speaker, because this is demand driven. The £500 million was a ballpark figure in 2019, and it was on the basis of a level of activity of £125 million a year over a four-year period. Given what happened in February 2020, we lost the first two years and we started late in the third year, so it is highly unlikely that, however much I try to catch up, I will be successful in spending £500 million, I regret to say.

Hon. R M Clinton: But certainly – if the Minister could confirm – £500 million was the number I think he ... I remember we had a discussion about it during the election campaign and this is the amount of money he would have originally envisaged to utilise from the Savings Bank for his National Economic Plan. Is that correct?

Hon. Sir J J Bossano: As I have just told him, yes, that was the plan in 2019. The rate of delivery would have been roughly £125 million every year over a four-year period. It has not happened and it will be difficult to deliver that much activity, but the projections, for example on the GDP and so on, are all tied to that activity happening. That activity happening is part of how it would be possible in a post-Brexit situation to continue to maintain a level of activity, notwithstanding the negative effects. That is why when we had the last election we came up with a post-Brexit plan, and what we have today is something that is still capable of being a post-Brexit plan if we find ourselves in that situation in the next few months.

Hon. R M Clinton: Thank you, Mr Speaker. I would remind the hon. Member that when we did discuss this at the time of the election I had understood him as I understand him now, but then I was told later that I had misunderstood him and that he was talking about £500 million of GDP growth. Obviously we misunderstood each other. I think we now understand what we are talking about here.

Mr Speaker, if I can move on a bit, to the Victoria Stadium, I asked specifically in Question 557 about the financing and the issue of loan notes, and I think his answer was it is not possible to say at this stage, but he must have in mind a number in terms of how much he is willing to advance from the Savings Bank in respect of the Victoria Stadium. If I can then combine that with his answer to Question 558, which was who conducted the financial analysis, I think if I heard him correctly, he mentioned a partner from EY. If I could ask him was that a partner from EY Gibraltar or from another office? And if so, presumably they charged professional fees for that review.

In summary, if he could give us an indication of what value of loan notes the Savings Bank would be willing to purchase in respect of the Victoria Stadium and which office from EY conducted the review and was it on a paid professional basis?

Hon. Sir J J Bossano: Mr Speaker, I think the problem we have with the hon. Member's questions, and not his alone, is that the moment we mention something they expect us to be at the end of a process when we are at the beginning. Since I made the announcement, being totally transparent in the middle of the stadium, not much has happened that has defined anything beyond the original concept, which we had been talking about for several months.

1325 When we have something concrete that is reliable in terms of the accuracy, I will provide the information that the hon. Member is seeking, but I think it is wrong to speculate. When I was asked how much will it cost, I said it could be up to £100 million. That immediately no longer became *up to* £100 million. The maximum became the minimum. I am not going to give any numbers on anything until the numbers are solid and clear and are not going to be changed and I am not going to have other people say, 'But that is not what you said before.' So I am not going to say anything that may need to be changed.

1330 At the moment, the position is that we have done enough work to be confident that this a project that will produce a good return for the Savings Bank and will produce something that is very important for Gibraltar to have, not just for the many thousands of people who enjoy football – amongst whom I do not find myself – but also for those of us who want to see us having a strong economy and people coming here and spending money, amongst whom I do count myself.

1335 So the answer is that what I have given him is the state of play at the present. As it develops and there is more detail to provide, I will provide the detail.

Mr Speaker: May I interject? Are we getting close to the end of the questioning, or have you ...?

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Hon. R M Clinton: Well, Mr Speaker, it very much depends on the Minister's answers. I think you will appreciate that, given the number of questions that have been rolled up, I am trying to be as expedient as possible and keeping my questions short.

1345 The Minister will appreciate that from this side of the House and probably outside this House there is a degree of interest in the stadium, and the reason is that the £100 million number was the number first put into the public domain. It became £100 million investment, then it became £100 million value and now it is up to £100 million and there has also been the number banded around of £40 million, which is why there is so much public interest in actually what is the number.

1350 I think we on this side of the House and also the general public would appreciate some clarity as to what kind of number we are talking about. Is it tens of millions, hundreds of millions? Is it mid-range? He has to have some idea in his head how much he is prepared to put into this project, especially if this project has been reviewed professionally – there will be spreadsheets, there will be projections, there will be returns on investment. All these numbers must have been available to him for some time now before he made the announcement, so for him to say, 'We are at an early stage, we cannot say' ... With the greatest of respect to the Minister, he is the one who made the announcement. He must have had an idea before he made the announcement, otherwise I doubt he would have made such an important announcement.

1355 And then, lastly, I did not quite hear an answer in terms of the EY office that conducted the review.

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Hon. Sir J J Bossano: [*inaudible*] because he has just given me a good reason for not doing it. He was just saying there are all sorts of numbers floating about. I am not going to give him a new one to add to the ones that are floating around. I will give him the number when the number will not suffer any further change.

1365 As regards the EY input that we had, it was a former partner of EY. I am not sure if it was local or not, but I was told that it was a former partner of that company. He is retired and therefore it is not EY that was doing it, but the person who provided an input a person who had that accounting background, just like I might have asked him to give me advice in banking, having been a retired banker. It was not something that we paid for. It was something that was provided to us through the relationship that we build around the people who are interested in delivering this.

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Hon. R M Clinton: Mr Speaker, he will appreciate that when the name of a professional firm is mentioned, such as EY or any other firm, there is a degree of comfort that will come from hearing that professional firm's name being mentioned, but the Hon. Minister has just advised the House

1375 that the person who gave the ... why it was asking for an independent financial review ... I do not
know to what extent this person is independent of the project – he may have a tangential interest,
I do not know – but it is evident that it is not a professionally engaged review. It is not an arm’s-
length review from a professional services firm of accountants, for which there would be an
1380 engagement letter and standards and processes involved. What the Minister has told us, unless I
have misunderstood him, is it is a person who used to work for EY – I do not know at what level; I
think he said partner, presumably professionally qualified, but whether he or she holds a
practising certificate and is entitled to give such advice on such projects I do not know. I would be
grateful if the Minister could give the House some comfort that this particular individual actually
has the required experience to give this type of advice on this particular project. There are
1385 accountants and there are accountants – I do not claim to be an expert on everything under the
sun to do with finance – and all accountants have limitations.

Hon. Sir J J Bossano: If my thought process had followed the line of the hon. Member, the
National Economic Plan would never have got off the ground. As far as I am concerned, I give him
1390 the information and that is the information that I am prepared to give him on this. When I have
more information as to the next stage in the project, I will give it to him. That is the information I
am giving him in answer to his questions. That is information I have that I am willing to give him
now, and if I have something that is more concrete and more specific at a later stage, I am happy
to give that to him. Whether he gets comfort or discomfort is not what I am here to do. I am here
1395 to give him the information that I think it is possible to give with the confidence that I am not
saying something that is incorrect.

Hon. R M Clinton: Mr Speaker, this will be my final supplementary. I will ask him this question
and if he says no, I will accept it. Is he willing to identify the person, the retired EY partner who
1400 has provided the financial analysis?

Hon. Sir J J Bossano: He is right in thinking that he knows what the answer is: no.

Mr Speaker: Yesterday, there were a number of questions for which information could only be
1405 provided by the Hon. Minister Sir Joe Bossano and we said that you would be asking several
questions when he was here ... whoever it was.

Hon. K Azopardi: Before we do that, Mr Speaker, can I just ask on these questions, if I may?
On Question 557, I think the Minister has said he is not prepared, right now, to give detail in
1410 respect of that, but if I remember rightly, he did go on a GBC programme at the time of the stadium
announcement – he was wearing a suit, not a football shirt on that occasion – and I think he
suggested that the interest rate return would be something like 6% or 7%. Is that the kind of
ballpark figure, or is he saying that it is not fixed yet?

Hon. Sir J J Bossano: In the present climate of returns, that would be the minimum it would be
1415 reasonable to expect from a project like this, but of course when you are talking in a situation
where we do not know how far the Bank of England or the Federal Reserve Bank or anybody else
is going to go before they stop putting it up and start bringing it down, the timing of these things
will have an impact on the return that one expects. It is not a particularly good time, when interest
1420 rates are rising, to be borrowing money, because then you borrow long and they fall, but this is
where we are. I said it in the context of the current rates that there are.

Hon. K Azopardi: But to be clear, while in the Minister’s opinion that is a reasonable rate of
return to aim for in respect of the investment into the stadium project, is he saying that is not an
1425 agreed rate of return as yet, it is something that is still being negotiated or will be negotiated in
the future because of the explanation he gave earlier?

1430 **Hon. Sir J J Bossano:** The thing is that that is the minimum because it may have to be ... The rate of return will depend not on what the stadium produces but on what the complex produces. That is what will finance the rate of return, and that rate of return might need to go up if the market rates of interest go up. But in the context of the present market rate, everything we have seen suggests that we will be able to achieve that rate of interest at the moment. If, tomorrow, we have 12% inflation and the construction costs go up, then it might be that we have to say we need to be changing some of the things we had in the original plan to produce something that produces more money, to make sure that we are still getting money that is sufficient to service
1435 what we need to obtain to finance the project. If the project was happening today, we are confident we would be getting 6% to 7% and that that would be above the money we need to pay to finance the project.

**Q531/2022 Chilton Court youth club –
Source of funding for proposed development –
Supplementary questions**

Mr Speaker: Would the hon. Member quote the question number, if you can?

1440 **Hon. D J Bossino:** Mr Speaker, yes, I do agree – I think now is an appropriate time because the question dealt with the issue of funding, with which the Hon. Minister would be able to assist.

The question number is 531. For the benefit of the hon. Member I will just read the question out to him: who is funding the proposed development at the Chilton Court youth club? I think he has provided an explanation in answers to questions from the Hon. Mr Clinton as to how the funding structure works. I think the initial response was it is being funded by Community Services and Supplies Ltd. Then I referred to the full planning design statement, which referred to it being submitted by GBIC Ltd on behalf of CSSL Ltd. That is just by way of background so he understands the premise of the question. I asked is GBIC providing the funding and I think the answer to that is going to be no, because GBIC is the company which is delivering the projects, but that the funding is, as he has explained, with the various loan notes and moneys, in effect flowing from the Savings Bank down the drain to CSS Ltd. Can he confirm that that is how this particular project is being funded?
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Minister for Social Security, Economic Development, Enterprise, Telecommunications and the GSB (Hon. Sir J J Bossano): In all the projects, not just this one, the methodology is going to be the same. The only caveat to that is that there are people in the market – I mentioned them before, in the previous meeting – who are interested in working together with the Ministry for Economic Development on projects that are planned by us in the National Economic Plan. They have approached me. They have said, ‘Would it be possible to take part in this and put money into this?’ and I have said yes. And there are people who say, ‘I have a project. Would it be possible to discuss the opposite direction? That is to say the project that I have, the Government would be interested in sponsoring it and making it part of the National Economic Plan and either being involved in the construction phase or being involved in another.’ I have also said we are prepared to look at that because it would depend on the nature of the project.
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We are not in the business of entering the market, which is already well populated, of providing properties for which most of the population have not got the resources to buy. That market is well populated and well served, and I do not think there is a place for us to go there. The market we are looking at is the one that we are trying to create, which meets the requirements of people who have not got the financial capacity to meet what is now the going rate on many properties. This is why, for example, as I explained last time, the home in Laguna for homeowners who are pensioners is designed to meet a specific thing because they are in a property which has a higher
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1475 value and which is being underutilised, and if they sell that property they will probably have
difficulty in being able to buy another property for much less than they are getting, so it is difficult
for them to move. At the same time, because of the concept, rightly introduced by the former
administration, that homeowners are not eligible to obtain rental accommodation from the
Government, it means that homeowners who are now reaching retirement age are not eligible to
rent, from the Government, pensioner flats. That is the problem that we have tried to resolve, and
therefore we are entering the market to produce something at a level that will provide a profit
through this mechanism but will provide a product which will not be for the open market but for
1480 a specified identified sector of the market, who will be the only ones eligible to buy, with the
condition that no other property has that they would only be able to sell back to the charity they
buy the property from, so that it would remain for that market and it would not then eventually
go out, as has happened with all the earlier 50/50s, that they are no longer limited to a long-term
residents of Gibraltar where anybody can come from anywhere and pay a higher price and take
1485 that property out of the market.

That is an example of something where somebody else identified the existence of a problem
and brought it to my attention and therefore we came up with an answer which we think will
work, and the interest there is subsequently shows it will work. The same thing would be
happening in other areas with other entities. This is why the flexibility of the National Economic
1490 Plan is that although the volume is unlikely to be what was originally intended, because we have
wasted so much time because of COVID and other things, that does not mean we will not be able
to be doing more things, because it would be on a smaller scale and because other people are
coming forward and providing ideas to us, which is something that I welcome because the things
they provide are things that are pointing to something where there is a demand but there is no
1495 supply.

In the area where we are talking about the estate and what we provide for the estate, there
you have a situation where the Government is not in a position to invest in things like that when
it is in a situation of having to borrow to meet recurrent expenditure – that is self-evident – and
therefore, if we can find a way of producing what the Government would have liked to produce
1500 by making it part of a bigger development with profitable elements in it, then that is the win-win
situation that we aim for. It has to be able to produce a profit for all the parties, otherwise it will
not work, obviously. So the costings of these things have to be very carefully scrutinised because
at the end of the day, if we are committed to delivering it, we do not want to finish up with GBIC
or anybody else in a loss-making situation. That is not where we want to be.

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Hon. D J Bossino: Mr Speaker, I am grateful. I think the last part of his answer is the one I was
interested in, because it arises from the question I asked yesterday. As I understand it, it ordinarily
would have been a Government project, but because of the situation of the Government's
finances this route is being taken as available cash which can be sought and obtained from the
1510 Savings Bank.

In relation to this project, which refers to several community facilities, rented office space and
rented storage space, and I think there are also 26 parking spaces, is that where the profitable
elements will then go back to the Savings Bank, by the rental or sale of these? Is that where he is
seeing the profitable element with the sale of these units?

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Hon. Sir J J Bossano: *[Inaudible]* will be done by GSBA because that is the mechanism that we
have, and then, if in the process ... As we have more and more projects happening, there will be
times when the actual delivery of a project and the fact that there are funds coming in from sales
may mean that instead of repaying a note ... The notes are for three years because they are
1520 intended to be not for the long term but for the construction period. If a project is started and you
have three-year money and the project is finished in, say, nine months, then instead of saying I
am going to pay back early the three-year money and then go back a month later and ask again
for three-year money to do something else, there may be occasions when the time of the project

1525 goes from the initial phase to the finish phase and brings back cash. If that is within the three years, it will probably make more sense to reinvest that money than to liquidate the original loan note early and then have to go back and ask for another loan note. Other than that, the three-year period is intended to be the longest the money will be available because we do not expect projects to take more than three years from the initial funding to the end, so that is why the period is short.

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Hon. D J Bossino: Mr Speaker, with respect to the hon. Member, I do not think he has answered the question as to where he identifies, in respect of this particular project, the profitable elements will emanate. I do not think he has answered that question. He has provided useful answers in relation to the duration of the loan notes and what would happen should they be redeemed earlier, but not in relation to where he identifies, in respect of this project, the profitable elements lie.

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Hon. Sir J J Bossano: Mr Speaker, the exercise of determining the profitability takes place before we actually get into doing the project. We do not start the project first and then discover whether it is profitable or not. Every project where we say yes, it is going ahead, and we put in for planning permission and organise the delivery ... it is because we are confident that it is going to make money. The only thing that we cannot guarantee is, in the market that we are in today, where inflation is going to be in a month's time or in three months' time. Nobody in the world can guarantee that. I cannot either. On the basis of present costs and on the basis of our ability to purchase what we need and pay the workers the current rate, these projects are profitable projects that will be able to service the loan, produce a profit and provide a free facility to the Government. That is the answer.

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Hon. D J Bossino: And presumably it is simply too early to say what the cost of this particular project will be?

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Hon. Sir J J Bossano: Mr Speaker, I do not like making speculative statements because if you try to be helpful and produce a figure, other people seem to think it is an advantage they have if it turns out not to be the eventual figure. When I am confident beyond any doubt that there is not going to be a change I will tell him what the figure is, but I do not think it is a good idea to speculate because I do not want to add to the turmoil that there is out there about so many different figures by producing new ones.

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Hon. R M Clinton: Mr Speaker, thank you for your indulgence.

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I just want to pick up on something the Minister just said. It has just occurred to me and perhaps he can shed some light ... Obviously he is talking about the duration of the financing and the cashflow to service etc., but if you take the Rooke project and its £22 million loan notes at, I think, 4%, he said, I am not sure whether that is 4% ... paid when? Is that 4% paid at the end of the project or is it 4% paid monthly? The reason I ask is because during the construction phase I cannot see how the Rooke site could generate positive cashflow, so how would it be servicing its loan notes to Gibraltar Community Projects, who in turn need to service their loan notes to GSBA Ltd, who in turn need to pay the Savings Bank monthly, by the looks of it – monthly income debenture. How is he managing that maturity transformation question on cashflow, where he has money going into a project which obviously will take some time to complete, when meanwhile he has loans to service? And how are those loans being serviced in terms of cashflow? Or is it that the loan notes are structured in such a way that the interest only becomes payable at a much later date?

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Hon. Sir J J Bossano: I am not 100% sure, but I do not think it is at a much later date; I think it is paid during the time of the loan. But of course both the construction company and CSS have

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cashflow from other projects. The flow of cash only changes when it is needed. If money comes in because you have sold something and you have to pay the 4% of the money that was provided for the Jewish Home, you do not say, 'No, wait a minute, this not from the Jewish Home bit of the plan, this from another bit of the plan, so I cannot use that money.' It is not all in different pockets. 1580 The servicing of the loan I do not believe will be at the end of the three years. It will be during the course of the year, but I do not know at what intervals without going back and checking.

Mr Speaker: Next question.

Q560/2022
Government-owned companies –
Number of vacancies

1585 **Clerk:** Question 560/2022. The Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, how many vacancies are there within Government-owned companies, identifying the company?

1590 **Clerk:** Answer, the Hon. the Minister for Social Security, Economic Development and Enterprise.

Minister for Social Security, Economic Development, Enterprise, Telecommunications and the GSB (Hon. Sir J J Bossano): Mr Speaker, there are no vacancies within Government companies.

1595 **Hon. D A Feetham:** Can he explain why there are no vacancies in Government-owned companies? Is it because there is some technical appreciation that I have not appreciated? Or is it that all the vacancies in Government-owned companies have been filled?

1600 **Hon. Sir J J Bossano:** Because Government companies function as Government companies and not as Civil Service Departments, and therefore they have the staff they need for the work they have to do. As I have already said publicly on a number of occasions, in the public sector we will scrutinise every vacancy to make sure that we need to fill it, or we do not need to be spending that money, or there is a more pressing need in some other direction for which the money could be better deployed.

1605 Part of my duty to deliver the restoration of financial stability is that we make sure that when there is something on which we are spending money, we stop spending money. Because the person who was doing that job is no longer there, we do not just say it is going to be filled because it was there before. It has always been the case that the companies do not have an establishment that appears to be written on tablets of stone. The companies take on more people if they have more work and tend to shed people if they have less work. There was a company the Government had in 2011 which had quite a lot of workers because of the projects they were working on then – it was a subsidiary of another company; it was a construction company – and when that company finished the work they just terminated the construction workers they employed, and that was done before the 2011 election.

1615 **Hon. D A Feetham:** Does the Minister agree that Government-owned companies advertise vacancies?

1620 **Hon. Sir J J Bossano:** A vacancy is created in a company either because it is undertaking something which requires more people or because it has finished doing something and the people

1625 who were doing it have no other work to do. Even when there is no work to do, people do not get sacked from Government companies, but when they retire and there has been a period when they have had very little work to do, there is no automatic filling of the vacancy. At the moment there is no company in the situation that there are vacancies, in the sense that there are fewer people today than there were six months ago and there is a vacancy there. A vacancy is created the day the person leaves and then a decision is taken by the management: do we really need to employ somebody else when in fact there is not enough work for the people we have here? That is how the companies work. It is how it worked when he was in government.

1630 **Hon. D A Feetham:** Therefore, the answer to my supplementary is yes. Given that the answer to my supplementary – (*Interjection and laughter*) Yes, it is. The answer to my supplementary is yes, because Government-owned companies do advertise for vacancies.

1635 I understand what the Hon. Minister is saying. The Hon. Minister is telling me we may advertise for vacancies but there is no complement – that is what he is saying – in the public service sense. But given that the answer to my supplementary is yes, does he therefore not agree with me that at any given point in time there must be vacancies in Government-owned companies – or not, as the case may be? It may be that there has not been any advertisement of any vacancies at that point.

1640 As at the date when I asked the question, were any vacancies in Government-owned companies advertised that had not been filled? That at least would have answered my question.

Hon. Sir J J Bossano: [*inaudible*]

1645 **Hon. D A Feetham:** Mr Speaker, bearing in mind that the Minister does not have the information and I do not want to be contentious, could I therefore, next time around, ask a more specific question that would allow the Hon. Minister to provide me with the answer? It is clear to the House what I am after. I know what the Hon. Minister is saying: no complement. I understand all that. I want to know, as at today's date, how many vacancies there are in the sense, at the very least, that those vacancies have been advertised. It may well be that the answer is zero, there have been no vacancies advertised, but may I ask it next time round?

1655 **Hon. Sir J J Bossano:** It is not clear what he is saying. Has any company that is owned by Government advertised vacancies? I am not aware of any. If he knows of some, then he knows more than I do.

1660 **Hon. D A Feetham:** The question is very simple. As at today's date when the question was posed, were there any vacancies in Government-owned companies that were to be filled? He is going to say to me there is no complement and therefore there are no vacancies. I am saying to him at the very least you can tell me whether, as at the date when I posed the question, Government-owned companies had advertised for any vacancy. That, at least, he can tell me.

1665 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the hon. Gentleman is driving us to a potentially very difficult situation. Have Government companies advertise vacancies? The answer to that is yes, they have, because the word 'have' is past tense. How many have they advertised? We would have to go back to the first Government company advertising of a vacancy to give an accurate answer. The first company incorporated under the Government was incorporated under the ACR. It was not the land reclamation, it was the one to do with the sands on the Eastside. Every time the bus company advertises for a bus driver, it would come within scope. So the hon. Gentleman may want to say to us – the Hon. Father of the House has given him the answer in respect of the day when he asked him – 'Were there vacancies in any Government company, although there is no complement but because they were driven to require somebody to be employed, on 1670 13th December 2022?' which is the date in respect of which he or the Leader of the Opposition

asked me questions about other aspects, and on that date, if a Government company has advertised for what they consider to be posts that they need filled, we will give him the answer.

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Hon. D A Feetham: That is the question, Mr Speaker.

Hon. Chief Minister: Well, okay, Mr Speaker, he has already got the answer to that question as at the date he asked the question. If he wants to ask it again, he can ask it again, and if on that day there is a vacancy that has been advertised, not because there is a complement but because there is a need for an individual to be employed by a company, we will say, 'Yes, here,' and if there is not, we will say no.

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Hon. D A Feetham: The Hon. Minister has told me, 'I do not know.' I think the question was clear. He has chosen to answer it in terms of 'Well, there is no complement and therefore there are no vacancies.' I understand that, but the question is clear: as at that date, either it is no, there are no vacancies – in other words, we have not advertised for any vacancies that are still pending to be filled on that date – or there are, and I am just asking for leave from Mr Speaker to ask it next time because he does not have the answer.

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Hon. Sir J J Bossano: It says 'how many vacancies are there within Government companies, identifying the company?' 'Within Government companies' is not 'Has there been a vacancy advertised today or last week?' 'Within' suggests that there are unfilled jobs which we consider, because they are unfilled, are vacancies that need filling. That is the only way I can interpret the question.

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Mr Speaker: I think if you pose the question next month, I will permit it.

Q561-62/2022

**North Mole Road parking facility –
Developer; intended users**

Q563/2022

**Workers' hostel –
Location, timing and developer**

Q564/2022

**Community Services and Supplies Ltd –
Role**

Q565/2022

**Wonderworks Media Ltd –
Employees in Government Departments**

Clerk: Question 561/2022. The Hon. D J Bossino.

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Hon. D J Bossino: Mr Speaker, who is developing the new parking facility at North Mole Road?

Clerk: Answer, the Hon. the Minister for Social Security, Economic Development and Enterprise.

1705 **Minister for Social Security, Economic Development, Enterprise, Telecommunications and the GSB (Hon. Sir J J Bossano):** Mr Speaker, I will answer together with Questions 562 to 565.

Clerk: Question 562/2022. The Hon. D J Bossino.

1710 **Hon. D J Bossino:** For whose use is the new parking facility at North Mole Road being constructed?

Clerk: Question 563/2022. The Hon. D J Bossino.

1715 **Hon. D J Bossino:** Where and when will the workers' hostel be constructed and by which company?

Clerk: Question 564/2022. The Hon. D J Bossino.

1720 **Hon. D J Bossino:** What work does Community Services and Supplies Ltd do for the Government?

Clerk: Question 565/2022. The Hon. D J Bossino.

1725 **Hon. D J Bossino:** Are employees of Wonderworks Media Ltd working in Government Departments; and, if so, how many, in which Departments, the duration of their employment contracts and why are they working there?

Clerk: Answer, the Hon. the Minister for Social Security, Economic Development and Enterprise.

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Hon. Sir J J Bossano: Mr Speaker, the North Mole Road project was originally being done by GJBS in 2017 and is now being completed by GBIC.

The parking is for businesses in the area, in accordance with the original terms agreed in 2017.

The workers' hostel proposed for the Eastern Beach site is currently on hold.

1735 Community Services and Supplies Ltd is not currently providing any services or supplies to the Government.

No employees of Wonderworks Media Ltd are working in any Government Department.

1740 **Hon. D J Bossino:** In relation to the first one, which relates to the parking facility at North Mole Road, he said it is now being done by GBIC Ltd. Is the funding arrangement in respect of that particular project the same one he has described in relation to the National Economic Plan this afternoon? In other words, funding through CSSL and so forth?

1745 **Hon. Sir J J Bossano:** Except for one element, which is the materials that were purchased already by GJBS, or by the Government, which had been unused. For those materials, we have asked the people involved and benefiting from this to provide the funding. So the funding of the actual work is being done through the normal media, but the reimbursement to GJBS of the materials that were already provided is being done by the users in the area who will be the beneficiaries of the scheme being finished.

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Hon. D J Bossino: In other words, the businesses in the area that he talked about in answer to the second question, which is Question 562, for whose use the new parking facility is being constructed.

1755 Is he able to give me numbers as to how many parking spaces are available and what the take-up has been? Probably 100%, I imagine.

Hon. Sir J J Bossano: I do not have that detail because I am not directly involved in these areas, but I can get the information and send it to him.

1760 **Hon. D J Bossino:** Just to be clear, it is those businesses which are going to be paying for the materials that were used but came from GJBS?

1765 **Hon. Sir J J Bossano:** The businesses that are in the area, but again I do not know which those businesses are. I know that in the process of looking at the funding that was required we have not funded the purchase of what had originally been put on site by GJBS way back in 2017 when they were engaged in doing it, because we thought it would not be something that ... The system in place is not designed to do that, so we went to the people who had been originally involved in the negotiations and said to them, 'Since GJBS is not going to be doing it and we have to acquire this from GJBS, we expect you to pay for this up front,' and then that will not form part of the cost of the development because they will have paid for it.

1775 **Hon. D J Bossino:** In relation to the next question, which related to the workers' hostel, he said it was on hold. May I ask why that is the case? The project was designed specifically to alleviate the demand for temporary housing for locals who are experiencing difficulties prior to being allocated a permanent home. Given the delays which are going to be experienced in connection with the affordable homes projects, it would seem that it is a highly relevant demand and need. Or is it that the Coaling Island project is going to be meeting that need? I know in the last session it was slightly controversial because I think the hon. Member was not willing to answer any questions in relation to the purpose behind the Coaling Island project, but I just wanted to understand why a project which is going to be addressing such an important social need is currently on hold.

1785 **Hon. Sir J J Bossano:** I am not sure that the project was going to meet what he thinks it was going to meet, Mr Speaker, because it was predominantly a project to be able to develop the areas where we now have the hostels and, of course, to give the people in the hostels something which is better, because the hostels are really not up to scratch and those places should have been replaced a long time ago. That was the primary aim and I think it said it would also be available for people who became homeless or when families separated and they have not got the ability ...

1790 There is a concept that I am pursuing, but I have not yet got to the stage of being able to announce something specific, which is to try to come up with what I would call transitional housing for people who are in the process of purchasing and not in Government housing and are therefore having extreme difficulty, having down-payments and paying private sector rents. I am looking at the possibility of producing transitional housing, which would have a specific market, which would be people in that category – that is to say people who would be renting. It would be using the same mechanism of the GBIC/CSS funding but they would be renting the property on the basis that when they bought they would move out, so it would not be a permanent thing, and their rents would be below the lowest that is available in the market, maybe half of what the market is charging, because it would still have to be capable of being self-financing. It is not subsidised but it would not be producing big profits, because we are not in the business of investing in real estate to make big profits.

1800 What he has identified, which I think exists and has to be addressed, I do not think would have been addressed by what we are doing there, and what we are doing there cannot go on because

1805 of the complications dealing with where the roundabout is going to go, coming from the tunnel. We were stopped initially by the Planning Department from doing anything there because at that time, six or nine months ago, it might have meant doing something that would have affected the works in the tunnel, and the experience we have had is that anything that affected works with the tunnel is immediately used by the other party to say, 'You are doing something you shouldn't be doing.' Given the unhappy relationship we had with the party that was doing the tunnel, I was told that I should not go anywhere near it, so we put a stop to it and we concentrated on doing other things. That is the only reason for it.

1810 I think when mention was made of providing for families, it was more for people who are not adequately catered for by the hostels we have, which are for single men who are workers and not for anybody else. For the people who are buying, I think you would need to have something that would be really home and not a hostel. The people who are buying and renting simultaneously I think would only move from where they are if they got something perhaps equivalent in size and so on at an unsubsidised rent but just a rent that barely covers costs, which is what I am hoping to be able to deliver. I am not sure that it is possible to do, but I think if I am able to deliver it, it will meet the problem that he identifies, which I agree with him exists.

1820 **Hon. D J Bossino:** The way I understood it is the way he has just explained is the temporary housing for those people who are waiting for affordable housing. That is the way I understood it, but it is possible that it is open to the interpretation that he is giving it, because if you read on it says it will act as a stepping stone for those who may be experiencing a sense of homelessness before being moved into adequate housing by the Gibraltar Government. So it is possible, but he has explained the position and that there is no connection with the Coaling Island project.

1825 Just to confirm, because the planning application was filed on behalf of CSSL, again is the idea that once this gets off the ground – and he has explained that the reason why it is on hold is that it is, in effect, as a result of planning considerations, if I can put it in those general terms – the funding for that project is going to be the same model that is used for the National Economic Plan?

1830 **Hon. Sir J J Bossano:** At the moment, that is the only model available. If we are not doing this, it will not happen. I am at an early stage of talking to potential local developers who have expressed an interest in being involved. It may not lead anywhere because maybe they are looking for profit margins. That is not what I am producing, so they may not want to come in, and maybe they only want to come in where there is the possibility of bigger profit margins, given that the market seems to operate, from what I see as an outsider, as people buying something off plan and then reselling it when it is still off plan and there are resales several times before the first brick is laid. That is not the kind of situation that the National Economic Plan is going to be producing. But there may be some areas where people see the potential of buying to resell, expecting revaluations, and therefore, if the funding that comes in is something that adds value to what I am trying to do with the National Economic Plan, I am willing to listen to it. But until that happens, it will all be either from the origin of the Savings Bank or from retained profits that are being reinvested, which would be a very small part because the profit margins are not the normal profit margins of normal commercial property developers.

1845 **Hon. D J Bossino:** And may I ask him, finally, in respect of this point, Mr Speaker, when he thinks that ...? Presumably the planning considerations have been addressed and resolved, and if that is the case, when does he think this particular project will get off the ground? I hear what he says about the possibility of an outside investor providing the finance for this. Presumably, he wants to explore that. If that is exhausted and it comes to nowt, he will then use the funding, as he has described to my hon. Friend here to the right, from the Savings Bank?

1850 **Hon. Sir J J Bossano:** I think we would be in a position to revisit the project if the tunnel reaches the final stage in three months' time. We will have to wait and see. There have been a few previous

1855 dates when it was supposed to be finished and it has not been finished, but if it finishes when it is
supposed to be finished this time, which is in the first quarter of next year, then we will go back
to looking again at that project after that.

Mr Speaker: I think the Hon. Damon Bossino should continue with his supplementaries and
1860 then – (*Interjection*) Yes. Go ahead.

Hon. D J Bossino: Continue with the supplementaries in respect of the questions posed? It is
just that the Hon. Mr Clinton had a supplementary in relation to this particular question.

1865 So continuing with Question 564, which dealt with Community Services and Supplies Ltd, the
hon. Member's answer was that this company is not providing services – I cannot remember what
he said; my note is not very good (*Interjection*) – or supplying work to the Government. In fact, as
far as the latter point is concerned, he was very clear on the last occasion that this company is not
1870 hiring labour to the Government. He was very clear about that. But if I can quote him ... I do not
think the *Hansard* is out, but I have watched the video online. Can he provide some further
information in relation to this by way of assistance? He said that we do not hire labour from CSS,
which addresses the point I have just made, but he says we may give them work to do with their
labour from us. I was not very clear about that latter bit – 'but we may give them work to do'.
Hence why I do not understand why he has answered the question in the way he has, because he
1875 did say that we give them work to do with the labour force, but we do not hire labour from them
as a Government. That was his full reply, but he is now saying he is not providing services or
supplying labour.

Hon. Sir J J Bossano: Mr Speaker, the answer is specific to the question I have got. If the
Member wants to ask different things as supplementaries when he has the opportunity [*inaudible*]
1880 he should not wait for the supplementary in the first place. The question is whether we are
currently, and we are not. We are not currently. The Government is not currently.

CSS is involved in providing a service that is related to the development of all the projects. That
does not mean that tomorrow CSS might not do something else, but as I speak today there is no
service being provided by CSS to the Government and no labour being provided by CSS to the
1885 Government. CSS is only involved in the delivery of the National Economic Plan at the moment. It
is not that it will not do it or it cannot do it; I am saying it is not happening at the moment.

Hon. D J Bossino: Mr Speaker, the question was very simple and it arose from the answer he
gave last time. He said, very simply, we may give them work to do, and the question was what
1890 work is this company doing for the Government. It is very simple. Is the answer nothing? Or is it
that last month it was doing work for the Government and now it is not doing work for the
Government? I am not following what he is saying. It just requires clarification, I think. I do not
think there is anything particularly controversial.

1895 **Hon. Sir J J Bossano:** I am not trying to be controversial, Mr Speaker. It is just the understanding
of the English language that is at stake here. 'We may' means we may give it or we may not give
it, and I have said we have not given it, but we may give it tomorrow. Since he is asking me the
question today, as at today we have not given them any work that needs to be done for the
Government. They are working on things that are in the National Economic Plan, which is at arm's
1900 length from the Government, and they may enter into providing services at some stage, but at the
moment the service they provide is in connection with the delivery of the National Economic Plan
and nothing else. That does not mean that we see anything wrong in anything different happening,
it is just that it is not happening at present but it may. He can, of course, ask me every month if it
has happened and I will tell him whether it has or it is still in the 'may' area.

1905

Mr Speaker: Can I suggest that in the future, when you table a question, why don't you refer to something? I think that was the situation which arose in the Minister's mind. He could not make the connection because you had not given him the connection. You gave him the connection as a supplementary but not in the original question. That is what I am saying.

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Hon. D J Bossino: Mr Speaker, yes, it is a recommendation that one can consider, but he has understood it and he knows where I was coming from. One can look back and understand in response to which question I asked he responded in the way he did. The implication was, the way I understood it, that work was being given, but he has clarified the position.

1915

In relation to the final question that I posed, which was in relation to Wonderworks Media Ltd, which is a company that is a subsidiary of CSS Ltd, given that we have to be careful with the use of semantics here to make sure that we get the answer we want, he is saying that there are no employees of this company working ... The question was in Government Departments. The information that I have, and I have said so in this House now on at least two occasions in the past, is that there are employees of this company working within Government Departments. I have heard of 10 in the Town Planning Department, I understand that there are two in the Tourism Department and I understand also that there are some – I do not know how many, or at least I do not recall – in the Social Security Department. If the question was phrased differently, so if we said working *for* Government Departments, as opposed to *in* Government Departments, would that produce a different response?

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Hon. Sir J J Bossano: It is not that I am trying to withhold information from him, so I am not playing semantic games. If I have information, I give it to him, and if I tell him I do not know it is because I do not know. If he has difficulty in believing that I am telling the truth, I do not like it because he has known me long enough to know me.

1930

On 26th October, I am informed, having made inquiries, the Planning Department asked for the assistance of this company and this company sent a trainee for five days and did not charge any money, so whoever told him that the company is working or that workers in the company are doing the work of civil servants in the Planning Department does not know what they are talking about or is deliberately misleading the Member. It is an initiative from the Planning Department because their computers were down and the paperwork was piling up. They had contact with this company because the company is involved in the planning of the projects that we have, and they asked the company, 'Can you help with the backlog we have here?' and the company took one of its employees, sent them for five days to help bring the load down and then brought him back. He was not employed, paid for, hired or anything.

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That is the information that I have obtained – of which I had no knowledge – to find out why he was insistent that there was somebody working in the Planning Department when I was sure that there was not. If he wants to say that that is something that should not happen and that the next time, if they ask for help, even if somebody is being provided free of charge, it should be denied, then he is entitled to have that view.

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The employee was there for five days, did the work, but was all the time employed by the person who provided him and not hired, and no payment changed hands. I do not consider that to be somebody working, but if he wants to see it as somebody working ... That person was not replacing a civil servant and was not doing the work of anybody else; it was just because it was in the interest of the applications that we have in the pile, to help reduce the pile. The people who are employed in Wonderworks Media who may be doing work for CSS were keen to ... When they made enquiries about the delays and they said, 'The delays are for this reason,' they wrote an email and said, 'If you send us somebody to help, we may get through the pile quicker,' and that is what they did. No sinister movement there.

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1955

As far as some people working in the Social Security Department, I am the Minister for the Social Security Department and I had two people who were with me in the Ministry for Economic Development and I have sent them over to help in my other Department. Nothing to do with

Wonderworks or anybody else. I do not know about the Tourism situation, but I will find out and let him know.

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Hon. D J Bossino: I must say that I find it quite remarkable, his answer, but let's leave it at that.

Just so I understand it, what he is saying is that CSSL, which is involved in so many planning applications, enquired as to the delay in relation to the projects in respect of which it is filing planning applications with the Planning Department, and they said, 'We cannot do it because we are short staffed,' (*Interjection*) – if I can just finish the point; he has a good memory and I am sure he will take a note of what I say – and provided, through its subsidiary, an employee to finish the job. I find that somewhat remarkable in terms of due process and the way Government works.

1965

He is saying, whether he was paid or not, presumably paid by the Government ... Presumably that individual would have been paid – if not, he would have been working illegally – by Wonderworks Media Ltd, but it was not charged to the Government. I understand that, because it was a benefit to its parent company, which is CSSL. It was not an expense to the Government, but that is almost by the by.

1970

In terms of due process and things like that, is he able to confirm that this individual, although he or she was there for five days – or it could have been one day or 10 minutes – was subject to things like the Official Secrets Act and all the rest of it, data protection, to ensure that the information that this individual was seeing was not then distributed, which would have resulted in advantage to CSSL in terms of the planning process?

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Hon. Sir J J Bossano: Mr Speaker, I have made the enquiry in order to be able to reassure the Member that the information that he claimed to have was inaccurate. It is quite obvious that having failed to be able to continue to criticise me for what he was criticising me for before, he has now, while he was listening to my explanation, come up with a new reason for criticising me.

1980

I am not responsible for any of it. I was trying to be helpful, to put him at ease given the anguish he was suffering from not being able to reconcile what he was hearing from me with the truth. The information I have given him is the information I solicited in order to put the record straight for his advantage.

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As far as his supplementary, I am not going to be his messenger to seek any more information on this or anything else.

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Hon. D J Bossino: It is the typical response I would get from the hon. Member.

Mr Speaker, it is obvious and clear that with a change of one word in my question – and he is saying that he is not playing with semantics – we have had information being provided. It was obvious what information was being sought, so all I had to do was change an 'in' to a 'for' and I have had this information.

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Can he confirm and undertake that he will provide me with information so that we do not have to go through this piecemeal process again? If he wants, I will write to him. If not, I can pose questions in this House. He says he does not know whether there are employees of Wonderworks Media Ltd working for the Tourism Department. That puts me in some doubt as to whether there are other employees of Wonderworks Media Ltd providing services by way of labour to other Government Departments. So can he, next time, if I ask the question, provide me with a full list – I will make sure it says 'for' and not 'in' – of those employees of this company working for Government Departments?

2000

Hon. Sir J J Bossano: Mr Speaker, I have to provide information as the Minister for Economic Development, as Minister for Social Security and as the person responsible for the National Economic Plan, but I am not here to provide ... whatever question he chooses. And when I try to be helpful and give him more information he then accuses me of playing with semantics.

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The reality is that since the hon. Member is 24 hours a day, seven days a week, 52 weeks a year on a campaign to replace Mr Azopardi, we have to put up with all this nonsense. He wants to make

2010 sure that he is on the front page every day as the most aggressive Member of the Opposition. Well, I am not going to assist him in that task, so the answer is very simple. If I have told him something, I am telling him what I am in the knowledge of. If I say as far as I know there is nobody working in any Government Department, he immediately says that must mean that I know there is somebody, that I am lying and that I am hiding and playing semantics by saying 'as far as I know'.

2015 He has mentioned specifically the Tourism Department, which is not mentioned in the question, because he says 'in any Government Department', and the last time he mentioned Planning and Social Security. As far as I am concerned, there is nobody working in any Department. Has any Department given work to somebody who is using an employee of that company? Maybe, I do not know, but the hon. Member seems to think that I have nothing better to do than to try
2020 and not give him information. Well, I can assure him that he gives me work because I seek to satisfy his interest in a piece of information, and that for all the effort I make the net result is that that, in his eyes, proves I was deliberately misleading him.

I am not going to play his game, so the answer is I will not go around trying to find out if there is anybody anywhere, because it is not my job to do that. I have only done it as a consequence of
2025 the previous time when I told him I did not have information about something and he said he would not believe me. He found it very difficult to believe me. Well, that is his opinion of me. I regret that he should think that of me.

Hon. D J Bossino: Mr Speaker –

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Mr Speaker: No. (*Interjection by Hon. D J Bossino*) Right. One final question, but I want moderation in the tone.

Hon. D J Bossino: Mr Speaker, the moderation in tone is something that I would counsel the
2035 hon. Member to employ. If my aim was to make him irate, I certainly think I have achieved that. The other things he talks about I think are totally and utterly irrelevant to the questions I am posing. The fact is we are getting somewhere. We are getting some information from the initial answer he provided.

I am going to ask a question, Mr Speaker. It is this. We had the same situation yesterday and
2040 we had the same situation last month. The questions are filed. They are not directed. We do not direct and decide who of that lot answers the question. (**A Member:** That lot?) They are the ones who decide and set up –

Mr Speaker: You withdraw that? Okay.

2045

Hon. D J Bossino: The hon. Members opposite are the ones who decide who answers the questions. This question is posed and made of the Government and the hon. Member has said he does not have that information available. I have said 'if there are individuals employed by this company working in a particular Government Department'. I do not need to identify which
2050 Government Departments. The question is very clearly laid. It talks about 'in Government Departments', which are then amended to 'for', which resulted in the answer he has given.

I mentioned the Tourism Department. Mr Speaker, the Hon. the Minister for Tourism is sitting here in this House today. Can't he answer this question? Can't he say whether his Department has individuals working for it who are employed by this company?

2055

Minister for Business, Tourism and the Port (Hon. V Daryanani): Mr Speaker, he is going to have to give notice for that question.

Mr Speaker: I think we need to move on. Hold on. I think the Hon. Marlene Hassan Nahon
2060 wants to ask a question. (*Interjection*) The Hon. Roy Clinton will have an opportunity.

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

2065 I did not actually pose this question myself – it is a supplementary of my colleague on the right here – because I actually knew the answer. Gibraltar is a very small place and we all know the answer. We all know who works where and why, so when the Minister talks about ‘as far as he is concerned’, ‘not relevant here’, ‘we do not know’, going round in circles, we all know the answer. That is why I did not ask it myself, but I want to exercise my right to ask a supplementary and ask if he actually insulting our intelligence, because we all know the answer.

2070 **Hon. D J Bossino:** Mr Speaker, I would like to raise a point of order in relation to the comment that was made before as to whether I had given notice of the question. The question very clearly says, in relation to this company, ‘working in Government Departments’. That includes the Ministry for Tourism. It is a Government Department, therefore notice has been given – the due notice, which was five days.

2075 **Mr Speaker:** Does the Hon. Minister have an answer for that? Does he have any information that he may ...? He does not? Fine.

2080 **Hon. V Daryanani:** Mr Speaker, I do not have any information on which company or anything of that sort. That is why I am saying he should give specific notice.

Mr Speaker: You have answered the question. You do not have any information. Fine. Does the Hon. Minister, Sir Joe, wish to –?

2085 **Hon. Sir J J Bossano:** [*Inaudible*] the introductory remarks of the hon. Member. At the end of the day, whether people on that side of the House believe what we tell them from this side of the House is a matter for them, just like it was when we were on that side and we were told lots of things that we thought lacked apparent credibility, and presumably the people who were then in government thought they were giving all the information that should be given. Nothing has changed.

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Mr Speaker: The Hon. Roy Clinton.

Hon. R M Clinton: Thank you, Mr Speaker. I will be brief.

2095 If I can ask the Minister, going back to Question 561, just two elements: (1) can he confirm that this particular project is now being undertaken or completed under the auspices of the National Economic Plan using the funding mechanism that we have spent some time exploring; and (2) why was it that GJBS could not complete the project?

2100 **Hon. Sir J J Bossano:** I have no idea, because it goes back quite a long way. We are talking about five years ago, 2017. I know in 2017 they were involved in many other projects and maybe they found that they did not have the resources. They were involved in the big project here in the middle of town and then they went on to do all the work in the Island Games. I can only assume they had a project there which was something they might have started when they did not have a lot of work and then found that at different stages they were not able to go back to doing it. They were taking on a very big workload after 2017, 2018 and 2019 – 2019 was the Island Games and then, after that, of course, during the COVID years there was the practical closure of much of the construction industry. Now I think that to go back to it is something that ... They do not have the resources now that they had then, because the Government is not putting money into the I&D Fund and they are very tight for funding.

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It has been, already, seven years since it was started and when it was brought to my attention I thought it was something that was viable and worth doing and that we should be able to do it through the finance system that we have created for the National Economic Plan, so we

2115 incorporated it as one of our projects. The only thing is that I did not want the complication of the materials that had already been paid for to be creating an anomaly in the system, so I asked that that should be refunded by the ultimate beneficiaries back to GJBS and not through us.

Mr Speaker: No, we are –

2120 **Hon. D J Bossino:** No, Mr Speaker, it is not a question, it is a point of clarification, with the Chair's leave.

2125 The Hon. the Minister for Tourism does not have the information available to him in respect of a question that he had notice of. I just want to make absolutely sure that I will be able to ask the question in the next session, a specific question in respect of his Ministry and in respect of this company, and not be bound by the six-month rule. I am very surprised they did not have this information, because at the end of the day that Department, I do not think, is that big in terms of staff.

Mr Speaker: No, we proceed now to the next question. Next question, please.

Q566/2022

**Child welfare payments –
December delay**

Q567/2022

**£25 million additional borrowing –
Whether used**

Q568-69/2022

**Victoria Stadium –
Premium re site development; room composition of apartments**

2130 **Clerk:** Question 566/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, why have child welfare payments been delayed in December?

2135 **Clerk:** Answer, the Hon. the Minister for Social Security, Economic Development and Enterprise.

Minister for Social Security, Economic Development, Enterprise, Telecommunications and the GSB (Hon. Sir J J Bossano): Mr Speaker, I will answer this question with Questions 567 to 569.

2140 **Clerk:** Question 567/2022. The Hon. the Leader of the Opposition.

2145 **Hon. K Azopardi:** Has the Government spent or used any part of the additional £25 million which the Minister for Financial Stability confirmed in answer to Q491-92/2022 had been borrowed this financial year; and, if so how, much and on what?

Clerk: Question 568/2022. The Hon. the Leader of the Opposition.

2150 **Hon. K Azopardi:** Has the Gibraltar Football Association or any other entity paid or agreed to pay a premium for the development of the current site of the Victoria Stadium; if so, which entity and in what amount?

Clerk: Question 569/2022. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, how many one, two, three and four-bedroom apartments are projected to form part of the new Victoria Stadium development?

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Clerk: Answer, the Hon. the Minister for Social Security, Economic Development and Enterprise.

Hon. Sir J J Bossano: Mr Speaker, I am informed that child welfare grant payments were delayed as part of an essential annual exercise to reassess the eligibility and current rates of existing claimants to the grant. All individuals who have submitted the required paperwork and documentary evidence should have received their payments by now.

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The £25 million additional drawdown was credited to the Consolidated Fund and not the Improvement and Development Fund, which means it has not been used on any specific project.

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No additional premium is going to be paid for the development site already owned by the Gibraltar Football Association, for which they have already paid £16.5 million.

The detailed configuration of the Victoria Stadium development has not yet been finalised.

Hon. K Azopardi: Mr Speaker, in relation to the child welfare payments, the Minister has clarified that everyone who is eligible has now received the payments, and that is a good thing but the reason for the question is because we were being approached at the time by people who obviously got concerned. Child welfare payments, by their very nature, are targeted relief for families – single mothers a lot of the time – and so any kind of delay, even if it is as a result of a fairly sensible explanation, as the Minister has given, because there needs to be an annual review and so on, causes concern to people who are living with very low means. So can I just urge the Minister, given that this has caused concern to several people, that the Department take on board that if it has to – well, it will – do annual reviews in future, it does so in a way that can ... I am not sure how, but that he talks with his officials so that they do so in a way that factors in that it does not then delay payments, so that there is some kind of assessment that can be done before payments trickle out?

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Hon. Sir J J Bossano: I agree with him, Mr Speaker. I am told that part of the complication this year was that although it is supposed to be an annual review, it had not been done since before the COVID epidemic. That was the last time, and therefore I suppose it was slightly more complicated because of that long interruption. Hopefully it will not occur again in the future.

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Hon. K Azopardi: Mr Speaker, I am sure that will be welcome news for people who will be concerned about those child welfare payments.

Can I ask on the £25 million? His answer was, I think – I took a note – that it went to the Consolidated Fund, not being used for a project. I was not asking whether there was a specific project in mind because he said it is not credited to the I&DF. I get that. My question was more generic. If he looks again at the language of my question, what I am asking really is the £25 million was credited to the Consolidated Fund – has it been used? Has it been spent, and if so, on what?

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Hon. Sir J J Bossano: The problem with that is that the pound notes that make up the £25 million are not different from the notes that were already in the Consolidated Fund, so if the Consolidated Fund is, say, £3 million lower, is it from the £25 million or is it from the money that was there before? Twenty five million was added. I think it is something like £3½ million down compared to the figures that I gave a month ago, but you cannot say the £3½ million came from the £25 million.

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2205 **Hon. K Azopardi:** I see. I understand the explanation. I suppose the answer to the question will be that at the end of the year we will know whether that money has been used, in effect, because the final profit and loss, if I can put it that way – the balance sheet exercise – would be correct wouldn't it?

2210 **Hon. Sir J J Bossano:** [*Inaudible*] to understand, because I have explained it before to the Hon. Mr Clinton that the Government's outlay is more or less steady every month but the revenue sometimes comes with much bigger figures in one month than in others. So although we may be actually running in a deficit situation, there are months when we are in surplus. Unfortunately, the months in surplus are fewer than the ones in deficit, so the reality is that you could actually find that when the money in the kitty went up by £25 million, the next month we might be £5 million down and you would say we must have spent £5 million of the £20 million, but then a month later we might have £25 million coming in because there was a big payment of company tax or something, and the level would be up. It really is a daily thing. This changes every day, so the only real figures are the figures at the end. Throughout every month you estimate the money at the time of the day and it might be one figure at 10 the morning and another figure at closing time. So it does give an indication, I think, when there is a lot of money going out and very little money coming in, but when it is more or less balanced – and at the moment, fortunately, we are more or less balanced since that £25 million, otherwise we would have been down and we would have been having to seek to draw more money. So we drew the money then. The decision was taken that even though we did not really need it at that time, we should draw it, and the balance has not changed more than £3 million or £4 million in one direction or the other since we took the £25 million. That may help to understand the state of play.

2225 **Hon. K Azopardi:** Yes, Mr Speaker, that is helpful, thank you.

2230 Can I ask about the football stadium now? I think his answer in relation to my question has the GFA paid a premium is that the GFA will not pay a development premium, that no development premium will be paid – that is, I think, what he said – not just by the GFA, by any entity. No development premium will be paid. Can I just explore that? That would be different to every time, at least to my knowledge, or at least most of the times the Government negotiates. If someone wants to develop a plot of land and wants to build houses on it, for example, they would negotiate a premium to develop that land from the Government, because that provides the taxpayer the value for money of conferring development rights on the entity – the developer, in this case, who wants to build houses, say.

2235 The GFA bought the land on which the stadium is built for £16.5 million, but at the time never paid development rights because all they were doing was acquiring the football stadium; they were not acquiring development rights. But now, as part of this project – we have seen the images – this project is not just going to be a rebuilt stadium, it is going to include commercial units. It is also going to include residential, and hence the next question that I had on the Order Paper. In the normal way, anyone who wants to build commercial or residential would pay a premium for that, so why is the Government satisfied that the taxpayer, not the savers – because obviously the savers, through the Savings Bank, are investing in the project, and so the savers might be protected through an interest rate return, which we spoke about in relation to the other question – but in relation to the taxpayer, who is conferring the land on which the development will be built and how is the taxpayer obtaining value for money if no premium will be paid for the development?

2250 **Hon. Sir J J Bossano:** I think it is self-evident. The taxpayer is going to benefit from the fact that the project will happen. The taxpayer pays taxes because the Government has to tax people to deliver services. If we create an asset that produces economic activity, that allows the football home matches to be played here, that people come and visit Gibraltar, the effect on Government

revenues and economic activity is to the benefit of the taxpayers, who would otherwise maybe have to pay more taxes for things that the Government provides.

2255 If the taxpayer was rewarded at the beginning of this process by saying there has to be a premium on this, as there would be in any other luxury development, it would not happen, so the taxpayer will have nothing. The taxpayer would be worse off because, on the basis of the figures that we have looked at, a premium at this stage would appear to tip the balance, which would mean that the return on the project would not be enough to satisfy us that this is a project that
2260 needs to be ... We are convinced that it needs to be done, but it needs to be understood that the National Economic Plan will not undertake anything where there is not at least, as a minimum, the money that services the loan and that everything else breaks even.

If we treated this as if it were a plot of land on which people were going to make money and that was it ... but of course it includes a stadium, which has no return. The stadium part of the
2265 project does not produce a profit. The expenditure of the whole/home cannot be the expenditure on the commercial bid alone. If it was the expenditure on the commercial bid alone and there was no stadium there, then you could argue that the people there are going to make a lot of money so they should be taxed for the money, but that is not the case. This is why originally there was no provision for doing anything else, and this is why that has had to be changed. It has not been
2270 changed so as to enable the Government to tax the developer. It has been changed so as to enable the National Economic Plan to be confident that this is worth supporting because it is going to be a viable proposition. We would not be as confident that if they had to pay £x million up front before doing anything else the project would then have the same viability.

It may be something we have to revisit when the whole thing is finished and we see what the
2275 profit levels are, but it is not something that anybody is going to put their money in, and certainly the National Economic Plan is not going to give them a premium to do it, and the GFA does not have the money to give a premium. The answer is that if you look at it realistically, if it is going to go ahead, it will only go ahead on the basis that there is no further premium at this stage, and I do not think, frankly, there will be a further premium in the future either, but we will not know
2280 until that happens. I am confident that it is viable, I am confident it will make a good profit, I am confident that we will recover the money, but I am not confident that if we tax it at the beginning, before it has even got off the ground ... If you do that at the beginning, then you have to change all the other numbers, and if it is not going to happen then the taxpayer is no better off. Gibraltar is worse off because it has not happened.

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Hon. K Azopardi: Mr Speaker, with respect to the hon. Member, there is a difference between economic value and value for money for the taxpayer, which is what I am talking about. I am not engaging necessarily on the issue of economic value. I recognise that if you put, alongside a stadium, residential and commercial, as a project it may have economic value. Of course. I accept that.
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My question is more directed on value for money for the taxpayer. He says, 'If I front load the premium issue, well then it may not happen and we may need to change the numbers,' but the question is ultimately ... Savers are putting in money, on which they are getting a return, but there are going to be valuable economic assets created in the entire project – the residential aspects,
2295 the apartments, the housing and the hotel – and it is a slightly curious answer to say if we did that the project would not happen. If they took that view with every other development, no developer would pay a premium for land.

The core question here is when the stadium project happens, based on the fact that savers have put in money on which they are going to get a return and it produces profits in the
2300 apartments and the commercials, someone is going to keep the profit. Who is that? And if the entity that is keeping the profit is not the Government, that is the reason why you charge a premium. If he is going to say to me we are not charging a premium but the profits of the apartments and the commercials are going to the Government, that may be an argument for it,

2305 but normally when someone is allowed to do a residential development, the Government – the taxpayer – gets its value through the premium.

Hon. Sir J J Bossano: *[Inaudible]* understand it. If somebody was doing the development that is commercial and that somebody was not also doing a stadium, they would make a lot of money on the commercial. The cost of the stadium is going to be part of the cost of the commercial. 2310 Nobody is going to pay separately for the stadium. The complex will have a cost because it is a complex with a stadium that it would not have if it was accomplished without the stadium. If it was accomplished without the stadium, there would be a premium for the land because there would be no extraneous cost encumbering that development.

I do not know if I should take the dangerous step of giving examples, but let's say that the 2315 whole project was £10 and the stadium was £2, so without the stadium it is £8, the guys can make £2 more but they will not be able to pay £2 more because they have to start building a stadium which costs them £2, and that increases the cost of the project by 25%. If we say that the development has to include a stadium, for which the GFA will not pay, and has to pay a premium of the land to the Government, then the effect of that, in my judgement, means that the level of 2320 profitability inevitably is reduced from what it would be if the stadium did not exist, which is what would generate the premium. So the premium on the land would not be there unless we said we were going to do a development but not do a stadium, and then you would value the commercial benefits and the commercial profits and forget about the stadium. You would say, 'You have to pay so much for land,' and the guys doing the development would pay it gladly because they would 2325 be making more than sufficient money to pay the premium and still have a hefty profit. This not what is going to happen.

What is going to happen is that there is something that is being allowed to happen, which 2330 previously would not have been allowed, as a way of being able to deliver the stadium. If the GFA had been able to obtain sources for doing the stadium alone, then the rest would not have existed and no premium would have existed. So either there is a premium for property and no stadium or there is a stadium that somebody from outside comes along and buys, invests in and gives it to us without charging anybody anything; or, as far as I am concerned, the property has been created and allowed to happen not in order to make money for the Government but in order to make the stadium available. The fact that the stadium is made available we think in the long run will mean 2335 there is a benefit to the Government from the activity generated.

Imposing a premium on the land is done because you do not want the property speculator to make more money without the Government, on behalf of the people, taking a share of the cake. There is not a share of the cake. The cake has been increased to make the first thing happen. We are confident that it can do it on the basis that there is no extra funding required to pay the 2340 premium. If tomorrow there was a premium, the only way it would happen would be if the National Economic Plan, out of its profits, paid to the Government the premium, which would be going from one pocket to the other because there is no other party in this.

We have to see how this develops. There are people who are expressing an interest in participating, there are people who are expressing an interest in buying already, but this is at a 2345 stage where you cannot take these things and ... You cannot bank people's interest. This has to be a solid development that works for what it is intended to do. It is only happening because I have been persuaded that it is worth supporting as part of the National Income Plan because it is in the national interest. And because it is in the national interest and it is not a cost to the taxpayer, it is going to happen in the way I have explained it because that is the way I have conceived it and that 2350 is the way I have discussed it with other people.

You cannot say the taxpayer is going to be losing out. The taxpayer not going to be losing out because the premium would never have happened if the stadium had been provided for by UEFA, or whoever it was. If that had happened, there would have been no premium other than what had been paid and there would have been no other developments. I am convinced with the figures I 2355 have seen, which do not include a premium, but I would not want to put the confidence that I

have in those figures at risk by saying, 'Before you start, you have to pay a premium for the land.' That is the reason, as far as I am concerned, why there will be no premium, because either it happens without a premium or it does not happen.

2360 **Hon. K Azopardi:** Hopefully my last question. It is not that I am not trying to understand it ... I am trying to understand it and I hear what the hon. Member says, but in effect what is happening here is ... I do not want to tread into the hon. Lady's questions. I am sure she will have something to say, because there are questions on the Order Paper in her name that will probe the question as to whether it would or would not have happened, because we all know the historic
2365 commitments that there were about UEFA money in the refurbishment of the stadium, but what we have here is the Savings Bank jumping in to make the project happen, in effect subsidising the whole situation.

This not a private developer who comes to the Government and says, 'I want to do this,' and takes the risk of finding the financing, is going to profit from the development and the Government
2370 takes a premium. No one is taking any risk. No private party is taking a risk here. The Savings Bank is investing money, on which it wants a return. All I am saying is that if profits are then going to be created by the project, you would have expected the taxpayer to be compensated in terms of premium or keep the profits of the development. Or is it that the Minister is saying that, in essence, on the financial studies that they have done so far, the profits of the residential and
2375 commercial are going to equate to the investment of the Savings Bank together with the return that the Savings Bank is going to make?

Hon. Sir J J Bossano: What I am saying, Mr Speaker – which is the same as I have said already, but he has put it in a different way – is that the viability of the project to be done on the scale that
2380 is being done ... The scale is being determined precisely in order to be able to ensure that there is no risk to the investment by the Savings Bank. If you had to take bigger profits out, then you might have to try and do a bigger project. That is not impossible, but what I am saying to the hon. Member when he says the Savings Bank has had to dive in and do it is that the reality is that if it had been possible to be done in some other way, it would have been done already.

This has been going on for many years and we have had international football matches here in
2385 Gibraltar. Because the people in UEFA have been approached and they have been asked for an extension and they have just said there is no more extension, when it came to the stage where there was no more extension and therefore no more home teams – the last one was the one that was held – and with people having to go to Portugal, I was approached and they said, 'Is there any
2390 way that you can help with what you are doing with the National Economic Plan and all the developments they are doing?' Like anything else, and I have told the hon. Member, whether it comes from the private sector or it comes from investors or anybody who wants to do things that create economic activity, my doors are open, so I looked at it and I thought this looks feasible. It also means that the massing of the project has been looked at on the basis that what will be
2395 allowed to happen will be what is required to produce a viable return for all the elements that are going to be involved in the expenditure and the return on those moneys, and not for either making big profits or paying any premiums.

It is possible to produce a premium by increasing the commercial side and then producing more profit and then producing a premium, but every single home that has been built in the co-
2400 ownership system that the first socialist Government invented in Gibraltar has been built on land that was given away. The taxpayer subsidised people who have made more money on buying a home and reselling it than they would have done if they had won every lottery since 1988. Was that the right thing to do, or should we have charged premiums to people who, after a relatively short period of time, were free to sell their property on the open market?

2405 You take decisions when you need to take them on the basis of the position that exists at the time. The position I see now is that the package we have and the way we have approached it is the way that, as far as I am concerned, will guarantee that this will make money – not a huge

amount of money but enough money to meet all the necessary criteria – and that it will be a viable proposition. If we were to add a cost, we would have to add to the income. To add to the income, we would have to build more. If we had to build more, it may be more difficult to convince the DPC to allow even more on something that was never intended to be there. This why, as far as I am concerned, as the person who is responsible for endorsing the policy – because I am the policymaker in the National Economic Plan; I am not the guy who lays bricks, I am the policy maker, I take the political responsibility – I will defend this because I am convinced it works. I am not prepared to put more cost on, which reduces the potential success, and I do not think that putting more cost on and then increasing what we need to produce to deliver it will be as successful because I think there will be perhaps more difficulty in convincing people of how much we can put on the land that is there. It is a matter of judgement. That is my judgement.

2420 **Mr Speaker:** The Hon. the Leader of Opposition, could he make that the final ...?

Hon. K Azopardi: I hope to, Mr Speaker.

Given all that and the explanation he has given on the scheme as it is envisaged, can I just ask him to confirm whether as part of the project, in the way that it is envisaged, any private party is going to take a share of the profits of this project?

Hon. Sir J J Bossano: I have said that already. When I was asked originally about whether we were funding everything, I said if there are people who come in and buy off plan, they may be people who get a lot of money in profit, not because they have been involved in the construction, not because of the costings we have and not because there would have been a premium or not been a premium, but because it is something that seems to happen quite frequently in everything else that has happened in private sector property developments. So if tomorrow somebody says, 'Your plan is going to be that these are the properties that are going to be there' ... I have told him we are not at that stage, but we are at the stage where if somebody comes forward and says, 'I want to buy all the flats and I am going to pay you up front,' we might say, 'Okay, the figure we have is the figure that we need to sell at to make the returns that we need.' This is all hypothetical, of course. This is not answering with factual information, this all hypothetical. If that were to happen, as has happened on other developments, the original developer may be –

2440 **Hon. K Azopardi:** Will the hon. Member give way?

Hon. Sir J J Bossano: Yes.

Hon. K Azopardi: That is not really what I am asking. I am not asking are people going to buy the properties off plan in bulk and then sell them off and make a profit; that is not what I am asking. What I am asking is ... The project will have someone doing it. I am not sure how it is going to be organised, whether it is going to be through CSSL or whatever in the end. Are the profits going to be channelled, in effect, to pay for the stadium and the return, or is any private party going to take a share of the profit, any private party that is involved in the development of the project? That is my question.

Hon. Sir J J Bossano: But what I am saying to the hon. Member is that that does not mean the other situation I have described will not happen. It may happen that somebody will come in and buy everything and then sell it for double the price.

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Mr Speaker: Next question.

Q570-72/2022

Victoria Stadium –

GSB loan to GFA; expected cost; UEFA/FIFA involvement in cost

Q573/2022

**Minister for Social Security, Economic Development, Enterprise,
Telecommunications and the GSB –**

Criteria for seeing constituents with grievances

Q574/2022

**Disability allowances –
Decision-making body**

Clerk: Question 570/2022. The Hon. Ms M D Hassan Nahon.

2460 **Hon. Ms M D Hassan Nahon:** How much has the Gibraltar Savings Bank loaned or intend on loaning to the GFA for the purposes of the new stadium development and at what interest rate?

Clerk: Answer, the Hon. the Minister for Social Security, Economic Development and Enterprise.

2465 **Minister for Social Security, Economic Development, Enterprise, Telecommunications and the GSB (Hon. Sir J J Bossano):** Mr Speaker, I will answer this question with Questions 571 to 574.

Clerk: Question 571/2022. The Hon. Ms M D Hassan Nahon.

2470 **Hon. Ms M D Hassan Nahon:** What is the overall cost of the new stadium expected to be?

Clerk: Question 572/2022. The Hon. Ms M D Hassan Nahon.

2475 **Hon. Ms M D Hassan Nahon:** Can government tell this House why it has deviated from the original plan to allow UEFA/FIFA to pay for the development of the stadium?

Clerk: Question 573/2022. The Hon. Ms M D Hassan Nahon.

2480 **Hon. Ms M D Hassan Nahon:** Could Minister Bossano explain his criteria for seeing constituents who seek to visit him to address their grievances?

Clerk: Question 574/2022. The Hon. Ms M D Hassan Nahon.

2485 **Hon. Ms M D Hassan Nahon:** Is there a board in place to decide on the granting of disability allowances?

Clerk: Answer, the Hon. the Minister for Social Security, Economic Development and Enterprise.

2490 **Hon. Sir J J Bossano:** Mr Speaker, the GSB is not lending money to the GFA.
The overall cost of the new stadium is not yet available.

I am informed that there has never been a Government plan to allow UEFA/FIFA to pay for the development of the stadium, so the Government has not deviated from any such plan.

2495 I have no knowledge of any constituents seeking to visit me to address their grievances. I do, however, have many constituents who wish to see me to seek my help or advice on problems they

may have. I hold such constituency surgeries, as they are called in the UK, on Saturdays and Sundays as I work a seven-day week, except for the weekends containing 1st May and Boxing Day. The only criteria that is applied to the opportunity I provide for constituents to share their problems with me is the time I have available.

2500 I am informed that there are two panels, one to process applications by children and one for adults. These panels are composed of medical and health professionals, who offer their advice and recommendations to the Director of Social Security.

Hon. Ms M D Hassan Nahon: Mr Speaker, if I could just ask you, do you think it is logical to bunch up questions that have nothing to do with each other?
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Mr Speaker: There is nothing against a Minister grouping his answers.

Hon. Ms M D Hassan Nahon: Mr Speaker, when they are relevant you would expect that, but to group questions that have nothing to do with one another is only a way to obfuscate the poser of the question, I think, and the material that I can ...
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Mr Speaker: But you can still ask the supplementaries.

Hon. Ms M D Hassan Nahon: Okay. Mr Speaker, regarding the Minister saying that it has not deviated from the original plan of UEFA, I think we are starting to live in a parallel universe in this House because certain things are said and then they seem to have never been said, and it is hard to even refute at this point because of all the things that come out, which are just a circular mishmash.
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2520 I wanted to ask – or say, and then ask – the Victoria Stadium plot was sold at a price that did not account for the potential to build residential and commercial units within it, and now the GSB is loaning money, effectively – I do not understand how he can say now that the GSB is not – to the GFA at below-market cost to enable it to develop what they promise to be a very lucrative project. But why is the Government so intent on directly or indirectly funding lucrative ventures by the GFA? Aren't they capable of running successful businesses? Is it fair on other sporting, cultural or charity organisations for Government to fund, directly or indirectly, a project with these parameters and these perks?
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Hon. Sir J J Bossano: Mr Speaker, this not charity, this an investment which will produce a return. I am quite happy, if any charity has a project and they cannot raise funds and it can be combined with something profitable, to do the same thing, provided that ...
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2535 What we are trying to do is find a formula in the difficult financial circumstances that Gibraltar and the whole world finds itself. The UK has, this month, just borrowed £52 billion for one month. When there is a problem you have to think outside the box and try to deliver what is important for the community in a way that is not at a cost to the taxpayer and in fact produces economic activity and revenue for the Government.

2540 It is not that the Government is being charitable and donating money to the GFA. If we were saying we are going to use taxpayers' money and build a new stadium at our cost and then let them have it, she might have an argument saying, 'Why are you doing that and not building something else?' In fact, the biggest investment to date is something that is going to provide homes for people who are on the waiting list and have been waiting a very long time to be able to go to the residential facilities we have, which have been full for a very long time. There we are doing it and we expect it to be able to be self-financing, not a cost to the taxpayer.

2545 If she has any charity that would like to do something which involves capital spending – because this not recurrent spending, this is capital – and they are able to come up with a proposal that we can combine with a way of joining something that is profitable to it, so at the end of the

day the bit that does not make money can sustain the participation of the cost of that with the cost of something else that cross-subsidises, then ...

2550 I think it is a model that works for both the recipients, and it is one that we are going to be using in every opportunity where we see that we can do something that otherwise would not get done.

Hon. Ms M D Hassan Nahon: Thank you, Mr Speaker. It definitely works for some people.

2555 A supplementary to Question 573. Sir Joe says that he does see people on Saturdays and Sundays, which is exactly what I wanted to ask about because it is some of these people who have gone to him on Saturdays and Sundays and have been told, 'Vete al' GSD, you are not one of the party, get someone else to help you.' My question is does the Minister not understand that, especially on Government premises, he is paid to work for all of the electorate and not just members and supporters of his party? Does he believe in real democracy or just in the rights of
2560 those who vote for him?

Hon. Sir J J Bossano: [*Inaudible*] that there is one word of truth in what the hon. Member has said and she has been misled by whoever went to her with a story because I never ask people who they vote for or do not vote for when they come to me with a problem. Frankly, nine times out of
2565 10 they come to me with a problem that I am not able to solve because it is not my Ministry and all I can do is say I will make sure that the relevant Ministry is aware. If people come talking about unemployment, then I have to pass on the message to the Employment Service, and if people come because they have a housing problem, I pass it on to Housing. There are very few people who come to say, 'I want to invest money.' Those, I see on weekdays. On the weekends I see the
2570 guys who have not got money and want help, and I try to help them as much ... Even when I know that they vote for anybody here except me, I still do it because I am not doing it to get votes. I do it because I love the work I do and I get satisfaction out of helping people.

I regret that somebody who came to me went to her, lied to her and said that I said, 'I will not help you because you vote for the GSD.' The vote is secret. People do not normally come and tell
2575 me, 'I voted GSLP', and anyway, when they do occasionally say 'I voted GSLP' I do not take it for granted that they are telling me the truth – I assume that even if they did not, they would tell me they had. Nobody that I know of has ever come to me to say, 'I voted GSD, but I want your help.' That has never happened to me. If it had happened, I would have told them, 'I have not asked you who you voted for. You tell me you have a problem. If I think you have a genuine problem and you
2580 should be listened to, and you are telling me that you cannot reach the people who may be able to solve the problem, I am prepared to contact the relevant Minister of the relevant Department, explain what your problem is and ask them to see what they can do to help you.' There are very few cases where I can help, myself, directly, because the work I do does not involve helping people – except perhaps now that I have Social Security, there may be people in that area. For
2585 example, the delay there has been in delivering benefits: if somebody comes along in that area, the fact that somebody may have been given an answer that does not make sense, which sometimes happens, then I investigate it.

Never, ever, now or since I joined this House in 1972, have I discriminated against people because they have exercised their democratic right to vote for whoever they like.

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Hon. Ms M D Hassan Nahon: Mr Speaker, I am sorry to say that I do believe these constituents. In the lifetime of this Parliament it has come to my attention a handful of times and this is why now, towards the end, I thought I would actually ask a question because it has a pattern.

2595 My question is: if any of these people actually had the guts to go back to Sir Joe and remind him of what he told them, how would he deal with them? Is he going to lie to them?

Mr Speaker: You cannot say that. You must withdraw the 'lie'.

Hon. Ms M D Hassan Nahon: I withdraw that he lied.

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Mr Speaker: And apologise.

Hon. Ms M D Hassan Nahon: Is he going to –?

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Mr Speaker: And apologise.

Hon. Ms M D Hassan Nahon: I apologise.

Will he be forthright with these people and talk to them as if they are regular voters who are entitled to his attention?

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Hon. Sir J J Bossano: Mr Speaker, I do not believe they exist. I have never, ever in my life said to anybody ... Other Members of the benches have called me about people with problems in the last week and I have said I will look at it and I will try to help. It would be a natural assumption for me to say if they have gone to the Opposition it must be because they feel more comfortable going to the Opposition than going to the GSLP. That has never stopped me trying to help the individual, ever.

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She does not believe me, she believes the people who have told her ... Well, it is her prerogative to believe whoever she wants. What she is saying to me is the people who claim that I have refused to help them and I have lectured them for not voting for me want to come back to me, but want security that they will not be victimised. You could not invent this. I would have thought that if I am telling her that it is not true ... How else does the hon. Member expect me to react? I would like to meet these people. I am happy to meet them with her and they can say the date and the time and the occasion when I have said to them, 'I will not help you because you did not vote for me.'

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Hon. Ms M D Hassan Nahon: I think it would be amazing if they met him, but I think there is too much fear of repercussion for that.

I have one supplementary on Question 574, about the board on disability allowances. The Minister says it is composed of medical and health professionals. Is it possible to know the names of the people on these panels? And can I also ask how often do these panels meet?

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Hon. Sir J J Bossano: Mr Speaker, my understanding is that it is not possible to name them. *(Interjection by Ms M D Hassan Nahon)* It has never been possible to name them. It is not something that I have introduced because they are GSD or GSLP or anything else; I think it is because ... She may not have noticed it, but in Gibraltar if you are on a panel of anything, everybody will find a way of collaring you and lobbying you, and therefore people are not comfortable to be on panels and have either people lobbying them to get the decision they want or people insulting them for not having delivered the decision they want. It happens not on this panel alone but on almost every panel that there is anonymity to protect the people on the panel, because if there was not it would be very difficult to find people willing to be on the panel. That is the answer. It is not a policy decision introduced by the Government. It is something that, to my knowledge, has always been a problem because we all know – except her – that if you are on a panel, whether it is housing or promotions or recruitment, or whatever it is ... People come to me, sometimes, of different political affiliations, and say, 'Can you try and make sure that they select my son or my grandson in a promotion?' and I say, 'I do not do it for anybody in my family, never mind anybody else's. I do not believe in this, it should not be done, and I do not do it.'

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So the answer is that the anonymity is a requirement which appears to be necessary for the continuity of the system.

2650 **Hon. Ms M D Hassan Nahon:** Thank you, Mr Speaker. I accept that answer. I wanted to just follow up on how often they met – I do not think the Minister answered that – if he has some kind of idea.

Hon. Sir J J Bossano: I do not know how often they meet.

2655 **Mr Speaker:** The Hon. Edwin Reyes.

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

2660 I thank the Hon. the Father of the House. In my opinion, he answered Question 572 correctly in the manner that it was posed because Government had never had any original plan. But because of public interest, perhaps the Hon. Minister, or another Member if that is more appropriate ...

2665 If we go back through exchanges we have had in this House over different question sessions, mainly by the Minister for Sport and myself, it has come to light that the Gibraltar Football Association was interested and eventually purchased the lease over the Victoria Stadium. I do not know how clearly or how ... but it was implied and always understood that the GFA was able to do that thanks to grants it was going to receive from international sporting bodies such as UEFA and FIFA. It may or may not be something of but at least that is the understanding we always had here. The general public had then been led to believe that the Government of Gibraltar had decided to sell that stadium partly because that would then allow the Football Association to develop that facility for football exclusively. I do not think they were making a secret of it. The Government explained that the money received from the premium of that sale was what it was going to use to enhance the facilities. That is why we have ended up with Lathbury Barracks. So all that seems to have been fair and above board.

2675 The part that brings big confusion amongst the local population is everyone thought that UEFA and FIFA were still going to give additional funding to the Football Association now that they had got the lease, now that it was theirs. In fact, I had heard that there were obstacles, that they could not receive further funding because they were not willing to subsidise a landlord who was going to be the Government of Gibraltar, so it was now theirs exclusively. Is the Government aware of the Gibraltar Football Association not having any other financial resources available, hence why – what the Father of the House was explaining – they had to seek other funding methods? Or is FIFA or UEFA one of the parties that, alongside whichever other entities, are also going to be financial contributors?

2685 That is still the big question hanging over people, whether it is directly Government's responsibility to offer those answers or not I understand and appreciate, but perhaps the Government Members are aware of certain facts that can help people put the subject to rest and we can talk about something else over Christmas. Other than the typical family conversation on Christmas Day, is there going to be who has what amount of money in respect of the stadium?

Hon. Sir J J Bossano: They must be very happy with it because it keeps going up, actually.

2690 I am not familiar with the background to this, I am only involved because of the need to make it happen, but my understanding is that there are payments that are provided beyond the £16½ million and that they still continue, but those payments would be for the upkeep of the stadium and, depending on the size of the payments, they might have been enough if it was possible to produce a stadium at a sufficiently low cost and raise the money privately and service the loan with those payments, but the amount of money they receive and will continue to receive for the stadium ... I do not know whether they will stop if there is no stadium. If there is no stadium here, the payments may stop if they cannot be used, but the money was available on the basis that there would be a stadium there. Having looked over a number of years for the most economic stadium that could be built, we are nowhere near enough to say we can use that to raise a loan

2700 and then pay the interest and repay the loan out of that maintenance money and still have money to do maintenance.

This is the information that I have been provided with. I cannot vouch for the accuracy, but it makes sense that they had got to the stage where they were being told, 'You are not going to be allowed to continue there anymore,' and then it would have meant that Gibraltar would have had to go to Portugal or wherever for the home games. On the actual investment that is being made, I am confident that it will work. I am told that the holding of matches here means that you get people coming on charter flights and that it does mean that the economy will benefit, that the private sector will benefit. And then, of course, if there is activity and the private sector is making money because we get lots of people coming to watch football, it will be quite unique to have a situation where the fans who come to Gibraltar on a plane get off the plane, cross the tarmac and there is the hotel and the stadium. That probably does not exist anywhere else.

2710 It is seen as something that would be quite successful by the people who are involved in this, which is not me, and it seems to make sense. I am sure that if they had been able to make the equation work, they would have done it without coming to me to look for help.

2715 **Mr Speaker:** Next question.

Hon. D A Feetham: I hope the Hon. Minister can help. He may recall that I asked a question several sessions ago about the amputee who had applied for disability benefit. In June 2021 that application had not been determined. Given that we are talking about constituents and assisting constituents and also about disability allowance, I have written to the Hon. Minister and I am told by his PA that the letter is on his desk. Could I at least go back to the constituent and say that you will look at it in within a prompt period of time? She is in desperate situation and it would be a phenomenal Christmas gift for her.

2725 **Hon. Sir J J Bossano:** I can tell him I will get it tomorrow at six o'clock in the morning.

Mr Speaker: Next question.

ENVIRONMENT, SUSTAINABILITY, CLIMATE CHANGE AND EDUCATION

Q625/2022

Sewage treatment plant – Announcement re successful bidder and start date

2730 **Clerk:** Question 625/2022. The Hon. Ms M D Hassan Nahon.

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

On the matter of the sewage treatment plant, by when does Government expect to announce a successful bidder and start date for this long-awaited project?

2735 **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, we expect to announce the successful bidder and start date in the first half of 2023.

2740 **Hon. Ms M D Hassan Nahon:** Mr Speaker, as we all know, we have been on the verge of getting on with this project for quite a while. I genuinely, constructively, ask the Minister to give us some

information, or maybe give us some clue that maybe will actually be a long-lasting promise or commitment to the people of Gibraltar in what is an election year and people could be thinking as just one more of these promises from a long time ago.

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Thank you.

Hon. Prof. J E Cortes: Mr Speaker, I think the hon. Lady knows that I do not make that kind of promise; nevertheless, I will respond.

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The House is well aware of the difficulties that we have had from the outset: first, in getting the right technology; and second, after an advanced work contract had been given, work had started and the design had been taken to Planning, the joint venture in question went into administration and then we had to look at all sorts of legal complexities to see what the next steps were. We are finally through that hurdle. The call for expressions of interest closed on 28th November. There were a handful – five or six; I am not quite sure how many – of proposals put forward. These have now been sent to our technical assessors, who are the people who have been advising the Government ever since the start of this project. We are told that the technical analysis and recommendations will take between four and six weeks, so in February we should have the technical recommendations of the specialists. Obviously, then we have to look at the financials.

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So my answer, which said we expect to make an announcement in the first half of the year, is accurate as far as all the information I have. We are making progress.

Hon. Ms M D Hassan Nahon: Thank you, Mr Speaker, and I thank the Hon. Minister.

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Can I just ask, pending these recommendations, is that what they are waiting for – to know exactly, more or less, where they are going with the contractor who will get this project? Do they have any idea where this is going? Do they seem to feel a preference for one entity over another?

Hon. Prof. J E Cortes: Mr Speaker, this is a purely technical assessment by technical experts. We have sent them all the proposals, which have a range of different variables within them, and we will then consider the technical reports to see which is the best option available, of course going hand in hand with the financial assessment, which will be carried out by people with financial expertise.

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Mr Speaker: Are we proceeding to the next question?

Chief Minister (Hon. F R Picardo): Mr Speaker, after your remarkable four and a half hours in the Chair until now, I wonder whether this might be a convenient moment to have a short recess for 15 minutes before we come back and deal with the final questions and one Bill, I believe.

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Mr Speaker: The House will now recess for 15 minutes, to return at quarter to eight.

The House recessed at 7.31p.m. and resumed at 7.46 p.m.

JUSTICE, EQUALITY AND PUBLIC STANDARDS AND REGULATIONS

Q629-30/2022

**Carrying and use of offensive weapons –
Convictions in past four years**

Clerk: We continue with answers to questions. Question 629/2022. The Hon. D A Feetham.

2785 **Hon. D A Feetham:** Mr Speaker, how many convictions have there been in each of the last four years for crimes associated with carrying, or injuries caused by the carrying of knives, guns or other offensive weapons in Gibraltar?

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, I will answer this question together with Question 630.

2790 **Clerk:** Question 630/2022. The Hon. D A Feetham.

Hon. D A Feetham: How many convictions have there been in the last four years in respect of the (a) importation and (b) supply of cocaine, cannabis and heroin in Gibraltar?

2795 **Clerk:** Answer, the Hon. the Minister for Justice, Equality and Standards.

Hon. Ms S J Sacramento: Mr Speaker, convictions in respect of the importation of cocaine: 2018-19, seven; 2019-20, nine; 2020-21, two; 2021-22, four; and 1st April to date, one.

2800 Convictions in respect of the importation of cannabis: 2018-19, 11; 2019-20, 14; 2020-21, six; 2021-22, eight; and 1st April to date, five.

There have been no convictions in respect of the importation of heroin.

Convictions in respect of the supply of cocaine: 2018-19, 11; 2019-20, four; 2020-21, five; 2021-22, seven; and 1st April to date, one.

2805 Convictions in respect of the supply of cannabis: 2018-19, 14; 2019-20, three; 2020-21, 11; 2021-22, five; and since 1st April, four.

There have been no convictions in respect of the supply of heroin.

Convictions for crimes associated with the carrying of knives: 2018-19, two; 2019-20, one; 2020-21, none; 2021-22, one; and since 1st April, three.

There have been no convictions for crimes associated with the carrying of guns.

2810 Convictions for crimes associated with the carrying of other offensive weapons: 2018-19, four; 2019-20, six; 2020-21, two; 2021-22, seven; and 1st April to date, four.

Mr Speaker: Next question.

Q631/2022
National Disability Strategy –
Expected date of publication

2815 **Clerk:** Question 631/2022. The Hon. D J Bossino.

Hon. D J Bossino: Please provide an update as to when the Government expects to publish its National Disability Strategy.

2820 **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 I mentioned in the previous answer, a lot of work has been done and continues to be done on this. This something that cannot be rushed if we are to do it right. The Disability Strategy will be published when it is ready.

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2830 **Hon. D J Bossino:** Yes, and I agree with the sentiment that this is something that should not be rushed and it should be done right, but is she able to give some indication to the House as to which subject areas are causing the delay? Let me put it this way: which areas are pretty much done and dusted, crystallised and developed to a point where she could publish but she has to develop other areas? In other words, is she able to provide some sort of audit as to where we are by way of a snapshot now?

2835 **Hon. Miss S J Sacramento:** Mr Speaker, I would invite the hon. Gentleman to refer back to the *Hansard* of my Budget speech earlier this year, where I explained it – but I am happy to explain it again, because it is obviously something that is very important.

Our strategy will go hand in hand with the work that we are doing in order to request the extension of the implementation of the UN Convention to Gibraltar, because that is really what provides our roadmap and our pathways in terms of the strategy and what we are doing.

2840 As I have explained in relation to a previous question that the Leader of the Opposition posed on this back in May, and as I did in June as well, the Disability Strategy will deal with different types of disability. It will deal with learning disability, it will deal with physical disabilities, it will deal with both, and there is also an overlap with disability as there is with mental health. Within that, there are different themes and different structures through the Disability Strategy. As I explained on the last occasion, a lot of work has been done in relation to the autism pathway, so there is a document that is almost ready. It is something that I commissioned last year in my capacity as Minister for Health and Care. It is something that originally was started as part of the Mental Health Strategy we did, and it is led by the Gibraltar Health Authority and the Care Agency. I think that is something that is now in its final stages, so that will deal with a big aspect of the strategy, but in addition to that, there are lots of other things.

2850 I am happy to, beyond this House, Mr Speaker, of course, speak to the hon. Gentleman and update him in greater detail.

2855 **Hon. D J Bossino:** I am grateful for that very full reply. I do not think I caught in her answer any reference ... We have had this ... not discussion or debate, but we have had this exchange in this House in relation to the Special Needs Co-ordination and Liaison Office, which I know works under the auspices of the Chief Minister, and that office I think has set up a website and also a Special Needs and Disability Council, in respect of which I think they were inviting people to be members and provide a contribution. What role do they have? I know it falls under her ministerial responsibility as well, so in what way are they assisting in populating this strategy?

2860 **Hon. Miss S J Sacramento:** We all work together, Mr Speaker. This is a Government strategy, so everyone will input into the strategy, and then it is led and co-ordinated by my office. But we all certainly work together because this one Government.

Q632/2022
Bayside School –
GRA investigation re breach of data protection

2865 **Clerk:** Question 632/2022. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government confirm that a full independent investigation is being carried out by the GRA in relation to a serious breach of data protection in relation to a child at Bayside Comprehensive School on 14th December 2022?

2870 **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 GRA is currently considering the matter.

2875 **Hon. E J Phillips:** Mr Speaker, I am grateful for the answer and I appreciate that the GRA would
conduct an investigation in relation to this matter, but what other steps is the Government taking?
We do not want to – of course – delve into some of the details because they are extremely
sensitive and have been disseminated to a wide number of people in this community, who have
been asked to delete this particular email that was sent by the admin of the school. What is the
2880 Government doing to ensure that there is not a repetition of an extremely serious breach of data
protection in our community and one that should be, and I think is probably going to be, rightly
handled by the Minister?

Hon. Miss S J Sacramento: Mr Speaker, the supplementary question is different to the initial
question. The initial question relates to the regulator, and of course the regulator will deal with
2885 the matter independently of the Government because the GRA is the independent regulator in
this respect.

In relation to the additional question, I can advise the hon. Gentleman that of course this a
matter that is been taken very seriously. It was, in fact, the Government that reported the matter
to the GRA, and the Government and the Data Protection Officer of the Government have
2890 undertaken a report and all necessary steps in this regard, so I can assure the hon. Gentleman that
this matter has been taken extremely seriously.

Hon. E J Phillips: I am grateful for the answer. Can the Minister also confirm that the family in
question is being given every support that is necessary, given the extremely sensitive nature of
2895 this particular data breach?

Hon. Miss S J Sacramento: Mr Speaker, I am loath to give any detail in relation to this matter
across the floor of the House. I can speak to the hon. Gentleman in private, but I remind the hon.
Gentleman that the question here relates to the regulator and not to the actual incident, and given
2900 the nature of what we are discussing, I would not like to give any further detailed information in
this House. I do not think it is appropriate to do so.

Q633-34/2022

Fees paid to law firms by Government – Services provided

Clerk: Question 633/2022. The Hon. E J Phillips.

2905 **Hon. E J Phillips:** Mr Speaker, can the Government state what legal services were being
provided by the law firm Hassans for the Government to pay the same £3.09 million-odd in legal
fees over the last three years so far?

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

2910 **Minister for Justice, Equality and Public Standards and Regulations (Hon. Miss S J Sacramento):** Mr Speaker, I will answer this question together with Question 634.

Clerk: Question 634/2022. The Hon. E J Phillips.

2915 **Hon. E J Phillips:** Mr Speaker, can the Government state what legal services were being provided by the law firm Isolas for the Government to pay the same £2.87 million-odd in legal fees over the last three years so far?

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

2920 **Hon. Miss S J Sacramento:** Mr Speaker, those law firms, together with a number of other law firms in the jurisdiction and outside it – including the firms of which the Hon. Mr Azopardi and Mr Bossino are partners – provide legal drafting, advisory and litigation services. The sums the hon. Gentleman quotes are, however, not just for that type of work and can include disbursements paid to third parties, for example leading counsel in London, medical and other
2925 experts etc. It has not, however, been possible to provide a breakdown of the figure further in the time available.

Hon. E J Phillips: Mr Speaker, to assist the hon. Lady, when I delivered those calculations I only focused on the fees that were due to those firms, not the disbursement. So she is incorrect in her
2930 answer because I calculated them myself, unless my fingers were wrong on the calculator. They relate to fees to those law firms and not disbursements to counsel or any other firm from London, so I struggle to understand how, over the three year period, the Minister cannot set out in detail by way of schedule what those fees were for, and I would be grateful if she could clarify on what
2935 basis she cannot quantify them.

Chief Minister (Hon. F R Picardo): Mr Speaker, the hon. Lady has said ‘in the time available’. It is not that in the time available there are, because he is asking about two years, two bills. There are very many bills in the period of a year, and therefore it is not possible to give the breakdown.

I do wonder why it is that he is concentrating on Hassans and Isolas and is not asking about the
2940 other law firms. For example, TSN had £6.5 million paid in the financial year 2019-21, which was the double financial year, £1.2 million paid in the financial year before that, £2.1 million paid in 2016-17 and £6 million paid in just one year, which was 2014-15, when Isolas had £300,000 paid and Hassans £2.3 million paid.

I do wonder whether there is just a political game being played, but the fact is that in the time
2945 available it has not been possible to provide more breakdown. Neither are we going to give hon. Members a breakdown on a case by case basis.

Hon. E J Phillips: I do not agree with the Chief Minister. He is not looking at the specific
2950 schedule that relates to legal services. That is the direction of my questions, not in relation to other schedules that appear on the Government’s website. I have specifically asked in relation to legal services, which amount to over 90% of those legal fees going to the two firms that I have referred to in this House. So the references the Chief Minister is making to other forms of services that are being offered by those firms ...

I have focused on those particular two firms for the following reason, Mr Speaker. He will recall
2955 that in his 2011 manifesto a commitment was made to the people in his so-called – now infamous – New Dawn manifesto, where he said the following:

We believe that the Government’s legal work should primarily be handled by the Counsel employed in HM Attorney General’s Chambers. Here we will increase the number of Senior Crown Counsel. Where the necessary expertise is not available ‘in-house’ it should be outsourced. The process of outsourcing legal work must be done fairly and equitably – and legal work must not be given to one or another set of Chambers who may be close to one Minister or another. We will ensure that all legal services procured from the private sector for Government provide value for money, are provided by practitioners with recognised expertise in their field and are evenly spread throughout the legal community.

Does the Chief Minister agree with me that 90% of legal services provided to two firms in which two Ministers – including himself as a seconded partner of Hassans, and Mr Isola, who is closely related to Isolass the firm – is a breach of that promise to our community in 2011?

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Hon. Chief Minister: No, Mr Speaker, I do not, because that is not what has happened. He might want to say that, for the purposes of trying to persuade anybody who is not seeing this in context that that is the case and to create a scandal around it, but that is not the position.

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In one year we paid Triay & Triay £3.5 million. That was in 2016-17. In that year, Hassans had £1 million and TSN had £600,000. In the year before, TSN had £2 million. It just does not make any sense for the hon. Gentleman to be casting aspersions in the way he is now. In 2014-15, TSN had £6 million of legal fees, Isolass £300,000 and Hassans £2.3 million, so the calculation is the complete opposite that the hon. Gentleman suggests. Indeed, if we look at the fees from 2011 to 2022, Triay Stagnetto Neish have had £21 million of legal fees from this Government and Hassans have had

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£28 million – except, of course, Triay Stagnetto Neish have approximately 20 lawyers, so that is £1.4 million per lawyer, and Hassans have about 80, so that is about £300,000 per lawyer. So we are doing exactly what we said we would do. We are going to people who have the expertise, and if we do not go to some, it is because we do not rate them.

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Hon. E J Phillips: Mr Speaker, I understand the Chief Minister is going to get slightly frustrated by the question. I am asking only about legal services – I know he is getting very hot under the collar about the subject – and the reason why I confined it to legal services was ... represents that particular figure. He has sought to draw this out and look at other areas which are not germane to this question. He is introducing irrelevant ... and not the subject matter of the question. He is doing it for a purpose and he is attempting to mislead the House in this way, Mr Speaker. He should be –

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Mr Speaker: You must not – (*Interjection*) No, hold on –

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Hon. Chief Minister: He should put a motion, Mr Speaker.

Mr Speaker: You have to withdraw the – (*Interjection*) You have to – (*Interjections*)

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Hon. Chief Minister: Mr Speaker, every single word that I have provided to this House is in the schedule that has been provided to me by the Treasury. Therefore, it is entirely true, and if the hon. Gentleman does not like the sound of the truth, then he has no place in this Parliament. This is a place of truth, and truth only.

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Hon. K Azopardi: Will the Chief Minister provide us with a copy of that schedule?

Hon. Chief Minister: Of course, Mr Speaker.

Questions for Written Answer

Clerk: We go on to Written Questions.

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Chief Minister (Hon. F R Picardo): Mr Speaker, I have the honour to table the answers to Written Questions W70/2022 to W80/2022.

Order of the Day

GOVERNMENT MOTION

Social Security (Open Long-Term Benefits Scheme) (Amendment of Benefits) Order 2022 – Motion carried

Clerk: (ix) Order of the Day. Government motion. The Hon. the Minister for Social Security, Economic Development, Enterprise, Telecommunications and the Gibraltar Savings Bank.

3005 **Minister for Social Security, Economic Development, Enterprise, Telecommunications and the GSB (Hon. Sir J J Bossano):** Mr Speaker, I beg to move:

That this House approve by Resolution, pursuant to section 46 of the Social Security (Open Long-Term Benefits Scheme) Act 1997, the making of the Social Security (Open Long-Term Benefits Scheme) (Amendment of Benefits) Order 2022.

3010 This Order seeks to amend the Social Security (Open Long-Term Benefits Scheme) (Amendment of Benefits) Order by increasing the rates of old age pension and survivor's benefit by 7.6% with effect from 1st August 2022, which represents the annual increase. Mr Speaker, that, of course, has already happened and what I am seeking is the approval of the House for the last increase in old age pension, which was related to the level of inflation at the time, as is the case with annual reviews.

3015 **Mr Speaker:** I now propose a question in the terms of the motion moved by the Hon. Minister for Social Security, Economic Development, Enterprise, Telecommunications and the Gibraltar Savings Bank.

Does any hon. Member ...? The Hon. Roy Clinton.

3020 **Hon. R M Clinton:** Thank you, Mr Speaker.

I recognise what the Hon. Minister has said, and I can confirm to the House that this in line with what was announced in the Chief Minister's Budget speech on lines 745 and 746, that the old age and disability benefits would go up by the rate of inflation, which at that time was estimated to be about 8%. I can confirm to the House that I have checked the RPI calculator for 1st April 2022, and that is, as the Hon. Minister has said, 7.6%. I can also confirm to the House that I have, just for sake of clarity, compared, on a test basis, the rates as in his Legal Notice 209/2022 published on 21st July 2022 with the similar Notice 348/2021 published on 26th July 2021, and that the difference in the amounts quoted is in fact, as the Minister has said, 7.6%. I say that just to give assurance to the House that we, on this side of the House, have also looked at what the Minister has said, and I can confirm that what the Minister has said is in line with the calculations.

3030 I believe we obviously will, as stated at the time of the Budget, be supporting the motion.

Mr Speaker: If no other Member wishes to speak, I will call on the mover to reply.

3035 **Hon. Sir J J Bossano:** The support of this measure has always been a unanimous decision of this House.

Thank you.

Mr Speaker: I now put the question in the terms of the motion proposed by the Hon. Minister for Social Security, Economic Development, Enterprise, Telecommunications and the Gibraltar Savings Bank. Those in favour? (**Members:** Aye.) Those against? Carried.

BILLS

FIRST AND SECOND READING

Merchant Shipping (Miscellaneous Amendments) Bill 2021 – First Reading approved

3040 **Clerk:** (ix) Bills – First and Second Reading.

A Bill for an Act to amend the Merchant Shipping Act and the Gibraltar Merchant Shipping (Safety, etc.) Act 1993. The Hon. the Minister for Business, Tourism and the Port.

3045 **Minister for Business, Tourism and the Port (Hon. V Daryanani):** Mr Speaker, I have the honour to move that a Bill for an Act to amend the Merchant Shipping Act and the Gibraltar Merchant Shipping (Safety, etc.) Act 1993 be read a first time.

3050 **Mr Speaker:** I now put the question, which is that a Bill for an Act to amend the Merchant Shipping Act and the Gibraltar Merchant Shipping (Safety, etc.) Act 1993 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Merchant Shipping (Miscellaneous Amendments) Act 2021.

Merchant Shipping (Miscellaneous Amendments) Bill 2021 – Second Reading approved

3055 **Minister for Business, Tourism and the Port (Hon. V Daryanani):** Mr Speaker, I have the honour to move that the Bill for the Merchant Shipping (Miscellaneous Amendments) Act 2021 be read a second time.

I have had a favourable discussion with the Hon. Mr Phillips in respect of this Bill already, but as we know, unfortunately he is not with us at the moment.

Clause 1 contains provisions in relation to the title and entry into force of the Act.

3060 Clause 2 amends section 49 of the Merchant Shipping Act. Section 49(5) of the Merchant Shipping Act provides that any reasonable expenses being incurred by a ship owner in respect of illness and burial of any seafarer shall be deducted from the wages of the seafarer. This is in conflict with regulation 29(1)(a), (b) and (e) of the Gibraltar Merchant Shipping (Maritime Labour Convention) Regulations 2013 and impedes the need to give effect to standard A4.2.1(d) of the Maritime Labour Convention 2006. Regulation 29(1)(e) says that the owner of a Gibraltar ship must meet the burial costs of the death of a seafarer on board the ship or ashore during the seafarer's period of engagement, and regulation 29(1)(a) and (b) obliges the owner to be responsible for medical care and board and lodging whilst the seafarer is ill, in accordance with sub-regulation (2). The Maritime Labour Convention has been extended to Gibraltar as from 7th August 2013. We therefore propose to remove the deduction from wages imposed on the seafarer by section 49(5).

3070 Today, Mr Speaker, I have also given written notice of an amendment to the Bill, which I believe has already been circulated to all Members. The amendment adds a new provision in section 2 of

the Bill, adding at the end of the current sentence after section 49, before the full stop, the following:

and for section 179 page 5 substitute:

(5) Gibraltar has a right to exclude the application of article 2 paragraph (1)(d) of the Convention on Limitation of Maritime Claims 1976 as amended. Gibraltar excludes article 2 paragraph (1)(d) of the Convention on Limitation of Maritime Claims and therefore applies unlimited liability in respect of wrecks. Additionally, sections 179P(5) and (vi) are repealed.

3075 The consequence of this amendment will be to amend the Merchant Shipping Act in order to give effect to the exercise of the right to exclude the application of article 2(1)(d) of the Convention on Limitation of Maritime Claims 1976, as amended, and to equalise the liability with regard to wrecks of non-Gibraltar registered ships with that applicable to Gibraltar registered ships.

3080 I would make the following additional points on this amendment. The new section 179H(5) provides that Gibraltar has exercised its right to exclude the application of article 2(1)(d) of the 1976 Convention as amended. This mirrors paragraph 15 of the 2014 administrative instruction which applies to Gibraltar registered ships. The effect of this new section 179H(5) is to provide unlimited liability for owners with regard to costs relating to the removal of wrecks. The
3085 amendment also removes the reference to insurers being able to rely on the right to limit liability on the removal of wrecks. This does not, however, affect the limits on the wreck removal insurance, which is required for all ships entering or leaving the Port of Gibraltar.

Article 12(1) of the Nairobi Convention provides that owners are required to maintain insurance or other financial security to cover liability under this Convention in an amount equal
3090 to the limits of liability under the applicable national or international limitation regime, but in all cases not exceeding an amount calculated in accordance with Article 6(1)(b) of the Convention on Limitation of Liability for Maritime Claims 1976 as amended.

Section 179J(3) of the Merchant Shipping Act states that a foreign ship with a gross tonnage of 300 or more may not enter or leave the Port of Gibraltar unless that ship has wreck removal
3095 insurance. No reference is made to the amount of wreck removal insurance in the Merchant Shipping Act. However, regulation 4(3), (4) and (5) of the Gibraltar Merchant Shipping Insurance for Maritime Claims Regulations 2012 (the Insurance Regulations) state:

(3) Every shipowner of a ship flying a flag other than the flag of Gibraltar must, if in conformity with international law, have insurance in place when that ship is operating in BGTW.

(4) The insurance referred to in subregulations (1) to (3) must cover maritime claims subject to limitation under the 1996 Convention.

(5) The amount of the insurance for each and every ship per incident must be equal to the relevant maximum amount for the limitation of liability as laid down in the 1996 Convention.

It follows from these provisions that ships must have wreck removal insurance and that it must cover the maximum amount for the limitation of liability as laid down in the 1976 Convention.

3100 In addition, article 12(10) of the Nairobi Convention states that even if the registered ship is not entitled to limit liability, the insurance may limit liability to an amount equal to the amount of the insurance required to be maintained in accordance with paragraph (1), i.e. subject to the limits in the 1976 Convention.

3105 In the circumstances, notwithstanding unlimited liability by the owner on wreck removals, the insurer may seek to argue that his liability is limited to what is provided for in the insurance.

We have also considered and sought advice on whether, where Gibraltar exercises the right to exclude the limitation of liability for wrecks and this liability is unlimited, regulation 4 of the insurance regulations should be amended to reflect this. In the Government's view, based on
3110 advice, it would be neither prudent nor practicable to do this. It is extremely unlikely, if not impossible, for an insurance company to be willing to provide unlimited wreck removal insurance.

This is particularly so having regard to article 12 of the Nairobi Convention, which only requires insurance not exceeding the limits of liability in the 1976 Convention. This is, therefore, what all ships will have. Imposing an insurance requirement for ships entering or leaving Gibraltar which ships are not able to comply with would lead to the collapse of all commercial shipping operations – including cruise liners – in Gibraltar. The upshot of all this is that the proposed amendment to the Act as set out in the amendment, written notice of which I have this morning ... created unlimited liability for owners.

3115 The Gibraltar Merchant Shipping, Maritime and Labour Convention Regulations 2013 are made partly under section 118 of the Gibraltar Merchant Shipping Safety Act 1993.

3120 Clause 3(1)(a) of the Bill introduces a new section 3A into the Gibraltar Merchant Shipping Safety Act 1993. This clause 3A will allow the Maritime Administrator, with the approval of the Minister, to issue Maritime Labour Notices for certain purposes under clause 3A(1)(a) to (e). All these purposes are centred around compliance with any requirements under the Maritime Labour Convention and/or providing any relevant guidance in relation to any requirement.

3125 I will now explain clause 3 of the Bill. Taking clause 3A(1) as a whole, Maritime Labour Notices should be used to (1) implement any requirement under the Maritime Labour Convention, (2) provide guidance on how to achieve compliance if the requirement under the Maritime Labour Convention does not provide for this; (3) provide guidance on compliance with any requirement under the Maritime Labour Convention; (4) provide explanations and other information to ship owners and seafarers on how to comply with any requirement under the Maritime Labour Convention, including the recommendations of any international bodies who monitor the standards under the Maritime Labour Convention; and (5) prescribe forms for different purposes under the Maritime Labour Convention.

3130 Clause 3A(2) would make the Maritime Labour Notice have the force of law and therefore there is a requirement to publish in the Gibraltar Gazette, as happens in the case of administrative instructions issued under section 3(5) of the Gibraltar Merchant Shipping Safety Act 1993.

3135 Clause 3A(3) contains enforcement provisions to ensure compliance with Maritime Labour Notices. If a master or owner of a ship does not comply with a Maritime Labour Notice, this would constitute a summary offence and the ship is then liable to be inspected and detained in accordance with amendments and regulations 44 and 45 of the Gibraltar Merchant Shipping (Labour Convention Regulations) 2013, which should be brought into force by the enactment of this Bill and are now contained in the Gibraltar Merchant Shipping (Maritime Labour Convention) (Amendment) Regulations 2021.

3140 A defence is available as provided in clause 3A(4). The Gibraltar Merchant Shipping (Maritime Labour Convention) (Amendment) Regulations 2021 include a definition of ‘Maritime Labour Notice’ under regulation 2(1) and reflect the enforcement provision under clause 3A(3).

Clause 3A(5) contains various definitions which are relevant for the purposes of understanding and interpreting clause 3A.

3145 Clause 3(1)(b) of the Bill contains an amendment to section 21 of the Gibraltar Merchant Shipping (Safety, etc.) Act 1993. The aim is to repeal section (2) of section 21. This provides that in the case of shipwreck or loss of a ship, proof that a seafarer has not exerted himself to the utmost to save the ship, cargo or store bars has claimed for wages. Due to changes to the Maritime Labour Convention and the fact that section 21(2) conflicts with regulation 21 of the Gibraltar Merchant Shipping (Maritime Labour Convention) Regulations 2013, section 21(2) should be omitted. Regulation 21 obliges the ship owner to pay wages to the seafarer on a ship which is lost or found if certain permissions are fulfilled.

3155 Clause 3(1)(c) of the Bill contains an amendment to section 118(1)(c) of the Gibraltar Merchant Shipping (Safety, etc.) Act 1993. Section 118 is a regulation-making power, and the purpose of section 118(1)(c) is to inter alia give effect to Gibraltar to international conventions or agreements by regulation. We are adding to the words of section 118(1)(c) to provide expressly that implementation by regulation is also possible where a relevant international agreement or convention is revised, modified or amended.

Mr Speaker, I commend this Bill to the House.

3165 **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. Damon Bossino.

Hon. D J Bossino: Mr Speaker, I rise because at one point I used to have responsibility for the Port. I do not have the benefit of the discussions he says he has had with my friend Mr Phillips, who was dealing with the matter in detail.

3170 This is a Bill which, in discussions on this side of the House, we were going to support in any event, but I would ask him to clarify just a few points. If he goes to the explanatory memorandum, it basically says that these amendments are being done. I would say that the substantive amendments are set out in clause 3 of the Bill by imperative of the Convention, which is the Maritime Labour Convention 2006, but is he able to clarify and confirm that there are other provisions that are being introduced as a result, which are outside the requirements set out in the Convention I have just referred to? It is clear that it sets out in his letter introducing the amendment to section 179H(5) of the Act, where he wishes, in effect, to disapply article 2 to another convention, which is the Convention on Limitation of Maritime Claims 1976. In relation to that one, can he give us an insight as to what the rationale is behind this application?

3180 I may have missed this, but he was referring to the Nairobi Convention and I think that impacted on issues in relation to maritime insurance. I think what he was looking at there was the removal of the limitation. Can he just give an explanation, as well, as to what the rationale is in relation to that?

3185 If I can split them into two, basically these amendments are as a result of the 2006 Convention, which have to be done, and I understand that, but these other amendments seem to suggest that it is as a result of Gibraltar-focused thinking and I wanted to understand what the rationale was behind that thinking.

3190 **Chief Minister (Hon. F R Picardo):** Mr Speaker, can I just rise and address both of those points in the context of my own address, to say that the first point that arises, in relation to maritime labour, as the hon. Gentleman has identified, is a change that we have to make and it is a change that does not go beyond what we are required to make.

3195 The second point, which relates to issues relating to the Nairobi Convention and the insurance related thereto, is a choice that nations are entitled to make under the Nairobi Convention. It is not a choice that we had been alerted to. The ability to make that choice in Gibraltar we have now been alerted to, and as a result we have been advised that most nations have uncapped liability in that way, but that they uncap it in relation to owners of vessels, not in relation to insurers. Otherwise, insurers might take the view that if there is uncapped liability for insurers, they would not insure vessels transiting the territorial sea of a state that has made such a choice. So, for that reason, the limitation of the choice that we are making is to make unlimited the liability of owners, but to keep limited the liability of insurers.

I hope that is helpful.

3205 **Hon. D J Bossino:** Sorry, Mr Speaker, in relation –

Mr Speaker: I think you cannot speak. If you had asked for leave –

3210 **Mr Speaker:** Does any other hon. Member wish to speak on the general principles and merits of the Bill?

I will now put the question, which is that a Bill for an Act to amend the Merchant Shipping Act and the Gibraltar Merchant Shipping (Safety, etc.) Act 1993 be read a second time. Those in favour? (**Members:** Aye.) Those against? Carried.

3215 **Clerk:** The Merchant Shipping (Miscellaneous Amendments) Act 2021.

**Merchant Shipping (Miscellaneous Amendments) Bill 2021 –
Committee Stage and Third Reading to be taken at this sitting**

Minister for Business, Tourism and the Port (Hon. V Daryanani): I beg to give notice that the Committee Stage and Third Reading of the Bill be taken today, if all hon. Members agree.

3220 **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

**Merchant Shipping (Miscellaneous Amendments) Bill 2021 –
Clauses considered and approved with amendment**

Clerk: Committee Stage and Third Reading.

3225 **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 Merchant Shipping (Miscellaneous Amendments) Bill 2021.

In Committee of the whole House

Clerk: A Bill for an Act to amend the Merchant Shipping Act and the Gibraltar Merchant Shipping (Safety, etc.) Act 1993.
Clause 1.

3230 **Mr Chairman:** Clause 1 stands part of the Bill.

Clerk: Clause 2.

3235 **Minister for Business, Tourism and the Port (Hon. V Daryanani):** I move the amendment in the terms of the letter that I have circulated.

Mr Chairman: Are Members of the Opposition content with the amendment?

3240 **Hon. E J Reyes:** Mr Chairman, just for the record, the title, I think –

Mr Chairman: Is 2021, yes.
Clause 2, as amended, stands part of the Bill.

Clerk: Clause 3.

3245 **Mr Chairman:** Clause 3 stands part of the Bill.

Clerk: The long title.

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

**Merchant Shipping (Miscellaneous Amendments) Bill 2021 –
Third Reading approved: Bill passed**

3250 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I have the honour to report that the Merchant Shipping (Miscellaneous Amendments) Bill has been considered in Committee and agreed to with an amendment, and I now move that it be read a third time and passed.

3255 **Mr Speaker:** I now put the question, which is that the Merchant Shipping (Miscellaneous Amendments) Bill 2021 as amended be read a third time and passed. Those in favour of the Merchant Shipping (Miscellaneous Amendments) Bill 2021? (**Members:** Aye.) Those against? Carried.

Adjournment

Mr Speaker: The Hon. the Chief Minister.

3260 **Chief Minister (Hon. F R Picardo):** Mr Speaker, it has been a long year, and as we come to move the adjournment *sine die*, today I received a letter which I thought I should refer to the House. I am not going to name the individuals who sign it, but it says this:

Dear Mr Picardo

I would just like to take this opportunity, along with my wife, to express the deep gratitude for all the valuable work you and your Ministers do on behalf of all of us living in Gibraltar, especially over the last year or two, having to deal with many frustrating situations with great diplomacy.

We have lived here happily for the last eight years and have seen Gibraltar go from strength to strength. From day one, we were made to feel part of the family, and the friendliness and help that we have experienced from every person in every walk of life has been truly exceptional. If possible, please pass on our grateful thanks to everyone for the excellent service at the GHA, the Civil Status staff, MoT and Licensing staff who have made our life just that little bit easier and enjoyable.

In closing, it is truly an honour to live amongst people who come together as one, respect one another and still retain, in a modern world, the core family values.

Wishing you every success for the future.

3265 Mr Speaker, I include this Parliament in the institutions of Gibraltar that do us proud on many occasions. Even when we might be at our most rancorous and cantankerous, we are all seeking to ensure the best for our people, and given the year we have had, I thought that was a quite lovely way to end it.

3270 Mr Speaker, I have a message tonight for our children before we adjourn. The Commander of British Forces has been in touch with NATS, who are responsible for air traffic control. They have confirmed that air traffic control will be available without any difficulties from the early hours of 25th December to ensure that flight SANTAWIZZ1 is able to land at Gibraltar. MeteoGib have confirmed that we expect easterly winds, so the sleigh will land from the west runway with no

3275 crosswinds. The tunnel will be available for the reindeer to remain in, if they wish, whilst Father
Christmas is in Gibraltar. The Minister for Equality has provided that the same services will be
provided to all of the reindeer, regardless of the colour of their noses. The GHA have lifted all
3280 COVID restrictions, except in the Hospital and ERS, and the Borders and Coastguard Agency have
confirmed that all Gibraltar border requirements have been agreed for arrivals from Finland and
Lapland. Returns, in keeping with the Schengen Border Code requirements, have been agreed
with both Brussels and Madrid. All necessary arrangements have therefore been made by the
public sector to ensure that one Father Christmas will be able to visit each and every home in
Gibraltar this year. So, despite the very difficult prevailing economic circumstances and with the
support of our charities and in the spirit of community that characterises the best of Gibraltar at
difficult times, I am sure that every home in Gibraltar will be visited by Father Christmas this year.

Mr Speaker, I thank you and all your members of staff for all your help this calendar year.

3285 I thank all hon. Members for their work collectively with us in this Parliament this calendar
year.

I wish all of Gibraltar a very Merry Christmas and a happy New Year and Happy Hanukkah.

Mr Speaker, I move that the House should now adjourn *sine die*.

Mr Speaker: I now propose the question.

3290

Hon. Member: Am I allowed to reply?

Mr Speaker: No. *(Interjection)* No, I must say – *(Interjection)* I have to say I glanced and there
was no light, so I said, 'Well, it's ...' *(Interjections)* **(A Member:** Hear, hear.) I do this with utmost
3295 respect, no ... *(Laughter)*

I now propose the question, which is that this House do now adjourn *sine die*.

I 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 8.24 p.m.