



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 4.02 p.m. – 6.54 p.m.

Gibraltar, Wednesday, 29th June 2022

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The Gibraltar Parliament

The Parliament met at 4.02 p.m.

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

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

Appropriation Bill 2022 – Second Reading – Debate continued

Clerk: We continue with the Appropriation Bill 2022.

Mr Speaker: The Hon. Roy Clinton. (*Interjection by Hon. Chief Minister*)

Hon. R M Clinton: What you have all been waiting for. Thank you, Mr Speaker.

Before I commence my main submission on the debate on the Appropriation Bill, I would like, on behalf of my colleagues in the Opposition, to wish Sir Joe a speedy recovery from being afflicted with COVID. We hope to see him soon, back in this place, as he is obviously greatly missed at Budget time if he is not here. (*Banging on desks*) I have no doubt he is watching!

I thank Sir Joe for having given us a written copy of what would have been his submission in the debate – and no doubt those 48 pages will form part of the record, for posterity – which I understand is now available on the Government website and I would urge anybody who is interested in following these proceedings to read it for themselves.

Sir Joe, as we would expect, gives us a good overview of the challenges that we face, not just in Gibraltar but in the economy as it affects the world today and as things are likely to develop over the coming months and years. I will just highlight one or two phrases and words from his very long contribution. He warns us that inflation is likely to increase again by July. There are words which reoccur as a theme throughout his contribution: the words ‘unaffordable’, ‘unsustainable’ and of course his ‘golden rule’. In terms of our future economic plan, I think one of the key words he repeats is the idea of self-sufficiency. In the context of this debate I would just like to quote one section from his submission, on page 7, in which he says – and I think this is probably the key phrase, if I had to identify one in his contribution:

At no other time in our history has there been a greater need to make an all-out effort to restore the state of financial stability ...

I can only concur with that remark, but unfortunately the message does not seem to be getting across to his colleagues. It is an important message that they really cannot afford to ignore.

Mr Speaker, going on to my main contribution, yesterday the people of Gibraltar had their collective pockets picked by this Government in order to cover the mismanagement of the 2021-22 Budget, which has resulted in the need to borrow an extra £50 million. A 2% increase in PAYE, coupled with inflation raging at 8% and only likely to increase, as Sir Joe has warned, means that the average worker and their family will see a fall in real wages of probably at least 10% this year.

This Government has had its head buried in the sand for far too long with a capital spending programme which has been fuelled by debt, debt and more debt. It has forgotten the basics of

35 public finance, regardless of Sir Joe's golden rules. Its Budget measures this year do not bear scrutiny, especially if, as stated, they are only meant to be for two years.

In this Appropriation Bill and Estimates Book I see we are now on a knife edge. We have unsustainable spending and an unbalanced Budget with increased borrowing for the coming financial year 2022-23. The headline deficit for 2021-22 was estimated to be some £50.7 million.
40 This was before the COVID-19 costs and with additional borrowing of £50 million, which will have taken total gross direct borrowing to £747.7 million. This envisaged a total net cash spend through the Consolidated Fund of £79 million if you take out the envisaged £50 million borrowing as per the Estimates last year. The forecast outturn for 2021-22 is a headline deficit of £55.3 million, which is before COVID-19 costs, with an additional borrowing of £100 million, which then takes
45 our total direct gross borrowing to £797.7 million. This is double the borrowing that was envisaged. Instead of £50 million, they have had to borrow £100 million. The total net spend through the Consolidated Fund was £103 million, which is what we would get if we excluded the £100 million of borrowing, and this number gives a truer picture of our predicament than the headline deficit number of £55.3 million, which does not take into account spending via the
50 COVID-19 Fund.

Indeed, if that was not bad enough, there can be no doubt that there has been a significant overspend in relation to last year's Budget. Using the cashflow of the Consolidated Fund, it can be seen that keeping revenue at its original budgeted level, which would increase the deficit by £16 million, the overspend in cash terms was in the order of £40 million. Forty million pounds,
55 Mr Speaker! This is a number we have heard before. In fact, we have heard it in warnings from Sir Joe Bossano. And yet yesterday the Chief Minister said:

Over the last few months there has been an attempt to suggest a division between comments made by the Father of the House in an interview on GBC, where he projected a loss of in excess of £90 million, and some of the statements I have made. The Hon. the Father of the House was guiding his projections for the overall loss based on the level of borrowing, without classifying the distinction between business-as-usual losses of £55.3 million and the additional over-expenditure incurred within the COVID Response Fund.

Mr Speaker, each pound of overspend, regardless of origin, necessarily results in an extra pound of borrowing, so what Sir Joe was saying was entirely true but obviously not the way the Chief Minister wanted it spun for public consumption. How realistic was last year's Budget when
60 we also heard from Sir Joe that some £75 million had been shaved off departmental budget requests even before the Estimates Book reached this House?

The majority of the overspend appears to be in the GHA budget in a period when COVID-19 related expenses should not have been remotely similar to prior periods. The Leader of the Opposition has highlighted it in his speech and my colleague Mr Phillips will examine this in more
65 detail in his contribution to the debate.

The headline deficit for next year, 2022-23, is estimated to be £45.2 million, which is a very long way away from a breakeven position. In cashflow terms, the total net spend through the Consolidated Fund will be £46 million, less than half compared with the year just gone by. It is expected we will need to borrow yet another £50 million to take our total direct gross borrowing
70 to £847.7 million.

One significant difference from recent years is that there is no material contribution to the Improvement and Development Fund from the Consolidated Fund. In 2021-22 it was £19.5 million; next year, merely a notional £1,000. It would appear that the Improvement and Development Fund is expecting over £100 million of income in order to fund some £67 million of
75 expenditure. I can only assume – and the Chief Minister can confirm it in his response – that the £90 million premium for the Eastside project is included in these numbers, in which case the funding of I&DF projects is entirely dependent on successful negotiation of the premium. Failing that, the Consolidated Fund would have to pass money over to the I&DF Fund or the projects would have to be cut.

80 Mr Speaker, talking about costs, we have yet to hear how the appointment of the new CEO of the Tourist Board at a salary of £140,000 is cost neutral, as was described by the Chief Minister on 17th March 2021, especially as the salary was disclosed as being £51,767 in the 2011-12 Estimates Book under the Gibraltar Development Corporation. I would love to hear how that is cost neutral.

85 Looking through the Book, I can give an example where decisions have been taken which, frankly, flatter the outturn numbers. The deficit could have been even higher. Specifically, Head 22, being Social Security, has, in 2021-22, given itself a contribution holiday of £7 million by simply not paying anything to the Statutory Benefits Fund. This £7 million payment has been reinstated in 2022-23. If that £7 million had been paid in the year gone by, then obviously our deficit would have been yet higher.

90 Given this analysis, it can be seen that we really are on a public finance knife edge, which is only being balanced by increased borrowing. As at 7th April 2022 the borrowing on the NatWest UK guaranteed facility was £350 million. The envisaged borrowing in 2022-23 will take us to £400 million of the £500 million facility, assuming, of course, that there are no overspends, which would have to be met from further borrowing. This entire facility was due for repayment on 95 3rd December 2023.

Yesterday the Chief Minister made, in my view, the most important statement in the history of our public finances, but he mentioned it almost casually. I think it is worth repeating in full, as follows:

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

100 If the Government can stick to its Budget and if the UK government has already given its commitment, then the £400 million that would fall due on 3rd December 2023 would be extended to at least 2048. That is a much more realistic timeframe in which to rebalance our economy. But the statement from the Chief Minister was light on details such as the type of loan and repayment schedule, and I really would like to hear more about that; indeed, repayment is something I intend to discuss later on. I think it is critical to understanding the future of our public finances.

105 Our recurrent revenue is not covering recurrent expenditure – I think a fact that we all in this House recognise – such that for the last year, ended 31st March 2022, our costs were 9% greater than revenue. The COVID-19 Response Fund has re-credited the Consolidated Fund with £107 million in respect of lost revenue, the main areas that have lost revenue being £65 million in Import Duty, £32 million in Company Tax and £2 million in Income Tax. For next year it is forecast 110 that the COVID-19 Response Fund will only require £40 million to make up lost revenue of £30 million in Import Duty and £10 million in Company Tax. The slow recovery in Import Duty is concerning, and if it does not return or recover to pre-pandemic levels then we are likely to have a continuing recurrent deficit problem, and if this Government does not take this year's Budget seriously, then I am afraid to say next year's Budget debate will be scripted by Stephen King: a true horror. I would have thought that by now the Government would truly understand our 115 financial situation and predicament, especially having appointed Sir Joe Bossano as Minister for Financial Stability.

120 The example has to be set from the top, and yet there is no leadership on the control of unnecessary costs. In answer to my Question 267/2022 last week, the Chief Minister confirmed that Ministers and Government officials had flown club class 40 times in the space of six months – yes, 40 times in six months – and they could not find any economy seats. Furthermore, having just doubled the cost of prescription charges under the Group Practice Medical Scheme, the Chief Minister then flew to see His Holiness the Pope, again in business class at the taxpayers' expense: a pilgrim's progress in regal style.

125 **Chief Minister (Hon. F R Picardo):** I went out in economy.

Hon. R M Clinton: This is not leadership by example.

Hon. Chief Minister: I went out in economy.

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Hon. R M Clinton: This is the Chief Minister's champagne socialism at its worst (**A Member:** Hear, hear.): do as I say but not as I do. He likes his champagne. (**Hon. K Azopardi:** Pink champagne.) Is it pink?

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Hon. K Azopardi: Absolutely. Off-red.

Hon. Chief Minister: All the colours of the rainbow, if you are trying to imply something [inaudible] a champion of Pride, not one of those who [inaudible]

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Hon. E J Phillips: Socialist pink – that is the analogy.

Mr Speaker: Please continue with the speech.

Hon. R M Clinton: Yes, sorry, Mr Speaker.

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We also find that of the nine Government Ministers, the majority, namely six, are in private rented offices. This was disclosed in answer to my Question 269/2022. Indeed, despite the current financial crisis, the Government saw it appropriate to rent offices for the Minister for Housing and the Minister for Business at a combined annual cost of £215,000. This Government has completely mismanaged the use of the public office space it inherited upon coming into government. Instead of maintaining and renewing space it owned, it embarked on a piecemeal disposal and moved into expensive private sector accommodation. The Government sold the Haven to Gibtelecom in 2014 for £5.8 million, more or less what it cost to refurbish No. 6 to the Chief Minister's expensive tastes. The Haven, since then, has largely remained empty and is now up for sale by Gibtelecom to repay the £3.6 million mortgage which was used to buy it. Meanwhile, the DSS offices collapse into a state of disrepair, which then causes a move to New Harbours and the rental of more private sector space in the ICC for the vacating Housing Department, which will then cost us an annual £237,000. The least visited Departments of Government – not that I do not appreciate them – the Audit and Statistics Departments, have brand new offices in the World Trade Centre on 21-year leases at an annual cost of £194,000. The cost of rental of office space by the Treasury Department has rocketed from £2 million in 2011-12 to some £10.5 million in 2021-22. I would welcome an analysis and justification of this number by the Chief Minister. He says 10 years. This Government needs to make better use of its existing resources before splashing out on more lavish private sector rentals at the taxpayers' expense, which inevitably increases recurrent expenditure, of which Sir Joe is so terrified. I cannot see the Chief Minister leading on this. He simply does not seem to be able to control his spending.

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For the last number of years since I have been in this House – or, at least for the last three years – I have complained about the inability of the Principal Auditor to complete his reports on time, due to outstanding supplementary appropriations. Despite three Bills covering 2017, 2018 and 2019 being passed in a single day last year, on 26th July 2021, we still do not have any new reports in this House. The last report available to us is that for 31st March 2016. If this Government truly cared for transparency and accountability it would have shown some leadership in ensuring the required Bills were debated and passed in a timely manner. I really do not accept that COVID-19 was the reason for the delay in debating those Bills. Without any recent reports from the Principal Auditor this House cannot hold the Government to account on its spending, including areas such as value for money.

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The Government's record on filing its corporate accounts has barely improved, despite repeatedly being brought to their attention. As at 31st March 2022, 26 companies were overdue in their filings at Companies House and a further 12 have not even been audited since incorporation. This is an unsatisfactory situation and one that should have been resolved by now.

180 The reason why this is so important is that significant amounts of public money are being channelled into some of these companies. One in particular stands out above others, and that is Economic Development and Employment Company Ltd, a company I brought to the attention of this House back on 19th June 2019. You can check *Hansard*. This entity, which is owned by the Gibraltar Development Corporation, annually receives some £11.8 million from the GDC, which in
185 turn receives the money from the Consolidated Fund. In the six-year period from 2014-2015 to 2019-21 the amount contributed to this company was £82.5 million. This company has only filed one balance sheet since it was incorporated on 11th June 2012 by this Government. We know from answers to my Question 161/2022 that this company owns shares in a further nine companies, of which we know, again from answers to questions, six are behind on their filings at
190 Companies House. We do not know how that £82.5 million has been spent or, indeed, how much remains. I fail to understand how this House can continue to approve contributions in the order of £11 million to an entity that has failed to disclose how that public money is being used. The Government cannot expect the public to suffer the consequences of this financial crisis in silence while the Government does not disclose what it does with millions and millions of pounds of
195 taxpayers' money – again, a failure of leadership on transparency, which speaks volumes.

In his May Day message of 2021 the Chief Minister said the following:

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

Well, what has he managed to do over the past year, I ask myself. Business travel continues unabated and the report on GJBS only resulted in a 'series of changes in the structure of the management and operation of GJBS'. We are still deprived of the latest reviews from the Principal
200 Auditor, and despite repeated promises – and I will not hold my breath – of an Anti-Corruption Authority, this has still to materialise. There is still no appetite from this Government for a Public Accounts Committee which will follow up audit reports and other matters. Again, I remind the House that it is embarrassing that Gibraltar is the only UK Overseas Territory that has no such committee and this goes against what is deemed to be best practice in the oversight of public
205 finance. So, where is the leadership on eliminating waste and abuse that he pointed out in his May Day message?

Moving on to borrowing, our direct gross borrowing, as I set out earlier, is projected to reach £847.7 million by the end of the next financial year. The last information I have on the Sinking Fund is that it only has £25.4 million in it. This needs to be funded regularly from the Consolidated
210 Fund to ensure that we have a clear path to repayment. I have seen no indication, as yet, as to how the Sinking Fund is to be built up in future.

The analysis of the gross direct borrowing at 31st March 2022 is as follows: £372.7 million of Government debentures, which are, in fact, held by the Gibraltar Savings Bank; £150 million that was a one-year facility that we understand has now been repaid, on 7th April 2022; the £75 million
215 and £5 million facility with RBS NatWest; and, again as at 31st March, £200 million under the RBS NatWest UK guarantee. That would be £372.7 million of Government debentures held by the Savings Bank and some £425 million of bank borrowing, which would take us to the figure of £797.7 million of direct gross borrowing.

By 31st March 2023, i.e. next year, the guaranteed facility will be £400 million, given the
220 £150 million borrowed from the Gibraltar International Bank was, as the Chief Minister indicated to the House, repaid on 7th April 2022. Given the Chief Minister's expectation to convert this £400 million debt into a 25-year loan, it begs the question: how would we fund its repayment? If we assume a bullet repayment at the end of the term, we would have to set aside, into the Sinking Fund – excluding, of course, interest costs – £16 million every year for the next 25 years, and yet

225 I have heard nothing as yet on this important question, which again shows a lack of thinking or planning. How are we going to repay £400 million in 25 years? I think it is a question on which we deserve to hear what the Chief Minister thinks.

Then, of course, we need to go on to the perennial disagreement we have with the Government in terms of the indirect gross borrowing, which I try to quantify each year. Again, I do this on a best-efforts basis, and if I have any numbers wrong I will happily be corrected: Credit Finance, £400 million; GCP Investments, £9 million; ES Ltd, which is the entity that has the power station, from its last filed accounts, £ 95 million; Gibraltar Car Parks, another £21 million; Gibraltar Capital Assets, another £300 million – that is the one that has the mortgages on the housing estates, although I know the Chief Minister does not like the word ‘mortgage’ but it is, nevertheless, secured on the housing estates; Eruca Investments, with its very complicated structured financing, another £165 million. That adds to a gross amount of £990 million, which is in addition to the official gross debt of £797.7 million as at 31st March 2022. That would bring us to a total gross debt number, of direct and indirect debt, of effectively £1.8 billion as at 31st March 2022, as compared with £1.7 billion at 31st March 2021. Of this £1.8 billion only £350 million – and again I am using numbers at 31st March 2022 – can be said to be attributable to the COVID-19 response at best. This Government has truly buried Gibraltar in a mountain of debt and it should be ashamed of itself.

Mr Speaker, turning to the Budget measures as announced yesterday, we on this side of the House have long warned of the excessive spending by this Government and that ultimately it would be the taxpayer who would foot the bill. Sadly, yesterday this warning came true. The Chief Minister said that it was incumbent on him and his Government ‘to seek to find a way to lead this community out of the deficit period, with the certainty that we can address the debt that has built up during the COVID period and its aftermath’. And yet, without so much as a blush, he stated that the much talked about rainy-day funds were once again healthy, even at this time. This is insane. Before seeking to tax workers by 2% at a very difficult time, shouldn’t the rainy-day funds be used first? I mentioned in last year’s debate that Sir Joe refuses to transfer the accumulated profits of the Gibraltar Savings Bank to the Consolidated Fund. As at 31st March 2022 the Estimates Book, on page 254, shows this has a Reserve Account with a balance of £56 million. Should this not be used first, before taxing workers? This money belongs to the people, not to Sir Joe Bossano. We have a rainy-day fund that we cannot touch, even today at the height of monsoon season. What is the point of having that fund?

Other than the announced increase in water and electricity charges of 8%, which we now know will continue to increase annually by inflation together with all other government fees – the only way is up – there are two main revenue-raising measures that I would like to discuss and try to quantify. These seem to be the two main planks of the Government’s revenue-raising attempts.

The first is the two-year company levy, which was announced as follows:

We propose that every company pay a COVID recovery charge of £25 per week over the next two years.

Mr Speaker, whenever the Chief Minister describes a cost as per day or per week, you can be certain of one thing, and that is there is a bigger number that he is trying to hide. The charge amounts to £1,300 per annum. I am reliably informed that the number of companies on our register is in the region of 14,000. If all companies were to pay, then that would raise a large number in the order of £18.2 million or £36.4 million over the two-year period. This measure can be found in paragraphs 854-61 of the Chief Minister’s Budget address. But this measure takes no account of the activities of the company, nor of the ability – or even, indeed, the willingness – to pay. The Chief Minister has, perhaps inadvertently, strayed into the field of trust and companies managers, and their clients may not feel so altruistic when there are plenty of other jurisdictions to choose from. Indeed, this morning we have heard from the Minister for Financial Services, when he rose to give his Budget address, that they had representations overnight from the industry complaining that this would affect their business. And so the Government now, in what must be

the *Guinness Book of Records*' fastest U-turn on a budget measure in history – in less than 24 hours – is saying, 'No, forget what we said: we are only going to go after those trading in Gibraltar.' But if the Chief Minister is trying to raise money to balance a future Budget, how much has this torpedoed the revenue-raising measure? If they are only going to go after companies trading in Gibraltar and, for the sake of argument, if we say there are two and a half thousand registered employers in Gibraltar, multiplied by 1,300 that would bring you in £3.2 million. Well, £3.2 million is, I think, about £15 million-odd short of what he originally could have tried to target on this measure as announced. How will he make up the difference? What was the amount he thought he could raise? Was this even a realistic Budget measure? Who came up with this idea? And then, of course, you have the additional question: if we are just going to go for trading companies, what about the small companies? Why should they pay the same as a large company? What about the charitable companies? There are plenty of charities that are set up as companies. And, indeed, what about all the estate-management companies, the ones that manage all the estates around Gibraltar? Are they going to have to pay as well? It is so self-evidently an ill-thought-out levy that you need not read very long on Facebook to see that this is a complete nonsense of a measure. If it was intending to raise somewhere in the order of £18 million, well then it has failed at the first hurdle.

And so we are now left with only one Budget measure that really could generate revenue in any significant amount: the 2% increase in PAYE, which is, again, across the board regardless of earnings. I will venture into some technical stuff here, Mr Speaker. Using the information on page 56 of the recently tabled 2021 Employment Survey, which shows the distribution of average earnings, I estimate that 2% on the earnings across the different bands could perhaps generate as much as £16 million, although again this is a guesstimate and a best effort; I obviously do not have access to the actual numbers. Of course, it would be helpful if, in his reply, the Chief Minister could state how much he has been advised he would raise by this 2% PAYE increase, and also what he thought he was going to raise on the company levy. Assuming my numbers are accurate, or at least in the ball park, this means that the measures would raise around £34.2 million per annum, but of course, given the Government's U-turn, it is probably going to be a lot less. Even if it was £34.2 million, this is still significantly less than the so-called rainy-day reserves of the Savings Bank – which we are not allowed to touch because it is not a rainy day yet. But who decides?

What is not clear from the measures announced is the use to which the money will be put. Is this money going to be credited to the Sinking Fund, to start to help repay debt; or is it to reduce annual deficits in recurrent expenditure in future, in the anticipation that perhaps in two years' time revenues might recover to old levels? A two-year period certainly will not be enough to help in addressing the debt levels. I would really appreciate some indication from the Chief Minister as to what the thinking is and how much he thinks he will be able to raise with these measures in two years.

The 2% PAYE increase also shows a complete lack of targeting of income bands. The burden, you would have thought, should be fairly weighted in a way that higher earners would bear more than those on lower incomes. This displays a complete lack of empathy by the Government with those middle wage earners who will suffer. Is this the best they could come up with? How much thought has gone into this?

It has to be asked, given that the property market seems to be generating, as the Chief Minister said, higher than expected Stamp Duty receipts, why has this not been taxed further – an extra per cent of Stamp Duty at the top end? Indeed, some may ask why not tax the profits from the property developers? We certainly have no shortage of them and perhaps their profits should be subject to closer scrutiny – perhaps they will do that – or perhaps they should suffer a windfall COVID levy as well. The Government seems to have gone for the lowest-hanging fruit, the easiest tax target, the ones least able to fight back, namely the workers who are already suffering financially. Is this the best they could come up with?

Mr Speaker, I move on to AquaGib. I was surprised to hear that the Government was proposing to nationalise AquaGib at precisely the lowest point in our public finances. The Government owns

one third of the shares in this joint venture, which – as per its latest accounts, of March 2020, which are available at Companies House – employs some 100 people. Based purely on a net asset value price, it would cost the Government at least £6 million, and, if on a multiple of earnings, maybe even more. I really would be interested to hear who is going to be paying for the shares, because the last time the Government made a big announcement, about buying Gibtelecom, it ended up being the Savings Bank that paid for it and became the ultimate owner, not the Government.

I was interested to hear that the Government had secured a secondment from Her Majesty's Treasury in the UK to assist in reviewing tax declarations. I am not sure if this is the first time this has happened but I would welcome further information from the Chief Minister, and indeed whether the loan restructuring for 25 years is in any way connected to Her Majesty's Treasury's interest in assisting the Tax Office?

Hon. Chief Minister: Absolutely not, and we would not have accepted it if it were.

Hon. R M Clinton: Well, I am asking.

Hon. Chief Minister: We requested it.

Hon. R M Clinton: I am asking.

Hon. Chief Minister: And I said we requested it.

A Member: Hear, hear.

Hon. R M Clinton: Mr Speaker, looking at inwards investment, TNG's major expected investment in the Eastside project of course is to be welcomed, if it materialises. It is, however, evident that the majority of the Improvement and Development Fund's expenditure appears to be entirely dependent on the receipt of the £90 million premium. As I said last year, we have also seen little in the way of the Government's post-Brexit economic plan. We have seen nothing in respect of the 150,000 m² reclamation project which was part of their central plan. We hear from the Deputy Chief Minister that the Rooke site is still being negotiated, and we have heard nothing of the Queen's Cinema and Queen's Hotel site, the most expensive car park in Gibraltar.

Mr Speaker, passing on to non-finance matters and FATF – and I do this wearing my hat of financial services and gaming – of course we were all disappointed, certainly on this side of the House, with Gibraltar's grey listing. I note what the Minister for Financial Services has now said to the House in his Budget address and I welcome it. It would, of course, in my view, have been more appropriate if he had made a ministerial statement to the House. That would have allowed us to ask questions of clarification, especially as he was prepared to give his analysis to a private seminar ahead of this place. He has already heard the official Opposition's views on the matter and we trust on this issue we can reach cross-party consensus that the priority for Gibraltar is to be removed from the list as soon as possible. I heard the Minister's offer and I certainly will accept his kind offer for briefings on this and, indeed, the new Gaming Act in due course.

Mr Speaker, in conclusion, we have seen that this Government cannot keep to its Budget. The people deserve better than to have their pockets picked because of the failures of this Government. We will not vote for a Budget that lacks leadership, transparency and accountability and contains measures which are a shambles and not thought through. It is a joke of a Budget. We see no leadership from this Chief Minister on curbing unnecessary spending. We see no leadership from this Chief Minister on transparency. We see no leadership from this Chief Minister on eliminating waste and abuse. We see no leadership from this Chief Minister on repaying borrowing. Indeed, we see no future for this Chief Minister, who lacks the financial skills to get Gibraltar through this crisis.

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

Hon. Chief Minister: Like being mauled by a sheep.

380 **Mr Speaker:** The Hon. Paul Balban. I welcome him back to this austere Chamber. (*Banging on desks*)

Minister for Transport (Hon. P J Balban): Mr Speaker, it is an honour to rise once again today, as Minister for Transport, to give my Budget address. I will start with my ministerial responsibilities for Technical Services.

385 This has been a difficult year for the Technical Services Department following the COVID-19 pandemic and the uncertainties raised by the ongoing Brexit negotiations. This has led to the Technical Services Department concentrating its efforts on operationally critical items in all areas under its responsibility. Notwithstanding these challenges, the Department has continued to
390 provide technical support to Government Ministries and Departments on a wide range of construction and traffic-related matters, as well as meeting its defined responsibilities of maintaining public infrastructure.

Whilst the Department has shown prudence in its spending and concentrated its efforts on essential and critical items, the Department has nonetheless been able to meet its core objectives
395 of maintenance. It has been involved in many projects covering a wide range of responsibilities which included cliff and slope stabilisation schemes within the Upper Rock and Little Bay, the repair of a number of retaining walls, highways resurfacing works and highways maintenance, as well as general sewer maintenance and improvement works. In addition, the Department has also provided support on the implementation of several projects related to the Sustainable Traffic,
400 Transport and Parking Plan launched in March 2017.

With respect to cliff stabilisation and rock-fall prevention projects, during the last financial year the Department has been involved in numerous schemes which have included stabilisation works at Little Bay, Woodford Battery and Camp Bay.

With regard to highway maintenance, the works programme has once again been successful
405 over the past year, with ongoing repairs to roads, footpaths and retaining walls. The Department's team of highways inspectors carries out regular inspections of all our roads and footpaths and reacts to reports received from the public.

This year will see the continuation of our very successful and comprehensive road resurfacing scheme. Over the last few years, a very significant number of our roads have been resurfaced or patch-repaired, and during the last financial year the Technical Services Department once again embarked on a significant road-resurfacing scheme which saw South Barracks Ramp, the north sections of South Barracks Parade, South Pavilion Road and Engineer Road and Corral Road totally resurfaced.

410 During the past year, the Technical Services Department was also involved with works to several retaining walls. These have included works at the old King George V Hospital, Bruce's Farm, Scud Hill, Mount Road, Upper Witham's Road, the American War Memorial, Naval Hospital Hill, Europa Road and Referendum Gates. The continuous monitoring and repair of existing retaining walls is critical, as many of these are old and border our public highways network. Technical Services will continue to monitor these walls and effect the necessary repairs as and when these
420 are identified.

The replacement and enhancement of pelican crossing lights and equipment will continue during this year, working jointly with the Gibraltar Electricity Authority. Works are currently under way to replace the existing light-controlled crossings by Glacis Kiosk and the Department will continue to review all existing light-controlled crossings and provide further countdown timers in
425 areas where these are required. The current programme envisages upgrades of our existing light-controlled crossings at Queensway Quay and Line Wall Road by the American Steps. The Government will continue to provide further countdown timers at all crossings and all new traffic light sets purchased to replace existing sets will have countdown timers installed as standard. It is regrettable that there has been an increase in the number of recent road traffic accidents, which

430 have seen several existing traffic lights being damaged. This unfortunately reduces our stock of spare parts and impacts our ability to continue with our upgrade programme in a timely manner. In addition to the introduction of countdown timers, the Department is currently working closely with Ministry staff, the Special Needs Co-ordination and Liaison Officer at No. 6 Convent Place and the Gibraltar Health Authority's Occupational Therapy team to study the possibility of introducing disabled-user-friendly information templates at crossing points. This initiative is aimed at making road crossings for people with disabilities.

With regard to coastal engineering works, the Department continues to monitor and carry out maintenance and repair works as and when required. The Department also continues to provide advice to developers and the DPC on all aspects of coastal engineering as and when necessary. 440 During this financial year, Technical Services will be reviewing the existing coastal defences at Eastern Beach and Sandy Bay with a view to carrying out essential maintenance works.

Moving on to sewers, during the past year the Infrastructure section of the Department has continued to maintain the public sewer network as part of Government's commitment in this area. As part of the major desilting and relining works of our main sewer, which commenced several years ago, the Department has been working on the preparation of the design and works specification for the next phase of works. This phase will see the relining of the main sewer from the area of Bomb House Lane to the entrance of Lover's Lane. These works are earmarked to be completed during the coming financial year and will link up several previously successful relining projects spanning the worst-affected areas within the Town area, covering some 560 m, equating 450 to approximately 60% of the main sewer line within the city walls. These works are considered essential, given the age and condition of the sewer and the disruption that can be caused in the event of a failure of the sewerage network. The Department continuously monitors the condition of the main sewer in order to prioritise the continuation of this essential maintenance work. The Department will, therefore, this year, as it has since 2012, continue its major desilting and 455 cleansing works of the sewer network and will be carrying out upgrade works where necessary. Other works will include gully cleansing, manhole repairs and the general upkeep of the public storm and sewerage networks.

Given the sharp rise in developments in Gibraltar, the Department also continues to provide advice to both developers and the DPC on the impact that these various developments can have 460 on our existing sewerage network.

Finally, funding is once again being allocated for the purchase of equipment to allow the Sewer Infrastructure section to continue to expand and provide an enhanced service in respect of its inspections of our sewer network. This also applies to the Garage and Workshop, where funding for new equipment is also being provided. They will continue to provide a service to maintain the fleet of government vehicles, including the refuse collection vehicles. 465

This year, I would once again also like to take the opportunity to thank the Sewers and Highways Infrastructure sections and the on-call officers of the Technical Services Department for their hard work and commitment during those times in the past year where Gibraltar has suffered from storms and very heavy rainfall. It is thanks to the very hard work and dedication of this team, 470 whilst most of us are at home, that the impact of these storms is not greater on our sewerage and road networks.

Mr Speaker, the Technical Services Department is one of those Government Departments that are rarely in the limelight but work tirelessly and silently behind the scenes to deliver their defined responsibilities, maintaining public infrastructure and supporting and providing technical advice 475 to other Government Ministries and Departments. Not only does the Department meet its core responsibilities but it is also actively involved in other key projects for the Government of Gibraltar. During the past year they have been involved in the delivery of improvements of the new container terminal at North Mole. Following the uncertainties of Brexit, the number of shipping containers has shown a marked increase and a need for additional storage capacity, including that for refrigerated containers, was identified. Technical Services has been working in 480 preparing the necessary infrastructure and upgrading the existing mole to increase the stacking

height for container storage. Additionally, Technical Services is also responsible, in conjunction with the Office of the Chief Technical Officer, for the delivery of the first phase of the reclamation works at Coaling Island. Technical Services is involved in many projects in order to deliver on the Government's extensive and comprehensive programmes.

Mr Speaker, turning now to the traffic plan, the Sustainable Traffic, Transport and Parking Plan (STTPP) was always a document that set out the vision for the future. It was published in March 2017 and it spoke about Gibraltar's dependency on the car and the way we broke records as having one of the highest vehicle-ownership rates in the world. Although one can often be proud of breaking records, this is one record that we surely should not be proud of if we are serious about our need to look towards a greener and sustainable future for ourselves and our children. Emissions from vehicles contribute to poor health, especially bronchial and respiratory diseases. Furthermore, our dependency on the car means that we forego active and healthy lifestyles for inactivity and hence the diseases of affluence and lifestyle, including obesity, diabetes, heart disease and even certain cancers.

The STTPP was the first real traffic plan for Gibraltar. The plan was brave, but so too was it always going to be contentious, as it centred around change. As we know, everything surrounding change can be extremely difficult to adapt to at first, and there have been very few projects that have been well received by all or indeed rejected by all. This is the nature of that beast called change, and acceptability of initiatives very much depends on whether a person is environmentally conscious or car centric.

With regard to initiatives relating to the STTPP, the Ministry for Transport has carried out several projects during the past year. A charging point was delivered upon the request of the Gibraltar Senior Citizens Association to be used solely as an emergency electricity topping-up station for mobility scooters. The late Manolo Ruiz was a staunch supporter of the needs of the community at large, but especially the needs of the elderly and those with disabilities. This charging point was something that Mr Ruiz requested, and it was a pleasure to be able to deliver this worthwhile service to the community before his sad passing. He will be sorely missed.

As part of the ongoing enhancements to the STTPP, a new mobile parking management tool has been launched that will use automatic number plate recognition technology to easily verify that cars have permission to park in certain zones and estates. This consists of two new and environmentally friendly fully electric vehicles that can process the number plates of parked cars by checking against a real-time parking permit database. They are programmed with geo-fencing technology, which recognises the different zones and which also receives up-to-date information from the MoT database. These types of vehicles are commonly used throughout the UK and other parts of Europe and have a proven track record when it comes to parking enforcement. When these vehicles drive past, they can quickly and effectively pick up cars which are illegally parked or have an expired MoT certificate. Photographic evidence of the infringement is captured digitally and this can later be used to assist with the processing of fixed penalty notices to the offenders.

The Government has commenced its rollout of electrical vehicle charging infrastructure as part of the Government's shift towards decarbonising the transport sector and towards a more sustainable travel model for Gibraltar. This is the way the car industry is moving at present. It is clear that electric vehicles are becoming more widespread, even though there is much speculation as to whether they will exclusively be the future form of sustainable transport or simply just a part of it. Many experts firmly believe that electric vehicles may even just be a transition towards other forms of propulsion. In Gibraltar, logic suggests that it will be very difficult to provide a charging point for each and every one of the vehicles parked on the public highway. Indeed, with the different charging needs of each vehicle and the different charging adaptors available on the market, it would be reasonable to assume that the future is anything but clear in this regard at the moment. Biofuels and hydrogen technology are also starting to carve a path into the growing field of future means of propulsion.

What one does, however, need to question is whether we will be able to defend our huge dependency on the car and continue to keep owning multiple cars per household with the

expectation of having these vehicles parked on the public highway and even charged on the public highway. Today, it is more often argued that this space should be put to better, more sustainable and recreational community use. Sharing is fast becoming the mainstream concept when it comes to forging a path into a decarbonised future; of this I am also convinced. Shared use of resources, vehicles, mobility devices, indeed street space, means an equitable use of resources. Our public realm will need to be looked at very carefully over time if we are to achieve a sustainable future, not only for Gibraltar but indeed throughout the whole world. If we simply swap our regular diesel or petrol cars for electric vehicles, we will bring upon ourselves an ever-increasing need to mine heavy metals, cobalt and lithium at a cost to the health of other communities around the world. These practices have already been pointed out by the world's media to be especially polluting of rivers where even child labour is used to mine these resources in order to provide the chemistry required to produce electric vehicle batteries for the developed world. These processes destroy the fragile ecosystems in developing countries, pushing pollution out of the cities through the elimination of tail-pipe emissions but passing the environmental buck on to those producing electricity or the batteries that store this energy via other less sustainable means elsewhere. Indeed, research is showing that the environmental impact of the manufacture of electric cars means that an electric car needs to be driven approximately 80,000 km before its carbon footprint equals that of an internal combustion engine.

Currently, the focus in Gibraltar is on offering charging points within public car parks, but charging points will soon also be available at certain on-street parking spaces, where possible. Clearly, it will be logistically easier to provide charging infrastructure within private and rental parking facilities than on the street. There will be many challenges to overcome, including the need to consider solutions to hide and make safe unsightly cabling on streets to provide the necessary power at given locations. Nevertheless, Gibraltar needs to be nimble footed to be able to adapt to change. It may not be the end of fuel stations yet, as biofuel and hydrogen technology continue advancing and even the concept of battery fuel stations may see a proliferation of a different concept, where people purchase their car but lease the electric batteries. Shared car schemes and shared micro-mobility is gaining popularity, saving the user the cost of insurance, maintenance, depreciation and repairs while allowing the user a choice of different vehicles for different needs.

The Ministry for Transport is pleased to announce that following an agreement between Government and Plug-N-Go (Gibraltar) Ltd, Midtown car park now has available for use five electric vehicle chargers. The chargers are located on level 6 and they are the most recent generation of electric vehicle charging devices, including a direct charge fast charger. Access to the chargers can be achieved by downloading the application Plug-N-Go, which is available for both Apple and Android devices. Payment is on a pay-as-you-go basis. Further chargers have been ordered for installation at Europa Point car park and at Devil's Tower Road car park. These chargers are for public use. More areas are being identified as demand increases. Provision has already been made for availability of electric vehicle chargers for Government rental stock parking, with two chargers already installed at Harbour Views estate parking.

The Ministry for Transport installed a second new-style, car-shaped bicycle rack at Line Wall Road, an area that has seen an increased demand in bicycle parking. This bicycle parking solution sends a clear message for a more sustainable and environmentally friendly use of our public highway by using the space normally occupied by one single motor vehicle – in this case, a car – to park up to 10 bicycles. This adds to the growing stock of bicycle parking in Gibraltar and further encourages alternative and sustainable modes of transport locally.

In January of this year the Government was pleased to announce the rollout of the next Residential Parking Scheme, Zone 4. This new zone surrounds the West District from Marina Court in the north to Ordinance Wharf in the south, bordering with the RPS Zone 2 in the east. Residents with households within this zone boundary will be eligible to apply for a resident parking permit. This follows the successful rollout of Zone 1 in July 2017, Zone 2 in March 2018 and Zone 3 in June 2018 respectively, and more importantly continues to form part of our commitment to roll out

recommendations contained within the STTPP. The Ministry will monitor this new zone as well as all other existing zones to ensure that parking take-up provides the most efficient use of the existing street space for the benefit of residents and all road users, regardless of how they move.

I am also pleased to announce changes to the existing parking arrangements within Grand Parade car park. The Ministry for Transport and Traffic, following an active consultation process with the main stakeholders in Zone 1, namely the Alameda Estate Tenants Association, and residents within Zone 2, enhanced the parking zones. Consultation and stakeholder engagement plays an important part in the recommendations contained within the STTPP and it pleases me to continue to gauge users so as to make these schemes successful.

The parking stock for permit holders within Zone 1 was increased in July 2020 from 127 to 211, which was well received by residents, increasing their chance to find on-street parking in that area. Since the release of Zone 2, parking stock within the Town Centre zone has been reduced due to ongoing works and construction, specifically in the southern part of this parking scheme. To mitigate the impact, the north-eastern section of Grand Parade car park was allocated to Zone 2 permit holders only, with line painting designating 'ZONE 2' on the ground and signs erected to effectively differentiate the parking arrangements within the car park. As with Zones 1, 2, 3 and the newly announced Zone 4, changes of this nature will continue to be monitored and reviewed, with their respective parking take-up continually evaluated with an aim to provide more efficient use to the existing parking stock within the car park and within zones.

The Ministry for Transport launched a new pay and display online payment function. The launch of this web-based payment portal currently captures all existing pay and display zones throughout Gibraltar; however, further enhancements to this service will be added in future to include the possibility of paying online fixed penalty notices and any Government monthly rental car parking spaces, including the launch of a Gibraltar parking mobile application. New users are encouraged to create an account, where they will be able to store their vehicle's data and personal details for regular use, or alternatively they can log in as a guest to pay for parking for single, one-time use. A reminder email and SMS message will inform the user when the parking session is due to expire and with the added option to top-up, hence extending the parking time without having to return to the machine to pay and without having to attach a ticket to the inside dashboard of the vehicle. This allows much more flexibility and makes the system much more user friendly. Parking management officers will have access to real-time data of all parking payments without the need for this physical ticket. This, in turn, increases efficiency to enforce more areas within a given working day. An FPN will be issued to any offending vehicles with no record of payment.

Mr Speaker, some weeks ago a new, safe, segregated pedestrian walkway was created along South Barrack Ramp with the aim of providing safe passage for pedestrians, especially school children, so that walking may be considered a viable option by residents in this area. This new walkway will improve pedestrian accessibility to and from the nearby schools, bus stops and residential properties. Works at South Barrack Ramp have recently been completed with the installation of planters and barriers as a temporary measure to protect the walkway. Traditionally, pedestrians would walk along a road without a pavement, seeking refuge between parked cars. Current thinking worldwide is moving towards ceding space to pedestrians and raising the importance of the pedestrian to the very top of the hierarchy of road users. Pedestrians are the most vulnerable of road users and walking is the best way to keep healthy and to help the environment, and walking drastically reduces our carbon footprint. It is our responsibility to make walking, for those who wish to walk, as comfortable and safe as possible, to keep encouraging them to do so, whilst at the same time supporting those who feel that walking is dangerous to be able to consider walking instead of using their car. With this initiative, pedestrians and children now have a safe passageway where previously this was non-existent.

As a continuation of the walking infrastructure improvements seen at South Barracks Ramp, the Ministry for Transport will be introducing walking infrastructure improvements all along Prince Edward's Road from Hargraves football pitch to Forty Steps. The western section of this road will be segregated to allow for the safe passage of pedestrians, an area where it is deemed necessary

to connect other existing footpaths in the Upper Town, as well as providing safe access to clubs and out-of-school activities. The first phase of this project by Hargraves football pitch has already
640 been completed, with the remaining to be completed later, as soon as construction works at 73 Prince Edward's Road are complete. The introduction of this new demarcated footpath will result in the removal of 11 Zone 2 parking spaces. However, these have been re-provided within the ex-Queen's Cinema car park. The existing pay and display car park will therefore be removed, given the fact that there is ample parking availability within Grand Parade and Ragged Staff car
645 parks nearby and usage was seen to be low.

The Ministry continues to convene monthly Traffic Commission meetings, where applications from members of the public are submitted through this statutory forum with responsibility for traffic and parking-related matters in Gibraltar. All requests of this nature are brought forward, deliberated upon and either approved or rejected. The members of the Commission discuss these
650 applications objectively and collectively, and consciously deliberate on the merits of each individual application.

Further to and in conjunction with the traffic plan, the Ministry for Transport is working at developing improvements to mobility and accessibility and general sustainability in Gibraltar. The aim is to modify and redesign our streetscape over time, encouraging and making use of other
655 forms of moving, such as walking and cycling, and making the use of public transport more attractive with the aim of decarbonising our transport network in line with Government's commitment to reduce greenhouse gas emissions by 42% by 2030, as set out in the Climate Change Act. We are working closely with other Ministries to be able to improve the accessibility of our footpaths, introduce safe, preferably segregated cycling infrastructure and provide road
660 calming measures on certain roads that have recently been the site of concerning traffic accidents.

The Ministry's Technical Department is working on developing a Cycling Strategy, which will become a useful policy document in the future. This will provide Town Planning with a blueprint for the introduction of the required cycle infrastructure specifications, modes of construction and future locations for cycling lanes. We are fully committed to meeting the climate goals set out.
665 The Ministry for Transport is working with the Ministry for the Environment to provide ways of achieving a more sustainable transport network. The Ministry for Transport fully understands the perceived needs of the community for vans, lorries, cars and motorcycles on our roads, but also notes the number of single-user car trips being made, the often unnecessary and extremely short distances being travelled by car – with distances as short as 400m to take children to school, for
670 example – instead of walking. Although all these journeys may still be financially possible for families in an affluent society despite the huge increase in fuel costs, these come at a cost to the environment and to our health.

I am approached by many people who wish to cycle for recreation, exercise and even as a way of commuting, and I am also approached by cyclists who want better infrastructure so that they
675 can be safer on the road. Many are scared to cycle with their children. There is a certain irony in the fact that most Gibraltarians will buy their children bicycles as a birthday or Christmas present, they will struggle to fit these inside the boots of their car, they will drive them to the lighthouse or find somewhere suitable where there is flat ground, they will teach their child how to balance and ride, and then pack the bicycle back into the boot of their car and drive them back home.
680 After a few tedious and bothersome trips of this nature to use the bicycle during the weekend, the bicycle will simply become a nuisance and will be left to gather dust on the external corridor of the flat, unless one lives in an estate with some common space that permits cycling. Unfortunately, many estates do not permit cycling. Almost as if a rite of passage, we seem to teach our children the long-lasting gift of balance, which will be critical come their 17th birthday
685 motorbike gift, their first motorbike. Nevertheless, rarely will anyone have forgotten that day we rode our bicycle for the first time unsupported and suddenly we extended the frontiers of our neighbourhood. We were free. I do remember, but it was a different world back then, definitely worse-kept roads then, yet they were safer and quieter with very few vehicles. Unfortunately, the modern child simply cannot enjoy this basic pleasure, on roads loaded to the hilt with vehicles

690 chugging dangerous fumes, stuck in bumper-to-bumper traffic, and then, during the less
congested hours, having to face the noise of those turbos firing as cars and motorbikes speed
between speed cameras and traffic light junctions. The child on his bicycle in Gibraltar simply does
not stand a chance in the jungle that has become our road, and neither is there the space provided
today within our urban environment. Unfortunately, cycling is one of the most dangerous ways of
695 moving in Gibraltar, and this is something that we need to urgently address if we are to provide
true equality within our streetscape for all user needs.

Gibraltar boasts of a complete road network, widespread pavements, an Airport and a Port, it
has a free bus service and a taxi service, but the only infrastructure which is missing and which is
vital in a modern city with green and carbon-neutral aspirations is cycling infrastructure. In fact,
700 Gibraltar, like most other cities, over time has improved its offering to the very mode of transport
that is most responsible for a great part of the emissions locally: the car. The car's presence on
the road has grown so much that it has even led to cars creeping on to our walkways and
pavements to the detriment of our pedestrians as vehicles get larger and larger and the need for
wider parking spaces greater and greater. This has made the design and planning of bicycle
705 infrastructure extremely difficult and most challenging, to say the least. The Ministry's Technical
Department has risen to the challenge, and through determination and hard work we are
developing a proposed cycling network that will span from Bayside Road south to Waterport Road,
Bishop Caruana Road, Saluting Battery, Rosia Road, Little Bay, Keightley Way Tunnel and finally to
Europa Point. The scheme has set aims to achieve the introduction of bicycle routes via a phased
710 approach, using transitional pop-up bicycle lanes that can later be adjusted and improved on as
necessary to ensure that the final construction optimises the new infrastructure. Where space on
the road needs to be shared, a reduction in speed limit will be necessary to maintain safety for all
road users. The scheme also aims to create more accessible pedestrian areas and the uniformity
of road crossings to respect the needs of our community at large, including those with more
715 specific needs due to medical and mobility issues.

The scheme aims to create a modern 15-minute city in Gibraltar, where you can travel and
arrive at your primary destination quickly and safely within 15 minutes via a sustainable network
of travel. Many cities are striving to become these 15-minute cities and yet we are already a
15-minute city by definition, as most of us can, in fact, access our destinations within 15 minutes
720 in Gibraltar by walking – more so by cycling – yet we prefer to have a 30- or 40-minute city by
jumping into our cars and getting stuck in traffic, causing detriment to the air quality of our home.
Traffic is not something that exists of its own accord. Traffic is not another beast to contend with
on the road. We are traffic, as the Financial Secretary often likes to hear me say, bringing a cheeky
smile to his face. The team at the Ministry believes that the introduction of this bicycle
725 infrastructure will allow the public to experience this new mode of transport and help reduce the
use of the car in our city.

People will immediately associate me with bicycles. I am passionate about the bicycle as a
means to get to places, keep fit and discover new places, but above all I am passionate about
doing my bit to help the environment. Of course I like cars – in fact, I love cars – but I seldom drive
730 if I can avoid it, and I feel better and healthier for it. I firmly believe that the bicycle is our means
to a better, greener, healthier modern city. Lead researcher Dr Christian Brand for the University
of Oxford said:

We found that those who switch just one trip per day from car driving to cycling reduce their carbon footprint by
about 0.5 tonnes over a year.

This is a fact that we cannot consciously ignore. Leaving the car at home and walking or cycling
means better air quality and better health, and collectively we can leave behind a better place for
735 future generations. After all, this is what the climate emergency is about, and this is what the
Climate Change Strategy is aiming for. Without everyone doing their bit and educating ourselves,
our future cannot realistically be rosy. For the first time ever, in 2013 the death of a nine-year-old

girl in the UK thought to have asthma was attributed to air quality and her death certificate actually stated that air pollution was the cause of her death. This child lived near the South Circular Road near Lewisham in south east London. This is the severity of the situation most cities face, and Gibraltar is no different. Furthermore, we have to contend with a stuffy and humid microclimate that causes our air to linger and we are also in proximity of heavy industrial plants within the Bay which add greatly to our problem.

I now turn to the bicycle and the Ministry's initiatives in this respect. The bicycle, in one form or another, has been around since the early 1800s, but the development of the safety bicycle in the 1880s was arguably the most important change in the history of the bicycle. It shifted its use and public perception from being a dangerous toy for sporting young men to being an everyday transport tool for men and women of all ages. It was decades later that the first commercially manufactured car would make an appearance. At the time, the view was that the car would eventually do away with the bicycle, but in fact the bicycle has remained very much unchanged, whereas the car has had to evolve to survive, changing its shape and appearance, its use and its means of propulsion. With the dawn of the car, roads and streets slowly had to be adapted to the vehicles that would eventually change the way the world moved. I am firmly of the view that the bicycle will outlive the car; but regardless of my personal opinion, it is important and right to provide accessible streets for all to be able to choose their own means of travel, be it walking, cycling or whatever they choose.

Gibraltar clearly was never built for the car – the Upper Town and city within the walls is testament to that – yet 'new' Gibraltar, if I may call it that, has been planned around the car. Planning policy has traditionally sought to provide space for car parking in all but a few of the newest developments, and unfortunately, creating the space for a harmonious co-existence for these different modes of transport never happened. Roads were built, yet no provision was ever made for bicycles in those days. Today, planning policy is very slowly changing and the Ministry for Transport actively seeks to ensure that all development applications take into consideration modern needs and apply the latest thinking with regard to urban planning. The design of street space is critical if we are to move towards a greener future. No matter how much we enjoy our cars, it is easy to draw the conclusion that internal combustion engine vehicles – HGVs, cars and vans – all result in noise pollution, air quality deterioration, space challenges and the loss of potential and valuable recreational street space for people, families and children to enjoy.

Unfortunately, resistance to change is strong and the way ahead is potholed and with many obstacles, but this is certainly the direction we must try to travel if we believe that there is a climate emergency and that we need to be proactive against climate change. Otherwise, it makes little or no sense. Cycling is not for everyone, but neither are the bus or the car. The question here must be choice and to provide that choice, so that people may choose whether they drive, walk or cycle, but everyone must be allowed to do so safely and without fear. The problem is that cyclists often fear, especially for their children, and many parents will not allow their children to cycle on the road. Pedestrians often fear, too, the speed of cars, delinquent drivers, the sound of noisy, blasting turbo exhausts deliberately made to fire by rapid acceleration. Even those who drive on a Sunday for recreation often fear cars and motorbikes overtaking them. The key is respect, and unfortunately much respect is being eroded together with road etiquette, and this is fast becoming a big policing challenge across the board.

As part of our existing manifesto commitments, the Ministry is engaging with various stakeholders to allow Main Street businesses to make and receive deliveries all day by cargo bike and provide fiscal incentives for the use of cargo bikes for deliveries instead of via often old, polluting diesel trucks. Many cities are embracing the cargo bicycle as a real and serious alternative to the internal combustion engine. E-cargo bicycles are, today, capable of carrying huge loads and are relatively inexpensive to run and maintain.

The existing bicycle sharing scheme and the concept of bicycle sharing is currently under review. Bicycle sharing technology is constantly advancing and, as a result the Redibikes scheme, came to the end of its usable lifespan. It is well accepted that bicycle shared schemes form a very

790 important part of any city's active shared mobility plan, together with other, more novel means of personal mobility. Government will continue to explore ways of introducing shared personal mobility solutions as and when the time is deemed right.

New bicycle racks are continuously being rolled out at strategic locations around Gibraltar, with the latest additions being at Main Street South, Harbour Views Road, Casemates and John
795 Mackintosh Square. There are, as it stands, a total of 327 public cycle parking spaces throughout Gibraltar.

The Ministry for Transport is happy to be re-launching Pedal Ready, in partnership with the GSLA, during their summer sports programme this August. The aim of Pedal Ready is to prepare children for cycling by using games to develop their cycle handling and awareness skills. Such a
800 scheme offers our future generation the awareness and skills needed to adopt more sustainable travel options both now and in the future. Pedal Ready will also, over time, be offering short courses for adults to teach them the basic skills of safe cycling on the road, including road positioning and the new Highway Code. There will also be future opportunities to teach persons who have never cycled before to master the basic skills of balance.

805 The Ministry for Transport, in conjunction with the Department of Education, will seek to trial walking and cycling 'buses' once the Mobility, Sustainability and Accessibility Scheme has kicked off. This scheme aims to encourage children to walk and cycle to school. This initiative would be beneficial not only for the health of the nation at large, as studies have shown that exercise before school improves concentration as well as providing known positive effects that exercise brings,
810 but will also help to reduce the number of cars on the road during peak school drop-off and pick-up times, as children will be encouraged to walk in a supervised manner with their peers as a sustainable and healthy means to travel to and from school. This will, hopefully, lead to fewer school car trips.

Mr Speaker, the Department of the Environment, Heritage and Climate Change, in conjunction
815 with the Ministry for Transport, is currently drafting anti-idling legislation. Research shows that an idling vehicle can emit up to 20 times more of certain pollutants than the same vehicle travelling at 50 kmph. These microscopic pollutants can cause asthma and worsen chronic illness such as bronchial disease, lung cancer and emphysema, and can be particularly damaging for children. By introducing this legislation, we hope to raise public awareness about the damage that
820 can be caused to health by leaving vehicles idling unnecessarily. The powers under this legislation will mean that anyone who leaves their engine running unnecessarily while not in use can be issued with a fixed penalty notice if they do not turn off their engine when told to do so. The introduction of this legislation is just one measure the Government is looking at to improve local air quality. Clearly, this initiative is only possible when the whole population works together and
825 understands the importance of reducing emissions in this way. Most modern cars already prevent unnecessary idling by cutting their engines out automatically when stopped, but this is a function that can be overridden manually in some cars. Idling is an even worse problem in older vehicles, especially when some drivers refuse to switch their engines off in order to keep their air conditioning running and their cabins cool.

830 The Ministry for Transport, in partnership with the Department of the Environment, Heritage and Climate Change, is currently investigating the possibility of introducing a low emission zone in the heart of our town, Main Street, in a bid to improve air quality in an area which sees many old diesel trucks delivering goods during the delivery times. Such a scheme could introduce a permit fee to discourage the use of these highly polluting vehicles to drive through Main Street
835 and bring about a transition to newer and less polluting delivery vehicles such as electric vehicles or plug-in hybrids. The Ministry has already met with the Chamber of Commerce to discuss the introduction of a low emission zone along Main Street. The proposed policy of this low emission zone is currently being drafted and we have engaged with various stakeholders to allow Main Street businesses to make and receive deliveries all day long by cargo bikes. A fee would be
840 considered, by way of an access permit, which will be incrementally raised annually for delivery vehicles within this low emission zone which are not environmentally friendly. The proposed

scheme has been well received in principle and we look forward to working closely with our local businesses to see how we may be able to make this a reality in partnership. Permit fees would depend on the emissions of each vehicle, and certain sustainable modes of transport would enjoy longer delivery times in Main Street.

The purchase of two latest-technology handheld speed camera guns with photographic capabilities for the Royal Gibraltar Police was approved in Cabinet following a request by the Commissioner of Police in order to improve the policing of speeding offences. This system does not require a police officer to stop a vehicle, as the photographic evidence means that these handheld devices work similarly to a static pole-mounted speed camera.

The Personal Light Electric Transporters Bill is now drafted and will be brought to Parliament very shortly. The legislation will provide these devices a sound legal framework which will allow these vehicles to operate legally and safely within Gibraltar. It will define the personal light electric transporters, or e-scooters, that fall within this special framework and will focus on safety, and, for example, make it a requirement that an operator of a transporter wears appropriate protective headgear, further setting a minimum age and speed limits. The Bill will also amend the Traffic Act to ensure, for example, that the offences which can be committed by cyclists are replicated for operators of personal light electric transporters. The amendments to the Act will allow amendment of existing subsidiary legislation to ensure that it is clear that operators of these personal devices are required to comply with the rules of road safety that apply to the users of other vehicles.

The updated Gibraltar Highway Code is now completed and should be available online shortly. There will also be a printed version available to the general public. The new Gibraltar Highway Code, which follows the new UK Highway Code and standards, takes into account relevant changes made in the UK Highway Code. This new code reinforces new rules and, most significantly, provides increased priority to the most vulnerable – the pedestrian and the cyclist – within the modern streetscape. The Ministry has been working very closely with the Royal Gibraltar Police and the chief examiner at the Driving and Vehicle Licensing Department, who are the principal stakeholders in this document.

In preparation for the introduction of cycle lanes in Gibraltar, the Government Law Officers are currently in the process of drafting regulations concerning the use of, as well as the exclusions on, the use of cycle lanes. This legislation will also include the introduction of an offence of dangerous overtaking of a cyclist.

The draft Bill for the implementation of a penalty points system is now complete and ready to go before Parliament. The software back-office solution is nearing its final stages and should be ready ahead of the Bill being brought before Parliament. All ancillary documentation and processes have now been prepared. We aim for the system to be up and running very shortly after the Bill is enacted.

The Ministry is finalising plans for the introduction of advanced stop lines for cyclists at certain specific strategic locations. New legislation would need to be published for these new road improvements, so that they are enforceable and used as intended.

Mr Speaker, I now turn my attention to the Driver and Vehicle Licensing Department. The DVLD has had an extremely challenging two years, due to all the necessary amendments to legislation and additional requirements when driving in Europe. This has proven challenging at times, with the DVLD team working closely with the Government Law Officers, DVLA (UK) and HM Government of Gibraltar Office in Brussels in order to meet the imposed deadlines.

The Driver and Vehicle Licensing Department has embraced and used information technology as a tool to achieve a better and more efficient service to our customers. To date, it offers a total of 13 online services and applications via the e-government portal. The Department is in the process of providing further services in the coming months. The DVLD continues to see considerable demand from its service users and also offers its services through its public-facing counters, which includes a dedicated business counter. The Department has managed to maintain very reasonable waiting times and expedite tests for students and those requiring driving licences

for work-related matters, despite the increased workload. The introduction of the express service is providing our local dealers with a next-day service for new vehicle registrations, duplicate certificates of registration, change of ownership and motor vehicle particulars. We are looking forward to introducing an express service for driving licences in the near future.

With regard to special driving licences, such as categories for buses and heavy goods vehicles, the Department arranged for a Driver Certificate of Professional Competence trainer from the UK to come to Gibraltar as soon as the COVID restrictions were lifted. This allowed all existing licence holders to undertake their respective refresher update courses and new applicants were able to meet the stringent requirements of these licence categories. The courses were delivered by an approved UK instructor.

The compulsory basic training (CBT) continues to be a huge success and continues to receive very good feedback, especially from parents. I am very proud to have introduced this for motorbikes back in 2013, which has improved road safety, mainly for teenagers driving on our busy roads. The Government of Gibraltar is pleased with the success of the compulsory motorcycle basic training course, almost 10 years after its introduction. This important course continues to ensure that every person demonstrates a minimum level of skill and competence before being permitted to drive on our roads. I cannot emphasise the importance of this training, which is delivered by qualified motorcycle instructors, and I am confident that this compulsory procedure will continue to help prevent serious injuries and accidents on the roads in Gibraltar.

I am proud to announce that following the successful MoT booking system developed by ITLD, the Department is now working to introduce a full online booking service for the CBT, to include theory and practical motorcycle riding test components that will allow service users to choose their own bookings online, providing a quicker and more efficient service to the public.

Continuing with road safety, the Government has invested in new brake rollers for the Certificate of Roadworthiness tests – otherwise known as MoT tests – within the Test Centre. These will help vehicle testers when examining vehicles. Continuous investment and improvements are the best way to ensure further road safety, and the Government is fully committed to this. Environmental matters are also of importance, and the Motor Vehicle Test Centre boasts the latest equipment to test vehicle emissions. The equipment fully complies with the EU testing legislation and is in line with the manifesto commitment for a greener Gibraltar. By conducting these tests, our vehicle testers can establish if any part of the emission system of a motor vehicle has been tampered with, removed or otherwise illegally modified.

The DVLD has come a long way in establishing a database link with other member states in accordance with EU directives. The DVLD shares vehicle information via the European Register of Road Transport Undertakings via the Driver and Vehicle Services Agency. The European Car and Driving Licence Information System is another example of the information exchange software system that the DVLD uses to provide the necessary framework to other countries in order to share their car and driving licence registration information.

Mr Speaker, after a brief stop due to the pandemic, the taxi city service has been fully restored and with the help of our transport inspectors the provision of the city service will continue to be monitored. The Government works closely with the Gibraltar Taxi Association to try to improve the service being provided. I am also pleased to announce that Gibraltar now has its first Electric Taxi within its fleet.

The Transport Commission meets on a regular basis to consider applications for a wide range of transport licences. The Commission also considers all transport-based complaints received from users of our public services. I must thank all members of the Commission who give up their time regularly to provide and deliver the statutory responsibilities of this forum to all.

The Transport Inspector team provides cover on the ground to police transport-related activities throughout Gibraltar. Their duties include the overseeing of our taxi and bus services and the inspection of the taxi provision service at the Airport. Furthermore, the transport inspectors oversee the provision of the taxi city service throughout the year and ensure that all

945 permits to access pedestrianised areas, particularly those accessed by commercial vehicles, are adhered to.

With Brexit came the requirement to make changes to our present driving licence format, which included the removal of the EU stars from our licence cards. As from 3rd May, Gibraltar has been printing and issuing the latest model of driving licence as currently used in the UK, with our
950 Gibraltar issuing authority label. These cards have been printed within our Test Centre's newly refurbished facilities, reducing the costs of production. A new MoU has been signed with the UK, reducing further the cost of our blank cards.

Finally, I would like to take this opportunity to thank the entire team at the DVLD for their hard work. They have managed to ensure a continuity of service and introduce substantial
955 improvements throughout the entire Department during somewhat challenging and uncertain times.

Mr Speaker, Gibraltar's buses are a key and very critical part of transport within the STTPP. Encouraging modal change also requires an efficient and reliable bus service, and the Gibraltar Bus Company provides exactly this. There is little reason not to consider the bus offering in
960 Gibraltar, which is predominantly free for locals except for the night bus services. The Bus Tracker app has been revolutionary, putting the bus service right into the hands of the user. The request stops at certain bus stops have greatly improved the service timing and made the ride more comfortable for both the user and the bus driver. Nevertheless, we would like to see greater take-up of the bus service throughout the whole community. At present, the bus service is used
965 predominantly by school children and the over-60s group. This results in a massive take-up during the morning and at school times and very low usage during the day and weekends. The school bus routes, operating every weekday during school term, continue to be a success. This service tackles the issues brought to our attention by users who were concerned that route buses were full at school peak times. The Bus Company shares a hopper ticket with Calypso Transport. The hopper
970 ticket – or hop-on, hop-off – enables visitors to Gibraltar to make the most of Gibraltar's attractions within the city centre and other areas located within the lower reaches of the Rock at their own pace throughout the whole day. The bus hopper ticket can be used on all of Gibraltar's public buses. We will continue to explore ways to improve the current service.

I would like to thank all those down at the Gibraltar Bus Company, the bus manager, his
975 management team and all the bus drivers, who work long hours, day, night and into the early mornings on the weekend night buses. They provide a service so that we may go out and enjoy the nightlife safely and sustainably.

Parking enforcement continues to be a massive challenge in a town with one of the largest vehicle ownership rates in the world. The sheer volume of cars means that there is a constant and
980 daily battle to find a place to park these cars. Often, cars park illegally on pavements and abuse the zone parking rules. This provides a massive challenge to provide all-year-round enforcement. To this end, parking enforcement has had to evolve to rise to the challenge. During lockdown, with very quiet streets, GPMSL took the opportunity to install all the required smart parking sensors within the pay and display areas. This technology would prove essential with the development of
985 other projects which followed, and 2022 saw the soft launch of a mobile phone app and website branded simply Gibraltar Parking. This is our local implementation of SmartParking technology. Using a sensor placed under each parking space, the online map shows drivers which bays are available for use. Before the introduction of this system, drivers would need to drive around looking for a parking space, but this new technology directs users to the empty spaces in the area,
990 helping to reduce the need for driving aimlessly and speculatively, and therefore provides an environmental benefit.

Further investment has been made in the operator control room. Operating around the clock, the control room team watches live CCTV feeds from all of our car parks and other relevant sites. Through secure website portals, the controller and his assistants can see the status of the pay and
995 display machines, the SmartParking sensors and other systems, including the bollards at Casemates Square. These open and close automatically on a daily basis for cleaning and deliveries.

They are also programmed in advance of special events such as the recent visit of Prince Edward and the Countess of Wessex, where maximum security is achieved whilst allowing remote opening from the control room in the event of an emergency.

1000 The pandemic saw a move from people willing to queue in public areas and wait in line to be attended to in the traditional counter environment to opting for smarter, online services. Gibraltar Car Parks did not have a website before the pandemic. As local restrictions were imposed, a website was developed in house. Important documents were converted from paper format to online, tested and then made available to the public. All forms which were previously only
1005 available in paper format at the public counter were added to the website and can now be accessed online.

Post COVID and with the introduction of alternatives to cash payment systems at pay and display machines, we have seen a reduction in cash payments generally, and these are seen to continue to drop over time. Over the past three months, cash payments have dropped further to
1010 35%, from 46%. This makes for a more effective service, as via the app paying for parking can be done remotely if a person needs to extend their parking time within the limits set within each parking area. It is the hope and aim to be moving to cashless systems in the near future.

Mr Speaker, in conclusion, I would like, again, to thank all those working within my respective Departments, most of whom I have got to know personally throughout the years and with whom
1015 I enjoy and share an invaluable professional relationship. I would like to thank all management, technical and administrative staff at Technical Services, the Sewer section, Highways division, the Garage and Workshop personnel, the Gibraltar Bus Company staff, its drivers and mechanical staff, and those involved with parking management and enforcement. I would also like to thank management and all the staff down at the DVLD. Finally, I would like to thank my Ministry and
1020 technical team for their efforts throughout the past year. I also wish to thank all parliamentary staff for their hard work and assistance.

This has been the toughest Budget speech, ever, for me to prepare. When one's body and mind was elsewhere for weeks on end and at a time when I needed the most support, much welcomed support came from an unexpected source. I would like to give my heartfelt thanks to someone, a
1025 public servant whom I got to know very well over the years I have been in Government, a person I have worked closely with and travelled with on Government business in the past and who kindly offered to assist me during the latter stages of the preparation of my speech, giving up his family time after working hours and during two weekends, even while overseeing the children at the pool. You know who you are, and I am most grateful.

1030 This one is for you, Dad.
Thank you. *(Banging on desks)*

Hon. Chief Minister: Mr Speaker, I wonder whether this might be a convenient moment before the next sonoric contribution from Mr Bossino, to take a 15-minute break.
1035

Mr Speaker: The House will now recess to 10 past six.

The House recessed at 5.52 p.m. and resumed at 6.13 p.m.

**Appropriation Bill 2022 –
Second Reading –
Debate continued**

Mr Speaker: The Hon. Damon Bossino.

1040 **Hon. D J Bossino:** Thank you, Mr Speaker.

I rise to set out the GSD Opposition's contribution in the areas of tourism, housing, heritage, planning and lands.

On the tourism statistics, the general point to make is that they have not been as assiduously updated online of late. I am not clear why that is the case. The cruise liner statistics are the exception, with the last updates online from June this year. This is particularly helpful when one considers that the Tourism Survey Report was only laid before the House yesterday, the very day the debate on the Appropriation Bill started. By comparison, the figures for Upper Rock visitor numbers end in July 2021. When asked for updated figures in respect of the various tables which comprise the Tourist, Air Traffic and Hotel Occupancy Survey Reports, the Minister, rather unhelpfully, declined to provide the answer, telling me to await the formal issue of the reports. It is not clear what the reason is for the delay or refusal to provide the answer in response to a parliamentary question. Is it that the Minister is less than keen to provide updated information in a transparent manner? Or is there a more innocent explanation, that administratively it has not been possible? I do not propose to make a value or political judgement at this stage, other than to say that, whatever the reason, the Opposition, but more importantly the public, are having a disservice visited upon them and I urge the Government to rectify this.

For an analysis of the statistics which were available at the time of preparing for this contribution, one would need to focus on the cruise liner figures. What these show is that there is clearly a much welcomed improvement in a post-lockdown world. I use those words advisedly, because it would be inaccurate and clearly overly optimistic, in light of increased infections – and we have one of our own currently undergoing the condition – to describe the current scenario as 'post-COVID'. There is a significant jump in the number of passengers from March 2022 to April, of 11,867, an increase of almost 60%. Although slightly down from April, this May's figures are looking promising at 20,479. If that statistic is compared with the immediate post-lockdown monthly average from July 2021 to March 2022 of 3,740, it represents a further sign of recovery in this sector. This is to be welcomed and we do so from this side of the House. We are not, however, quite there yet. This statement is backed up by the comparison which can be made with the same months, i.e. April and May, in 2019 when the number of people arriving via cruise liners stood at 32,000 and 36,000 respectively, compared with 20,500 and 20,400, again respectively, for this year.

We hope that we can regain the share of the market that we once had. This requires energy and focus and should, quite properly, be private sector led. As someone who has been described as being on the centre-right of the political spectrum, the view that the private sector should take a lead and incur the expense of marketing and business development in order to bring more business here has an inherent ideological sense to it. This is not to say that the Government should not play its part.

From a very macro level, Gibraltar faces stiff competition. Gibraltar Port is having to contend with an increased dominance of the Cadiz and Malaga ports. Indeed, there has been talk for some years of La Linea itself also operating a cruise liner port. It will not be lost on Members that this is competition which has the potential of becoming even more acute should we accede to the Schengen space in the event of the much sought-after deal with the EU becoming a reality. Coach tours to Gibraltar will be able to be sold, say from Malaga, as is done from the Roman port of Civitavecchia to the Eternal City, which entails a two-hour drive, not dissimilar to what it would take from Malaga to here. If La Linea did ever become a reality in terms of cruise liner provision, the effect would be obvious.

In other statistics which are more contemporaneously available – coach passenger arrivals – we also see a similar picture of improvement, albeit not to the same pre-pandemic levels. The figures for January 2022 stood at 731, and as at May they stood at 14,320. The comparative figures for 2019, however, were 7,246 and 27,100 respectively.

1090 The information we were given yesterday with the laying on the table of the Tourist Survey, Hotel Occupancy and Air Traffic Survey Reports for 2021, shows that the overall tourist expenditure has risen from £97.51 million in 2020, which in itself represented a vertiginous drop from £307.57 million in 2019 ... is now starting to creep up, albeit slowly, to £128.19 million in 2021.

1095 The hotel occupancy figure is still comparatively low at 59.6% in 2021, although increased from 46.6% in 2020. We see a similar story with air arrivals, where there is a slow pick up in numbers but certainly not the high numbers that anyone listening to the Minister would think were arriving each time he announces a new airline coming to Gibraltar, which, as we all know too well, never materialises in anything serious or long-lasting.

1100 Dwelling on some of the measures announced yesterday – the Sustainable Tourism Tax of £3 per person per night of hotel stay and the £1 per cruise liner passenger – we on this side of the House have initial doubts as to whether this revenue-raising measure now, at this precise moment when we are in the throes of a recovery of a severely and badly hit sector, is the best decision. Historically, Governments and Oppositions have argued over how one party or another has fared in bringing more visitors here, but I think we need to spend much more political time and energy in analysing what it is that we offer those visitors once they arrive. I am told, for example, that there is a particular challenge to get passengers off the liners. Here, we face competition with the liners themselves, given the full array of amenities and comforts which they offer on board, such that passengers need to be persuaded to come onshore. Liners, as will be expected, will go to where it is more profitable for them, and shore excursions are where they get a lot of their income and revenue. It is not yet known, in those circumstances, what the effect of the £1 surcharge will be on things. This is where the competition is tough. This is where everything that we can do to improve the much-needed footfall on our streets must be done, from effective marketing on board liners to providing a Rolls-Royce, fully integrated transport service, to the cleanliness of our streets, to high-quality customer care, to improving on our prices. A tall order, I know; a tall order which I think has eluded us for far too long. I say so in the least partisan of ways. As Gibraltar, we cannot afford to rest on our laurels. We have to accept the huge blow which the pandemic has brought in its wake, particularly in the tourism sector and the consequential impact on our economy.

1120 In figures – and to put this in context, the figures bear repetition – the Tourist Survey Report of 2019 clocked tourist expenditure at £308 million. That dropped to £98 million, a whopping £210 million, as a result of the pandemic. We, all of us, need to ensure that we do our bit to improve what we have to offer, and I am confident that it can be done. We, on this side of the House, are excited to offer the electorate, at the next election, our ideas in this sphere. Our view is that fundamental to that offering is that there is proper strategic thinking to be done – an opportunity which we thought the Government lost during the lockdown period, as I put to the Minister in the televised debate we had in January.

1130 We are fully conscious and aware of the amount of activity that this small area of the world has to put up with in order to provide what is, on any objective view, at least currently, a high standard of living. We have an Airport, a Port, a dockyard, a financial services industry, a vibrant construction industry etc. All of these features have an impact, for example, on how clean our streets can be kept or how pristine our buildings can be maintained, or, indeed, how busy with traffic our roads are. This is why we need to take stock, do a bit of naval gazing and honestly and truly ask ourselves what destination do we want to be. Should we be a day visitor destination, or do we want tourists to stay in our hotels? What type of hotels should we offer, if so? Once we answer fundamental questions like these, we will be able to inform the decisions that we take, in full partnership with the operators within the industry, in driving policy in this area. Our further

view, in terms of basic themes which should drive policy in this area, is that there has to be much more joined-up thinking. The Tourism Department needs to talk to Culture and Sport – indeed even Education – under one umbrella and co-ordinate approaches in a formal way. Culture and Sport bring people here, and that must be harnessed as part of our tourism and visitor experience potential, and educators must be brought in to encourage people to pursue career paths in the hospitality sector.

I must say we are concerned at the answers we received when we asked detailed questions in connection with the Minister for Tourism's extensive travels. There is one currently on the Order Paper still to be addressed, in relation to his trip to Bangladesh during the same period that he could have been at the Madrid Travel Fair in FITUR, which he failed to attend. There appears to be no focused strategy, other than the clocking up of air miles and an almost obsessive desire to get a picture taken with the latest political or business celebrity in order to then publish it in the press with a standard quote saying how good and beneficial the particular trip or meeting was. *(Banging on desks)* It may do wonders for his scrapbook, but what does it do for Gibraltar? He runs the risk of becoming identified as a stalker and security risk *(Laughter)* by the security details of famous personalities if he carries on this way. Where is the analysis as to why it is more productive to go to one event over another? What SWOT analysis is made as to what is likely to come of a trip? What business has been generated, and, indeed, is it worthwhile attending again? Was the money, which is increasingly in short supply, well spent? We got absolutely no sense of that – with the greatest of respect to him – which, sadly, is not surprising but is, nevertheless, highly concerning. Simply to flag that, at this stage, as regards the money, the information we have now indicates that the Minister himself – i.e. excluding his delegation, only him – has cost the taxpayer, in travel alone – for him, I repeat, not his delegation – £28,527.45 in just one year.

Chief Minister (Hon. F R Picardo): Money well spent.

Hon. D J Bossino: The appointment of the new CEO of the GTB has the potential of providing that new impetus and strategic leadership, and we wish the individual well.

Hon. Chief Minister: It's your brother!

Hon. D J Bossino: As the House will know, our main quarrel with the Government was the location from which he would conduct operations. It became the subject of heated debate. They insisted it should be London on the grounds that it was our main source market – although arguably, we would say, this is Spain – whilst we said he should be here, at the destination he will be wanting to sell. In this connection, we had a rather vague smoke-and-mirrors response from the Government, which is their wont, in a recent question and answer session here. That half-response spoke more to a childish avoiding of an admission that there has been, we suspect, a change of policy and thereby avoid the 'I told you so' reaction from this side than anything else. Eventually, the truth will come out.

I fear, however, that the Minister will continue to want to feature heavily when, say, we have an inaugural cruise liner arrival with picture and plaque in tow, or showcase his last visit to some conference or other, all in a misguided attempt to improve his ratings. He has, after all, been associated more with flops and failures – Volotea, Eastern Airways, Wizz Air and, I dare say, Line Wall Road very quickly come to mind *(Interjections)* – but I would urge him to give the new appointee wings. I say this not because of the filial connection, as I would be urging him to do so whoever the CEO may have been, but so that the significant salary is properly put to good use. The Minister's career may not have taken off, but that does not mean that he should bring others down with him. Finally under this head, I need to highlight to the House the concerns that have been expressed in the context of the employment situation within the Gibraltar Tourist Board, with recent complaints expressed publicly about employees being transferred unwillingly or

employees leaving because of the Minister's despotic manner. This is borne out by the reduction of four in the overall staff complement in this Department, from 24 last year to 20 this year.

Our housing needs continue to be an issue. The waiting list figures available online as at April still show a total of 763 waiting to be housed, with the greatest demand being placed on the 1RKB category, standing at 532. There is also a rather persistent figure of 200 applicants on the pre-list as at April 2021, which are the latest figures online despite the table having been last updated in May 2022. It is welcome to note a decrease from February to March, from 1,183 to the 763 figure that I have just mentioned from the general waiting list, i.e., excluding the pre-list. The anecdotal evidence that we receive as an Opposition, however, continues to be that housing remains a persisting social issue of concern, with many of the approaches we deal with relating to housing.

The Public Services Ombudsman in his report confirms this when he states:

Complaints against the Housing Authority continue to remain top of the list of departments attracting the highest number of complaints.

I also quote my friend, the former Opposition spokesman for housing Mr Reyes, when last year, in this very debate, he said:

the reality today is that there is a need for housing and it is the most vulnerable in Gibraltar who are suffering the worst. Most of the meetings I hold with constituents are about housing matters ...

I can confirm that that is my own experience since I was given this responsibility recently. We hear of families in nine-square-meter accommodation who have been waiting to be housed for years on end, some for seven to eight years, or other cases where there is an inexplicable failure to rehouse tenants while they continue to live in squalid conditions. The physical and psychological effects that these individuals have to endure are almost too much to bear, but bear it they do with resigned patience.

The inevitable conclusion that one comes to is that the system is simply not working. The Housing Allocation Scheme is still under review and we eagerly await the soon to be published new rules. As matters stand, however, there is a need for a radical shake-up. Firstly, our policy to create separate lists to buy and rent would be expected to both reduce the list and identify who is in real need of social housing. Secondly, this policy, coupled with our further policy in government to grab the bull by the horns and introduce means testing would help us to further target those in real need. The Minister's reply on this was, in some ways, and with respect to him, underwhelming. In essence, it boiled down to a supposed administrative challenge which he claimed results in PAYE earners suffering unfairness when compared with the self-employed. Are we really not pursuing what surely we can all agree, on all sides of the House, is a fair system because something, somewhere is failing administratively?

We need to move away from the concept that there is an entitlement to a fully funded, state-provided home irrespective of your wealth to a system which acknowledges that there are people who are in genuine need of social housing, with the state focusing assistance on these individuals and not others. We make absolutely no bones of our view that housing of this nature should be targeted at those individuals. Persons on low income or with specific medical or other special needs should be helped, and not others. How many of us hear stories of luxury cars leaving government estate parking lots, for example? This needs to end. There should also be much better monitoring of those who claim that they live in government rented accommodation but in fact live almost permanently in Spain. This is an abusive practice at various levels, as they hog much sought-after social housing subsidised by the taxpayer and benefit from other state-funded help in education or free parking. In respect of supported housing for the elderly, here too we need to see a fairer system in place, in which homeowners who have sacrificed life's luxuries to fund a mortgage and own their own home ... should be treated less fairly and are indeed discriminated against when compared with other individuals who may have done very well for themselves, may

be in receipt of a healthy government occupational pension, lived on a government estate and therefore paid very low rent during their working life and also, to boot then been granted assisted living. This is unfair and should also be stopped. On rental arrears, the figure remains stubbornly and depressingly high, at £4,486,558.25 as at April 2022. I will not stand here and point the finger at the Government. This is a problem which I am sure is complex to resolve, but more thinking must be done to bring that figure down. Gibraltar's public purse simply cannot afford to see this type of abuse as a permanent, long-lasting, perennial feature. Something more needs to be done.

We are still waiting for progress on the new Housing Act. Here we need to see the introduction of a fairer system, where private landlords are able to make a profit on their property and thereby allow them to properly refurbish and improve the housing stock they own while at the same time prevent abusive action being meted out to tenants. The balancing act here is to prevent abuse in both directions, from tenant to landlord and from landlord to tenant. We eagerly await the arrival of the new legislation to see if that balancing act has indeed been achieved.

On affordable homes, the long-suffering applicants have experienced woeful delay in respect of, without exception, all developments, whether it is Hassan Centenary, Bob Peliza Mews or Chatham Counterguard. The current dates that we are looking at, according to the latest replies we have had from the Minister, range from July 2023 in respect of Hassan Centenary to anything around the 2024-25 mark, depending on site clearance issues in respect of the other two. All of this clearly creates financial burdens for some who are making payments towards the financing of their new flats while in some cases paying for their current accommodation. The delays are also having an effect on those young people who are having to put their lives on hold until the flats are built; all of this in the context that the originally promised completion dates were, in at least one of the cases, pre-COVID. Indeed, their press release boasted at the time – this is in 2017 – of 'hundreds of new homes as from August 2019'. When Chatham was announced in July 2019 the envisaged commencement date for construction was the last quarter of 2019, months before COVID hit us. As matters stand, not one brick has yet been laid in respect of this development and Bob Peliza Mews. Indeed, not that many bricks were laid before COVID struck, so on this occasion the pandemic cannot be reasonably used as a cause of the delay, and it will not be lost on anyone that the announcements of the construction of these estates benefitted them electorally in 2019, yet they have failed to deliver.

We need to pause and make further plans for the future. We need to ask ourselves what are our housing needs for the next five, 10 even 15 years. We now hear of cases of individuals who would have been in their late teens when the first announcements were made in September 2017, who do not now have access to affordable housing and there is no prospect whatsoever in sight of them receiving a flat any time soon. The current Eastside project only caters for 100 flats. We are staring at a missed and forgotten generation who must be catered for.

It is also important to plan for the housing needs of people with disabilities. We need to ensure that there is provision of appropriate housing, including specialist and supported housing. This is crucial if we are to help them live safe and independent lives. Unsuitable or unadapted housing can have a negative impact on disabled people and their carers. It can lead to mobility problems inside and outside the home, poorer mental health and even impact on their employment prospects. Without accessible and adaptable housing, disabled people risk facing discrimination and disadvantage in this area. We need to recognise the diverse range of needs that exist. Disabilities can include people with ambulatory difficulties, blindness, learning difficulties, even autism and mental health issues that will generate a range of housing requirements which may themselves change over time. I understand that it is an administratively difficult issue to grapple with, but to enable disabled people to live more safely and independently the Ministry for Housing needs to engage much more in ensuring that any future planning considers the variety of needs. It makes sense from our perspective to build accessible housing from the outset rather than have to make fundamental adaptations at a later stage. Such an approach is bound to make financial savings into the future. Appropriately built flats should be included in all new developments,

1285 where possible. We hope to make future announcements as to our plans for government in this connection at the appropriate time.

On a separate note, arising from the figures, I would simply point out that the Housing Works Agency – I think this was mentioned by my friend Mr Reyes – is expected to receive £1.9 million less from the Improvement and Development Fund than the forecast outturn for 2021-22, as that
1290 is the amount by which the expenditure on works and repairs is going to suffer this coming year, and we will need to analyse that during the course of the next few months.

On planning, we see the same lack of overall strategic thinking we referred to in the context of tourism. It is acknowledged and appreciated on this side of the House that in a place so small – and I make a similar point I made earlier – over which so many demands are placed, it is very
1295 difficult to strike what are often very challenging balances. Nevertheless, more needs to be done, both strategically and innovatively, to counter the obvious failing of the current Government.

Let's take the question of addressing our housing needs. The Chief Minister has spoken of the only way being up, due to the shortage of land mass. Others from a heritage or well-being perspective would focus on the negative impact that tall buildings have not just on the aesthetics but also on the effect that the changing face of Gibraltar will have on its beauty, history and, critically, on community cohesion between the entitled and deprived. In the context of the recent application for the Caleta hotel development, we saw those tensions at play. We have, on the one
1300 hand, an entrepreneur who, let's face it, wants to invest to make a profit, and there is nothing wrong with that, but in the process we are creating an eyesore of a building which will gravely impact the Catalan Bay area, an area which is already the subject of building pressure on both its southern and northern ends. We raised the serious bulking concerns that we had at the time, but they have been ignored.

We firmly believe that development needs to be tempered by moderation and the right to build by the right design. Too often we are building nondescript monoliths that mar Gibraltar. Surely it is a sad indictment of Gibraltar's modern builds that the last major development inspired
1310 by our British colonial Mediterranean heritage – and it was done during their last period in office – is the Queensway Quay in the 1990s. Big does not need to be ugly. We are fast ending up with both.

In respect of the developments around Catalan Bay, it is worth quoting the words of one of the objectors, who described its 'excessive massing' and talked of the design being 'overall incompatible with Gibraltar's urban character, which is a key aspect of Gibraltar's tourist appeal' with the further, very valid question 'What is the point of economic development if we lose our cultural identity in doing so?' I quote him further because I think this encapsulates in a very nice way what we referred to last year during this debate:
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Buildings should be designed to fit in and not stand out. Our future should not be condemned to live in a cluttered smorgasbord of anonymous towers to a mere facsimile of Benidorm or Dubai, totally cultureless and devoid of charm having sacrificed any sense of its own history and cultural identity in the name of progress and profit.

A Member: Hear, hear.

Hon. D J Bossino: In the event, the project received outline planning permission, with the Ministers sitting on the DPC board predictably voting in favour. Unfortunately, in a DPC packed
1325 with civil servants it is not hard to believe that where Ministers lead others are likely to follow. Open DPC board meetings does not make them less susceptible to often-heard accusations of ministerial interference at worst and cajoling at best. The volume and massing of the Catalan Bay hotel have been accepted by DPC, the design is set to change, yet given existing evidence we are sure that the end result will still be a singular blot on the Bay's Italianate heritage, to the detriment of Gibraltar PLC. On the Eastside project, too, we see the same tension playing out in a highly significant way, where we have the pressing economic and social needs of this housing, should the development proceed, offset against the deep concerns of the Catalan Bay residents and
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others along this area about the wholly negative effect the marina will have on the environment there. Any destruction of the sea, beachfront and wider environment here would be an unforgiveable mistake and an enduring blight which we will be passing onto future generations.

In terms of the DPC proceedings themselves, I must say that I share the view of Eileen Gomez in the *Gibraltar Chronicle*, in which she states:

but as project after project receives planning approval, for many people there is an inescapable sense that their genuine concerns are not being properly heard.

This is the very sense that I personally got when witnessing Mr Riddell make his submissions to the DPC in the context of the Eastside project, a veritable David against Goliath, a man against big business and entrenched power. Unfortunately, in this instance it is not looking good for David. This is why the DPC needs further reform. It is no longer fit for purpose. (*Interjection*) Under constant ministerial scrutiny it is in real danger of just existing to rubberstamp Government planning policy – policy which, in the case of private large developments, suspiciously smacks of intense backroom lobbying between Government and selected enterprise. It is interesting to note that the full force of DPC sanctions tends to fall on small and medium-scale developments, while larger developments face cosmetic changes but little else. We need a more robust DPC which speaks to people's concerns.

And let's stop, just for once, with the immature point-scoring of how things changed with the arrival of the new dawn, as they put it, in 2011. Yes, things did change – so did we introduce changes in 1996 – but we have to move on. The building spree we have witnessed over the last 20-30 years has been phenomenal, but it needs to be tempered by issues that resonate with the people. We need to revisit planning and privacy issues, for instance, both in the new builds and in the old town. Few of us live in patios anymore, therefore it is not reasonable to expect new massing and terraces to invade neighbours' privacy or have their well-being circumscribed by blocked access to space and light. In Devil's Tower Road we are seeing how what was an industrial/commercial area has increasingly become a mixed bag of high-end, assisted housing residential area with some hospitality mixed in also with social housing, and all seemingly without any thought as to some uniformity in design or respect for the people already living there and their rights to light and space. It is all the effect of a singular lack of planning and a haphazard approach to new developments.

In the *Chronicle* article just referred to, a resident was quoted as saying 'developers have been allowed to go as high and close as they wish to ensure maximum profits'. A far cry from the complaints of the now governing parties when they used to highlight similar issues when they were last in opposition and we were in government. It is a case of do not as I said, but do as I now want. This is why we need a robust, comprehensive development plan. A year on and there is little sign of it, although I draw hope from the hon. Lady's comments to the *Chronicle* – the same article I have been quoting – even if somewhat unclear, when she talked about work 'on the review' starting in earnest. But we can safely assume that the thinking now is that this project is indeed, after all, critical given that the Minister for Financial Services, when he had responsibility for planning, would not commit in this House to any timings for completion on the basis that a decision had not been made as to whether that particular project was critical.

We think it is absolutely doable to work in partnership with business to develop a Gibraltar which preserves its unique heritage and indeed enhances its singular beauty, but it requires, once again, joined-up thinking, a new, strong development plan and a fair bit of imagination and architectural nous. This Government is, I am afraid, failing on all of these.

On heritage, there is a sense on this side of the House that it is, once again, somewhat fractured. We have the Ministry dedicated to this area, but many gold-star projects are [inaudible] retained by the Deputy Chief Minister and his office. In this regard, the Northern Defences, the Mount and the Road to the Lines project referred to yesterday come to mind. The recent announcement in respect of the beautification of Landport is a further case in point, with this

particular development, if I am not mistaken, being fronted by the Minister for Tourism. This piecemeal approach is reflected in the Estimates Book, in which separate funding is allocated to what are termed ‘heritage building refurbishments’ and ‘heritage projects’, to the detriment of Ministry for Heritage projects. While in respect of this we will be seeking further particulars at Committee Stage, we do ask whether the Deputy Chief Minister and the Minister of Tourism place so little trust in the Minister for Heritage that these projects are withheld from his purview.

In terms of adding further buildings, monuments and artefacts, I must say I was sorry to see that there had been less progress than would perhaps otherwise have been expected. The lack of commitment to protect the beautiful, now former Social Security building at Governor’s Parade was also less than we would have desired. Any impact to the architecture of that building would affect not just the building itself but the entire surrounding environment, which, barring a few notable exceptions, has remained as it is for two centuries – an example, therefore, of a building which should receive full statutory protection. Given that the building belongs to the Government, I cannot see what the delay in listing is, unless the whole area has been scheduled for a new development. Who knows?

The Government’s seeming lack of imagination encompasses the restoration plans involving our extant artillery pieces throughout the Rock. Much – we would say too much – is left to voluntary work that is undertaken by the eager and enthusiastic Fortress of Gibraltar Group and the Gibraltar Heritage Trust. Thanks to them and their essentially free work, Gibraltar’s artillery is being allowed to survive and thereby pass as a fitting reminder of glories past to future generations, which is the right thing to do. We sincerely thank them for the recent works carried out on Lord Airey’s Gun Battery. But – and this is a fundamental question – where is the Government in all of this? Beyond granting permission, they are singularly absent from most of the proceedings, although they are happy to be present at any unveiling or the taking of photographs for the press. Again, we need a robust plan of heritage maintenance and restoration to bring back our guns, our walls and our bunkers. In this, the Government is conspicuous by its absence.

It was surprising to hear Mr Picardo’s remarks yesterday – I lose track of time – about the recent developments in the United States Supreme Court in relation to the position on abortion. Let us be absolutely clear, Mr Speaker: what has happened in the US is that the Supreme Court has handed down responsibility and devolved powers to the individual states in the country to legislate according to their own democratic and political wishes. It will now be for the individual states, which will have the power to legislate and determine how restrictive or permissive their abortion laws are. It does not make abortion illegal; it just gives power to take the decision back to locally accountable representatives. As one commentator recently put it:

Returning policy decisions on such a literal matter of life or death to the democratic system is something that all who cherish liberty should welcome.

Mr Picardo, we know, is a champion of the progressive cause, one that grows more dogmatic and intrusive by the day. He attends every party and wears every t-shirt of every fashionable cause in town, but neither he nor the new and increasingly belligerent new left hold the monopoly of the truth, compassion or social justice, despite the rhetoric and despite the tough talk. Yesterday he said that Gibraltar has no reverse gear on rights and progress and only move forward in one direction. He also said that any attempt to go back on abortion or any other of the progressive causes would be met with ferocious opposition. There is no need for that kind of radical language in the context of a parliamentary democracy. We all need to calm down. He has his vision and I and others will have ours. One is progressive and the other now deemed conservative, but both are equally legitimate visions of society, although in Gibraltar it seems increasingly that the former rarely recognises this in respect of the latter. In a truly liberal and democratic society you should be able to express your views whilst absolutely respecting others and not be the subject of ridicule or suffer the full force of the cancel culture.

1430 Whatever happens in the future with abortion or any other issue should be decided by the
people of Gibraltar in democratic elections, and they will cast their vote in one direction or
another. That is the way democracies operate: the voice of the electorate expressed here in
Parliament in general elections. The street, the stage, the demonstrations, the festivals and the
shouting of slogans and waving of banners on the public highway are mere accessories of the
1435 fundamental exercise of the democratic will of the people. To quote Shakespeare, which I know
the Hon. the Chief Minister is very fond of: full of sound and fury, signifying nothing. There is no
democratic legitimacy in ferocious opposition and noise when the people make their views known
through the ballot box. That is what matters. This is far from being anti anything. This is basic
democracy, where, with respect and understanding, sensible debate between people who hold
1440 opposing views can and should prevail.

 In the context, particularly – and I end here, Mr Speaker – of tourism, a reference has been
made to the issue of the ongoing negotiations with the EU and Spain, a hugely significant issue for
our future if ever there was one. Yesterday we heard the Chief Minister state that he remained
'deeply optimistic' that a treaty is now increasingly probable. I do not think it is at all controversial
1445 to wish the Chief Minister and his Government well in its endeavours to bring this critical accord
which safeguards our red lines to a successful conclusion as soon as is practically possible. The
treaty, if it were to achieve a mobility agreement for fluid access through the Frontier, would be
of huge importance to our quality of life and lay the basis for enhanced economic development
and co-operation in the entire region. It is further hoped that businesses, investors and
1450 entrepreneurs will be able to use Gibraltar and the hinterland as a springboard for ambitious
commercial initiatives, create employment and economic opportunities for all.

 On 31st December 2020, Gibraltar was finally – and unfortunately, for the vast majority of us
here – dragged out of the European Union kicking and screaming, following Britain's unfortunate
decision to abandon the EU after the Brexit referendum in 2016, now six years ago. We were left
1455 on a cliff edge, facing the prospects of two-to-six-hour queues and the dramatic existential domino
effect which could have had potentially devastating consequences for our economy, which at that
stage had already been hit by the COVID pandemic. The New Year's Eve Agreement secured by
the Government, despite the issues which we have identified on this side of the House, offered us
a glimmer of hope that diplomacy could yet avert a worst-case scenario of Gibraltar crashing out
1460 of the EU without any mitigating measures. It is that blueprint, we are told, that forms the basis
of the much-awaited EU-UK treaty on Gibraltar which holds the key to our future prosperity and
continued economic success. We look forward to the publication of the full treaty text.

 Thank you, Mr Speaker.

Adjournment

1465 **Hon. Chief Minister:** Mr Speaker, feeling almost as if I were getting up in the United States
Senate, given the speech we have heard, I wonder whether this might be a convenient moment
to adjourn to tomorrow at 4.30 in the afternoon.

Mr Speaker: I now propose a question, which is that this House do adjourn to Thursday, 30th
June at 4.30 p.m.

1470 I now put the question, which is that this House do adjourn to Thursday, 30th June at 4.30 p.m.
Those in favour? (**Members:** Aye.) Those against? Passed.

 This House will now adjourn to Thursday, 30th June at 4.30 p.m.

The House adjourned at 6.54 p.m.