



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**MORNING SESSION: 11.13 a.m. – 12.24 p.m.**

**Gibraltar, Monday, 17th July 2023**

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# The Gibraltar Parliament

*The Parliament met at 11.13 a.m.*

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

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

## **Appropriation Bill 2023 – Second Reading – Debate continued**

**Clerk:** Meeting of Parliament, Monday, 17th July 2023.

We continue with the Second Reading of the Appropriation Bill 2023.

5 **Mr Speaker:** The Hon. Gilbert Licudi.

**Hon. G H Licudi:** Mr Speaker, we will have elections later this year and we have heard other Members say during this debate that we are all subject to the electorate and that it may be the last Budget speech for any of us. We have also heard the hon. Lady Ms Hassan Nahon say that this will be her last Budget speech. Like the hon. Lady, this will be my last Budget address to this House. (A Member: Hear, hear.) (*Banging on desks*) I have informed the leader of my party and the chairman of our executive committee that I will not be putting my name forward for selection as a candidate for the GSLP at the next General Election. I will, therefore, no longer be a Member of Parliament once this House is dissolved.

15 I was first elected to this House in 2007 and after four years on the opposition benches we were elected into government, a government in which I served for almost nine years. In August 2020, I stood down from the Government for reasons which I explained at the time. It is often said by those in the position I am in now that it has been an honour and a privilege to serve as a Member of the Government, and it sounds like a cliché but I certainly understand why it is said and how true that statement is. It has been an honour for me to be the elected representative of the people of Gibraltar for four successive terms of office, and in the last two terms, 2015 and 2019, the electorate clearly considered that the Government was doing a good job for Gibraltar, or a sufficiently good job for Gibraltar, and that it deserved to continue to enjoy its support.

20 It has also been a privilege to have held the position of Minister in a Government that was not afraid to break new ground, was not afraid to bring in initiatives designed to improve the lives of all Gibraltarians and, most importantly, was not only not afraid but steadfastly committed to remaining true to the fundamentals of what it means to be a Gibraltarian, in control of our own destiny, protecting and defending our values and beliefs. It has been particularly a privilege to have had the opportunity of being part of a Cabinet that has at all times acted for the collective good of Gibraltar. I will never forget the sense of responsibility I felt every single Monday morning in attending Cabinet, where all important decisions were taken: the responsibility of spending public funds wisely; the responsibility of deciding on projects which would bring housing opportunities to young Gibraltarians and to the not so young; the responsibility of deciding on projects which would produce new sports and leisure facilities for all to enjoy; the responsibility of deciding on projects that would bring new educational and training opportunities, projects which would transform completely almost all educational facilities in Gibraltar. I am immensely

proud of the record of this Government since 2011 and I am humbled by the knowledge that I have been able to contribute in some small measure, during almost nine years, to that record.

40 Mr Speaker, in 2011 I was given responsibility for financial services, gaming, education and justice, and as Minister for Financial Services I would travel to conferences, meetings and events outside Gibraltar. Despite the criticism we often hear from Members opposite on travel by Members of the Government, the only way of getting our message out there was, and continues to be, to be present at those international conferences, meetings and events, talking to people and making sure they understand what it is that we have to offer. I recall during that first term of office, when I spoke to professionals at those international events who were involved in structuring financial services products for their clients I was consistently met with the phrase, 'Gibraltar does not figure in the list of territories that we consider for our clients.' Well, we set out to change that and have done so successfully. No one now takes the view that Gibraltar is just a small territory in the Mediterranean which is either unknown or not relevant in the international financial services industry. We are now at the forefront of that international business and leaders in various sectors including, as the Hon. Mr Isola mentioned, insurance. We are leaders and have been for a long time in the gaming industry, an industry which was and continues to be an important contributor to the Gibraltar economy and the creation of jobs, as Mr Isola confirmed – over 3,000 jobs in that sector and 11 new B2B licences issued only in the last year. None of that happens by accident, it is down to the indefatigable work of my colleagues in Government and the numerous officials who make that work possible.

55 Mr Speaker, one of my first tasks as Minister for Justice was to inaugurate the new court buildings. All the relevant dignitaries were invited, including the previous Minister for Justice, the Hon. Daniel Feetham, as he will well remember. Mr Feetham is not here today. I want to say that 60 Mr Feetham came to my office this morning and said he had an important engagement that he could not get out of and I should not see his absence from the Chamber today as a sign of disrespect. I accept that entirely from Mr Feetham. The same cannot be said of other Members of the Opposition benches who are not here today – Mr Phillips, Mr Bossino, Mr Azopardi and Ms Hassan Nahon, who I believe is maybe away from Gibraltar. The opening of that building was 65 done with all the pomp and ceremony the occasion required and it was an important moment for the legal profession, for the judiciary and for court users. Outdated facilities which were no longer fit for purpose had been completely transformed into modern courtrooms and offices, and every time I use those facilities as a practitioner I recall what they used to be and how things have changed with the new court buildings. They are, by all accounts, excellent facilities. The opening 70 was done in 2012 by the Chief Minister and I, and at the time I did not acknowledge or perhaps sufficiently give credit to the fact that it was a project which had been conceptualised and carried into practice by the previous administration. In particular, it was the Hon. Mr Feetham who had led on that project and I want to acknowledge that now, albeit belatedly. We are still, 11 years on, enjoying the fruits of that work.

75 But our work in those first few years in government did not, of course, simply amount to putting finishing touches on projects started by the GSD; far from it. In fact, there were very few finishing touches to make because there were very few such projects by the previous administration. Instead, we set to work on a programme which was ambitious and transformative, so much so that it was said that our manifesto could not be delivered and could not be paid for. 80 We were able to prove our doubters wrong.

An important part of what we set out to do, and which we are still doing, was in the field of education. Originally, as Minister for Education, it fell to me to lead on the delivery of that part of the manifesto and amongst the improvements made straight away was a substantial increase in the complement of teachers and the provision of mandatory scholarships for postgraduate studies. We also started the process of rebuilding our schools, a process which continues to this 85 day with the new Governor's Meadow Lower Primary School and Bishop Fitzgerald Upper Primary School being finalised and set to welcome students this year. There will also be a new St Mary's through a private/public sector partnership. The Minister for Education, the Hon. Prof. John

90 Cortes, gave details of further school projects in the pipeline. These are not just wishes for the future. We have seen the work that has already been done and what has already been delivered by this Government. During this Government's term of office we have seen new Bayside and Westside Schools, a new St Martin's School, a new St Anne's, a new Notre Dame, new St Bernard's Lower and Upper Primary Schools and, as we have mentioned, we now have a new Governor's Meadow, Bishop Fitzgerald and St Mary's. All of that in just 12 years, and these have not just been 95 the refurbishment of old buildings but complete rebuilds with modern and excellent facilities provided, including facilities which none of these schools had previously. This is significant in all the schools but particularly so, as the Minister mentioned, in the case of St Martin's. Other schools, such as St Paul's, have been upgraded.

100 No one can dispute or doubt the benefit that all of this has brought and will continue to bring to education in Gibraltar. It was something which was completely necessary. It followed almost 16 years of underinvestment in and almost abandonment of our educational facilities by the GSD administration. And although sometimes we do go back, it is important in an election year to recall what has happened before and what people can expect from a new government, if there ever was a new government. This underinvestment and almost abandonment – and I use the words 105 advisedly – was particularly obvious in the case of St Bernard's First School and Sacred Heart Middle School. I recall visiting St Bernard's as one of my first tasks and seeing, quite frankly, the deplorable condition that school was in – Victorian conditions with many of the wooden planks infested by termites, which had to be treated. That is why we gave priority to these schools. We were able to provide, within our first term of office, new facilities at the site of the old St Bernard's 110 Hospital. That was a challenging project as we were constrained by the existing buildings, but the designers were able to bring those buildings to life, preserving the old character but creating two vibrant schools with facilities which neither school had been able to enjoy in their previous premises. This set the bar very high indeed for future school projects and it has been a high standard which this Government has been able to maintain.

115 One other educational project which we embarked on early in the life of this administration and which I simply cannot avoid mentioning in this, my last Budget speech, was, of course, the University of Gibraltar. We said in our 2011 manifesto:

The University of Gibraltar will commence operations within 4 years ...

120 We were true to our word. That is exactly what happened, with the University opening its doors to students in September 2015. No-one who has visited the University can avoid marvelling at the beauty of the facilities, again combining the character of the old with the utility and magnificence of the new, but it is much more than a beautiful building. The Minister for Education gave a detailed account of the University's offering to education and also the important contribution that it is already making to the economy.

125 The University provides an educational offering for both local and international students which has been developing and expanding since the University first started operating: professional development courses, nursing studies, a School of Education, a Maritime Academy, marine science, PhD programmes, studies in environmental science and climate change, Masters of Business Administration, a centre for research into responsible gambling. These are just part of the current offering of this still very young University of Gibraltar and I was very pleased to hear 130 from the Minister that there will be three new degrees offered this year and more next year. That is excellent news. The University has also hosted and arranged a number of high-level international conferences contributing to research and learning in a number of important areas. In addition, there is the bespoke accommodation as well as the restaurant and student catering facilities, all of which form part of the Europa Point campus. And we must not forget the important 135 use of the University's facilities in the COVID response in Gibraltar with thousands and thousands of PCR tests processed at the University's laboratory. It is a University of which I am immensely proud to have been involved in its creation and development and I will be eternally grateful to the

University for recognising my contribution to the University with the award, in December 2020, of an honorary doctorate.

140 The development and success of the University in such a short space of time is spectacular. I always knew the University would do well. What I did not know was that it would do so well so soon. There has been international and global recognition and accreditation of the University by the UK Quality Assurance Agency for Higher Education. This is no mean feat and is a testament to the hard work, dedication and commitment of all of those who manage and work at the University.

145 It is a delight to see how they all work as a team and the fruits that that approach is bringing. I want to acknowledge and thank all the staff, led very ably by the Vice Chancellor, Catherine Bachleda, as well as members of the board of governors, chaired by Albert Langston, and the academic board. And we must not forget what a great honour it is for the University to have Sir Lindsay Hoyle as its Chancellor. I also want to pay tribute to the work done by Prof. David

150 Abulafia as a member of the academic board and as a Beacon Professor of the University. Prof. Abulafia is Professor of Mediterranean History at the University of Cambridge. In June 2023 – last month – Prof. Abulafia was awarded the CBE in the King’s Birthday Honours for his exceptional service to scholarship. I wish to echo the congratulations offered to Prof. Abulafia by the Vice Chancellor, Catherine Bachleda, who said:

We are immensely proud of Prof. Abulafia’s exceptional accomplishments and the global recognition he has garnered due to his dedication to scholarship and the pursuit of knowledge. This prestigious honour is a testament to his exceptional contributions to Mediterranean history and the invaluable impact he has had on the field.

155 Well done, indeed. It is truly great to have people like Prof. Abulafia, Sir Lindsay Hoyle, John White and others associated with our University.

Mr Speaker, one other project which I had the privilege to lead on was the small boats marina. It was not just a facility for boat owners, it was conceived as much more than that. This was to be of benefit to the whole community and that is exactly what it has turned out to be. The promenade is, today, used by numerous walkers and joggers or those who simply want to enjoy the waterfront. The wharf provides a facility for fishing. It also, importantly, allows us to welcome superyachts for overnight stays, something which was not possible before we built the marina. For many years we had waiting lists for berths building up and it was clear that hundreds of people wanted but were unable to fully enjoy that which almost surrounds us, our waters. The small boats

165 marina changed that. We were able to allocate 700 new berths. That does not just mean 700 people being able to enjoy the facilities and the sea, it is 700 families that can do so, and it is always a pleasure to see the marina being put to such good use by so many people. At the time we did the opening, I promised that members would have a service yard in order to be able to haul out their boats and carry out repairs and maintenance. It has taken longer than I expected

170 but I am very glad to see that the service yard is now complete and has been handed over to the Mid Harbour Small Boats Marina Association with the necessary licence signed. I know that this will be put to good use and look forward to seeing the first boats being hauled out at the new facility very soon.

I could go on and speak about many other areas that I have been involved in – tourism, the Port, commercial aviation and others. Much has been done and continues to be done in these areas. What I do want to say is that in all the departments I have been involved in I have been surrounded by excellent professionals whose work I really appreciate and value and without whom we would not have been able to get on with the business of government. A big thank you to all of them.

180 Mr Speaker, I do not want to end without making some passing comments on some of the things we have heard from Members opposite. I know the Chief Minister, in his response, will give a full reply for the Members, but I do want to make some comments. The Leader of the Opposition in his address in this debate described the Chief Minister as a magician. Quite apposite on one view – a magician brings a rabbit out of a hat. This Government has consistently, and despite the

185 predictions of doom by Members opposite, brought many rabbits out of the economic hat, but  
unlike a magician, there is no sleight of hand, there is no illusion here. There is nothing fake about  
the state of our economy. The results are there for all to see. There is nothing illusory about our  
schools – we see them, we feel them, we study in them, we work in them; we can measure the  
benefits that they bring to all in our community, not least to our children and those who work in  
190 education. The affordable housing schemes – Hassan Centenary Terraces, which we see going up  
now, and the others that preceded that development over the last decade – are real. They provide  
housing opportunities to those who need them. The same goes for everything that we see around  
Gibraltar which was not there in 2011. So no matter how forceful the efforts of Members opposite  
to denigrate everything that this Government has done, we have seen tangible progress like never  
195 before, and although it is true that I am no longer in government, I am nevertheless very proud to  
have been a part of the Government for almost nine years and to continue to sit on this side of  
the House.

We have heard the same story from Members opposite in all Budget speeches since 2012. They  
say it is all exaggerated, it is not realistic, none of it is true, and every single year they are proved  
200 wrong. They can be forgiven for being wrong in a single year or a couple of years, but every single  
year? That suggests that there is something seriously wrong with their analysis, or that they just  
do not get it.

Mr Reyes, referring to the new schools that will be opened this year, said that he hopes the  
new buildings conform to the highest levels of standard. Mr Reyes does not need to hope for the  
205 highest levels of standard. All he has to do is look at the Government's track record in this regard.  
Most local education authorities, headmasters and headmistresses in the UK, and elsewhere in  
the world for that matter, would tear their hair out in order to have the sorts of facilities we have  
created in Gibraltar.

Mr Reyes also said that concerns have been expressed about congestion in the Europort area  
once the new Governor's Meadow and Bishop Fitzgerald open. Let's take that as an attempt at  
constructive criticism. Constructive criticism is offered with a potential solution that can be  
identified. So what was his suggestion? None was forthcoming. Is Mr Reyes suggesting that cars  
should be banned from the area, or that parents be banned from dropping off their children? In  
215 fact, has the hon. Member forgotten that that is where Governor's Meadow and Bishop Fitzgerald  
were before they were temporarily relocated? They are simply going back to where they were  
before. Is he not aware that many if not most of the children who go to these schools live in  
Montagu Gardens, Montagu Crescent, Harbour Views, Sir William Jackson Grove and other  
developments in the area? That means that most children will walk to school, and that is a good  
thing. In any event, does the hon. Member not appreciate that by bringing the schools back, the  
220 congestion that exists in the northern area of Gibraltar will actually be alleviated? We have more  
housing in the northern district, more developments on the way. We have all the traffic that  
comes in through the Frontier and which now uses Devil's Tower Road. There are clear benefits  
from a traffic management point of view in the move of Governor's Meadow and Bishop Fitzgerald  
back to the Europort area.

225 What was missing from the hon. Member's speech was an acknowledgement of what the  
Government has done in Education, and he, of all people, as an experienced educationalist, knows  
how important those achievements are. A 'well done' or some form of recognition of the work  
would not have gone amiss, but those seem to be words which are missing from the vocabulary  
of Members opposite, or at least most of the Members opposite, and it does them little credit.  
230 Instead, what we get is the same criticism we hear every year, regardless of what the Government  
does. There is, in reality, nothing constructive or forward looking in what they tell us. They did not  
tell us what they would do in government or what they would have done differently in the last  
financial year. This was touched upon by the Hon. Albert Isola. The Opposition have had a golden  
opportunity to illuminate us all, to tell us what they would be doing in the next financial year if  
235 elected into government, to tell us how they would change or depart from the estimates that are  
before the House, or even to tell us what they would have done differently in the last financial

year, which we are also debating, and how that would have made a difference. It is all very well to say the Government are doing it all wrong or not doing enough. What would they have done? What will they do if elected into government? It is extraordinary that they have the chance to set  
240 out a programme for government based on the finances as they stand today, and they failed to do that. There was nothing, absolutely nothing in what the Leader of the Opposition said which would enlighten us as to how they would use the funds that are available, the estimates that are set out in the Book that we are debating.

What they tell us is that the figures are unrealistic. They tell us that the figures given on the  
245 public finances are simply not true, that things are worse, far worse than what the figures reflect. So what are they going to do about it? The Chief Minister already alluded to this. They are going to have to make cuts in services, aren't they? Any suggestion to the contrary is disingenuous and it would be taking the electorate for a ride. They cannot say that things are terrible on the economic front, that the estimates are unrealistic 'but we are not going to make any cuts'. It is  
250 not credible and it is time for them to be honest and tell us what they would cut. Would they cut the health budget? If so, which parts? Will they cut education? Will the number of scholarships be reduced? Or social services? Is there going to be reigning back on domiciliary care?

The Hon. Mr Isola addressed the allegation by Members opposite that the Government was gambling with people's money and asked where is it that they would not have spent, and I am  
255 now asking where is it that they *will* not spend in the financial year if they do not believe that the figures given in the estimates reflect the economic reality of where we are today in Gibraltar. Or is it that no cutbacks will be necessary? Is it that they are going to bring in additional public revenue which will mean that there will be plenty of money in the kitty for all the spending commitments they will make? What are they proposing to do if elected into government? I do not  
260 know, no one knows; they will not tell us. The only conclusion we can draw is that they themselves do not know.

Mr Speaker, after not having been able to delight us with the delivery of his speech last year, we were once again treated this year by the Hon. Sir Joe Bossano to a brilliant analysis on the state of the economy in Gibraltar as well as the position in global markets. Sir Joe's analysis included  
265 references to areas where he himself had concerns, including the lack of effective substantive progress internationally on the environment. It was by all measures a knowledgeable and honest exposition by Sir Joe. That came as no surprise; it is what we have become accustomed to by the Father of the House. Sir Joe started his contribution by noting that last year the Hon. Mr Clinton gave a speech which disregarded completely Sir Joe's analysis. Mr Clinton has done the same this  
270 year. He has delivered a prepared speech with the same scaremongering tone without apparently having listened to or even being interested in what the true position is, and it is again something we have become accustomed to. Although it was expected, it was nevertheless disappointing. It was disappointing to have the person who aspires later this year to lead Gibraltar on economic matters failing to make a proper, well-informed analysis. Instead, we just got the usual political  
275 speech. It is not just disappointing, it is worrying. Mr Clinton said, 'I am not an economist, I am just interested in cash.' That is the simplistic and hollow approach that the hon. Member takes, and based on that he expects us to believe he is ready to take on Gibraltar's economic reins. That is a matter that the electorate might want to reflect on.

Sir Joe invited the Opposition to identify areas of waste which they suggested existed, so that  
280 those areas could be looked at. That was a constructive suggestion by the Father of the House: tell us where you think we can do better and we will look at it. The responsible response to Sir Joe's invitation by an Opposition aspiring to become the Government this year would have been to go through the Book and suggest areas where the expenditure, according to the Opposition, was not necessary or where savings could be made to cut down on what they regard as waste. Instead,  
285 Mr Clinton said they cannot identify waste because they do not have the Principal Auditor's Report. That is a poor excuse. They know exactly where the money is being spent. It is all there, it is in the Book. It does not stop them saying that there is overexpenditure. They do not need a Principal Auditor's Report for that. 'We will eliminate overexpenditure,' they say, 'It is not

290 sustainable, expenditure is out of control and unstable.’ Those are Mr Clinton’s words, but he  
adds, ‘We do not know if there is any waste which can be eliminated in order to reduce the  
overexpenditure.’ Therefore, the only way they can say for certain that they will reduce  
expenditure is by cutting services. They do not tell us which services they will cut, but we know  
for certain that that is what they intend do. Mr Clinton, I repeat, tells us he is not an economist  
but he pretends that he, and only he, is the person who will be able to reduce debt and reduce  
295 expenditure but without cuts and everyone will be better off. It is just not credible, and you do  
not have to be an economist to figure that out. We did get one inkling of one thing they would do.  
Mr Clinton said that maybe an increased burden on personal taxation is the new reality, or words  
to that effect, and he added that any increases in taxation have to be properly debated. So there  
we have it, a thinly disguised confirmation of tax increases under the GSD, the new reality  
300 according to Mr Clinton.

Mr Clinton went on to describe the Book, the Estimates of Revenue and Expenditure for next  
year, as a waste of paper. Those were his words – ‘This is a waste of paper,’ – and I see him  
acknowledging and repeating it now. That is a measure of the lack of respect he has for those who  
help to put the Book together, starting with the Financial Secretary and all the heads of  
305 department and other public officials who spend countless hours in reconciling departmental  
expenditure, in looking at what the expenditure has been for the year so that an accurate forecast  
outturn can be given, in meetings and speaking to others in their departments to put together a  
realistic estimate of expenditure for the forthcoming year. All of that work – and believe me, it is  
hard work; I have seen it, I have lived it – is the work of loyal civil servants who ultimately work  
310 for this community to provide a valuable public service, and all the work that is put by them into  
producing proper estimates of revenue and expenditure is so that it can be debated in this House.  
All of that is described by Mr Clinton as a waste of paper. How low can you get in attempting to  
criticise the Government, being utterly disrespectful of civil servants? Mr Clinton should apologise  
for that disparaging comment, but ultimately it will be a matter for the electorate to judge. It is a  
315 matter for the electorate to contrast a full and complete analysis by Sir Joe and financial forecasts  
prepared by professionals which show that there is, once again, a bright light at the end of this  
economic tunnel we have been in. Contrast that with the baseless criticism we get from Members  
opposite, with the lack of detail and substance in their contributions which simply leads the  
electorate to wonder what it is that they actually stand for. We are certainly none the wiser after  
320 having heard from the entirety of the opposition benches.

Mr Speaker, I want to also make some comments on some things that Mr Azopardi and  
Mr Clinton have said. This is based on information which the Father of the House has provided  
me. We wish to place on the record of the House that the statement by Mr Clinton when he set  
out to correct the record that the claim by Mr Azopardi on the £35 million alleged overspending  
325 in government departments was not wrong, as Sir Joe had alleged ... and we propose to prove that  
his figures were wrong, as Sir Joe has stated, that the Leader of the Opposition’s figures were  
wrong and that Mr Clinton was wrong in his statement to defend him. It is not the case that there  
are two ways of doing the calculations, as Mr Clinton claims, and that Sir Joe did it one way and  
they had done it another, and that neither is wrong or right, both are equally valid. That is not  
330 true.

First, Sir Joe has not calculated anything. He has simply pointed out that the figure of  
£35 million quoted by Mr Azopardi was in conflict with the figures for the 2021-22 forecast outturn  
calculated by the Treasury, not by Sir Joe, and spelt out in the printed Estimates Book of last year  
and, indeed, in this year’s estimates as the final results on page 14. Of course, we do not know  
335 where Mr Azopardi’s numbers came from – or we did not know until we had an explanation from  
Mr Clinton, which rather than exonerating Mr Azopardi makes it even worse because it shows that  
he provided incorrect information. The Treasury forecast outturn calculations on the last line on  
page 14 showed a figure of £859.6 million compared with £768.2 million approved estimate. That  
was for the total Consolidated Fund expenditure and was quoted by Mr Azopardi as the source of  
340 his £91 million calculation. Mr Azopardi told the House that excluding COVID expenditure,



departmental results had been exceeded by £35 million, which was a big chunk of the £91 million. Not true. The COVID element spelt out on the same page shows a forecast by the Treasury of £135 million compared with an original figure of £67.4 million, an increase of £67.6 million. Therefore, of the £91 million net of COVID we deduct the £67.6 million and we are left with  
345 £23.4 million. The House had been told that there was a figure of £35 million which was a big chunk of the £91 million net of COVID, so there we have the mathematical paradox that Mr Clinton defends, that £35 million is a big chunk of the £23.4 million. (*Laughter*) But it gets worse, Mr Speaker. (*Interjection*) It gets worse.

The next deduction is that the contribution to the Improvement and Development Fund, which  
350 we all agree is not departmental funding and therefore not in the £35 million, was increased from £16.5 million to £19.5 million, therefore leaving a net figure residue at £20 million. The next figures we have to examine are what actually made up the total departmental expenditure. This was approved by us, with them voting against, at £550.7 million, was forecast last year to reach  
355 £569.3 million and has finally ended up with an actual figure of £567.9 million in this year's Budget. So the forecast overspend of £18.6 million is now £7.2 million. So where does the £35 million come from, according to Mr Clinton? He says Mr Azopardi removed from the calculations made by the Treasury in heads 46, 47 and 48 the forecast outturns and substituted figures that he had extracted from the Health Services, ERS and the Care Agency, but head 46 does not show GHA  
360 expenditure, it shows the amount of money that was given to the GHA from the Consolidated Fund with a few minor expenditure elements retained in the department, and the same is the case with head 47 ERS, and 48 Care Agency. Mr Clinton told us this year that the extra expenditure on these three heads of £35 million instead of £18.7 million are both correct and just a different way of calculating it, but if that were so then the £35 million was not departmental expenditure because those three heads show departmental expenditure which is the funding of GHA, ERS and  
365 the Care Agency, which is where the expenditure is. Moreover, the three heads show that the Consolidated Fund provided £18.7 million and not £35 million. Nor can it be true that the £35 million is a big chunk of the £91 million as stated by Mr Azopardi. If it were so, all the other heads of expenditure representing all the other government departments would have had to come in below budget to remain at £91 million, and Mr Azopardi claimed the opposite and castigated Ministers for overspending in the departments and insisted that this underspending  
370 was £35 million, to be part of the £91 million.

So either there were a great deal of incorrect facts provided, which we assume was accidental and Mr Azopardi should acknowledge the mistake and put the record straight, or alternatively –  
375 and we hope not – it was done by design, to manufacture a non-existent exorbitant departmental overspend in order to castigate Ministers. Since it has always been the case that the expenditure from the Consolidated Fund is separate and distinct from the expenditure of the authorities and agencies, Mr Azopardi was wrong in his analysis that the expenditure of the Consolidated Fund had grown by £35 million and not £18 million, when it was a totally artificial figure insertion and replacement of the correct calculation by the Treasury. His emphasis of 'not £35,000 but  
380 £35 million' was therefore to be able to accuse Ministers of not exercising proper control over government departments. The control of government departments has been kept with overspends of 0.4% and 0.5% in the last two years and it is the job of controlling officers, who have done a very good job of it. The overspend in the three agencies is not necessarily funded from the Consolidated Fund, and saying that the overspend in the agencies was overspend by  
385 government departments is therefore incorrect and not true. It is clear that keeping control of spending in the agencies is proving much more difficult to deliver than in government departments and that would have been a correct analysis.

Mr Speaker, turning to other matters, we had a very detailed analysis by the Hon. Minister for  
390 Tourism and the Port, Mr Daryanani, of the marketing initiatives taken by his department in the last financial year. It was, by all accounts, an impressive list and shows the depth and breadth of events attended, events in Fort Lauderdale, Italy, Morocco, the UK, Spain and elsewhere, and the tourism, cruising and aviation industries targeted. It shows that no stone is being left unturned to

bring Gibraltar back, in tourism terms, to pre-pandemic levels and to continue growth thereafter. I have done that job and I know how difficult it is, and I therefore applaud and appreciate the efforts that the Minister and his officials are making. What I know for sure is that in that area we do nothing that attracts tourists, that attracts cruise ships or that attracts airlines by sitting back and not showing our faces, not extolling internationally the virtues and benefits which Gibraltar has to offer, and that is exactly what the Minister and those who work with him are doing, as the Minister's contribution clearly shows

The Hon. Mr Bossino, who is not here today, criticises travel expenditure, so presumably he would have cut and he will cut tourism marketing initiatives. What are they? Why does he believe that he would have been more successful than this Government and this Minister have been? It lacks credibility when we have criticism from Members opposite with nothing constructive offered. The Hon. Mr Bossino referred to what he described as the Minister's less than satisfactory performance over the last four years. He said the numbers are better despite the Minister. So what accounts for the better numbers? The hon. Member opposite? Is it pure accident? Or are the better numbers the result of efforts made by the Minister and his department in marketing Gibraltar and in attracting people back to Gibraltar?

Mr Bossino went on to say we need a strategy which recognises that tourism is fundamental to Gibraltar, and he went on to state that he would improve entry points. Is that their strategy? Is that the sum of the ideas which the GSD have in order to recognise that tourism is fundamental to Gibraltar – a paint job to entry points? 'We will introduce a revolution in tourism,' he said. Pure political rhetoric, I say, nothing concrete. **(Hon. Chief Minister: Spin.)** All spin, nothing concrete, nothing specific, just criticism for the sake of criticism and not the slightest recognition when things are done well.

Oh, he did suggest something that he would do. He would go to FITUR and not to Seatrade Global in Fort Lauderdale. *(Interjection)* Well, that is a matter of choice. When I was Minister for Tourism I did go to FITUR, but I also chose, as Minister for the Port and Maritime Affairs, to go to Seatrade Global. The hon. Member opposite would make a grave mistake if ever he had the chance to decide and he chose not to attend Seatrade Global. That is a must-attend event. All the important players in the maritime world and in the cruising industry are there. Our competitors are there. Gibraltar has to be there, Gibraltar has to be seen, but the hon. Member, with his criticism of travel and the innuendo by referring to the Minister as globetrotting seems to think that the better strategy is not to attend these events. He is wrong. We have to market Gibraltar internationally. That is what the marketing budget which we pass in this House every year is there for.

Does the hon. Member know what the marketing budget for the last year was? I obviously say that rhetorically because the hon. Member is not here and he cannot answer me, but we are here to debate the estimates in the Book and the hon. Member made not a single mention, as far as I can recall, to the Book. Well, let me tell him that last year the House approved a marketing budget for the Tourism Department of £700,000. That was the estimate for 2022-23, £700,000 approved by this House for marketing. Again rhetorically, does the hon. Member opposite know how much was spent? Well, the forecast outturn for this year for marketing is £320,000, £380,000 less than the Budget approved by this House, so when the Member opposite describes the Minister as having had less than satisfactory performance, is he is saying that he has not done enough, he has not travelled enough, he has not marketed enough, he has not spent enough, that he should have spent the £380,000 still there in the kitty? No, on the contrary, the hon. Member says he travelled too much, he has gone to too many places to market and sell Gibraltar, he should have saved some money. In effect, the Opposition is saying that money is wasted on this. As I mentioned earlier, Sir Joe invited Mr Clinton to identify waste and Mr Clinton said he could not because he did not have the Principal Auditor's Report. Mr Clinton does not need the Principal Auditor's Report, he has Mr Bossino. Mr Bossino can tell him that the Minister has spent too much on marketing: 'Scrap the marketing, save £320,000 – people will flock to Gibraltar regardless.' This is not serious politics.

445 It is bad enough to offer no meaningful alternative; it is far worse to make comments which  
 are damaging to Gibraltar. Mr Bossino referred to a particular cruise company by name which he  
 said he had heard was leaving Gibraltar – based on rumour, based on innuendo. ‘I have heard,’ he  
 says. Well, I can say I have heard that pigs fly, but it is not true and what he said is not true. What  
 the hon. Member does not realise by repeating these false rumours is the damage he does. Others  
 450 may say, ‘Look at what was said in Parliament, a major cruise company is leaving – what is wrong  
 with Gibraltar?’ when it is not actually true. That company has already confirmed visits for next  
 year. The hon. Member did not even say, ‘I have heard that a cruise company might be leaving.’  
 He mentions the company itself. The most worrying part is that the hon. Member does not seem  
 to care about damaging Gibraltar. All is fair game in politics for them. Well, it should not be. We  
 455 have seen that before from Members opposite in other areas where they make potentially  
 damaging comments; now we have it from Mr Bossino. He is happy to repeat in this Parliament,  
 without checking his facts, a rumour he has heard, which happens to be untrue, and to name the  
 company concerned, and he is happy to do so even if it causes damage to Gibraltar. Again, let the  
 electorate take note.

460 Mr Phillips, who is not here today – no doubt he has better things to do than participate in  
 parliamentary debate – started and continued with what can only be described as a rant. His  
 contribution was so baseless, so out of touch with reality that it is not even worthy of comment.  
 He even complained of having to be here in the afternoons. ‘We are on summer hours,’ he said.  
 What an extraordinary statement from a Member of the Opposition. The hon. Member sounded  
 465 like a bull in a china shop, destroying everything in his path, the good and the bad, indiscriminately.  
 Everything is bad, everything is disastrous according to Mr Phillips. I was wondering during his  
 speech whether we actually live in the same place.

‘We will get Brexit done,’ he proclaimed. (*Interjection by Hon. Chief Minister*) One would have  
 thought the hon. Member would be a little bit more original. Presumably what he meant was that  
 470 he would get the post-Brexit deal done. Really? How? What is it that he would do that the Chief  
 Minister, the Deputy Chief Minister and their teams have not done? What we have seen from the  
 Government side is the protection of Gibraltar on fundamental matters, so what areas would  
 Mr Phillips give in on in order to get the deal done? That must be the implication in what he said:  
 they would give concessions. Or is it that he has negotiating powers that nobody else in Gibraltar  
 475 has and he would convince everyone in the negotiations to accept what he says? The electorate  
 is entitled to know how they would get the deal done, because that is the categorical statement  
 that the hon. Member has made. And what concessions would be made?

Then he went on to say that the Government has struggled to control waste. Wasn’t he here –  
 perhaps he was not – when Sir Joe asked about this? What waste is he talking about? Mr Clinton  
 480 said he did not know. He said he cannot tell us. Well, now Mr Clinton cannot only ask Mr Bossino,  
 he can also ask Mr Phillips about waste, and maybe next year, when they are still sitting on those  
 benches, they can tell us. (**A Member:** Hear, hear.) I very much doubt that the hon. Member  
 Mr Phillips himself believes what he was saying in his speech and it is clear that the Opposition  
 does not believe what he said because Mr Phillips talked about selling Gibraltar on financial  
 485 services, but he said our product is not good, it is all terrible, and then two minutes later, perhaps  
 a little bit more, Mr Feetham congratulated Mr Isola for the excellent work, for the *fabulous* work  
 which is being done in financial services and gaming. How is that for a complete answer to  
 Mr Phillips?

Mr Feetham, who I am glad to see is now with us – and for the sake of Mr Feetham let me just  
 490 say that I did mention, earlier on when he was absent, that he had approached me this morning  
 and I gave the House the explanation that he had given me and that I appreciated and accept it,  
 but I am very glad to see that Mr Feetham is now with us. He said a little bit more than just  
 congratulating Mr Isola, but we had a totally different tone from Mr Feetham. It very much  
 sounded like a goodbye statement, reflecting on his time in office as I have done, recognising the  
 495 work done by the Hon. Samantha Sacramento and thanking her. And then he spoilt it. He delivered  
 the same speech again that we have heard year after year since 2012. I did not hear him say

anything new, nothing at all. He rehashed the same arguments he has been making since 2012 about debt, about borrowing and about the Gibraltar Savings Bank. He said things were done in the first term without a mandate, but we have had two General Elections since, 2015 and 2019, and on both occasions the electorate have deposited their trust in this Government, so both times the electorate have rejected Mr Feetham's arguments. Repeating the same unmeritorious arguments year after year does not make the arguments meritorious.

He talked about the plans he had in 2015 which would have been implemented if elected, but they were not. They were not elected in 2015 and they were not elected in 2019. Again, Mr Feetham's plans were rejected. Mr Feetham said, in response to Mr Isola, that repeating the same thing every year shows consistency. Having rejected the GSD in 2012, in 2015 and in 2019, I expect that we will see the GSD rejected in 2023. *That* is consistency, something that Mr Feetham is very fond of.

Mr Speaker, this was, like mine, the hon. Lady Ms Hassan Nahon's last Budget speech. I want to personally acknowledge and thank her for the contribution she has made to local politics over the last eight years. We have disagreed many times and I disagree with much of what she said in her contribution, but I know that her heart has been in the right place and I wish her well. But she did say some things which cannot go unchallenged, and I am sure the Chief Minister will do so. I want to touch only on two points made by the hon. Lady. She said the state of the nation is 'so appalling' and she went on to ask, 'What are the benefits of this economic plan? Who has benefited? Where has the money gone?' It is growth that we have had in our economy in the last 12 years that has allowed this Government to invest in our community. It is that growth that has allowed the departmental estimates, including in Health and Social Services, to be increased. The hon. Lady has been in this House for eight years. All she has to do is look at the Book eight years ago and compare it with the Book today. She will have seen an increase in departmental expenditure in the order of 30%, and that is only in recurrent expenditure. That is where the money has gone in the last eight years, on services to this community. It is the people of Gibraltar who have benefited from the Government's economic plan. From 2011 to this year we have around, according to my calculations, a 60% increase in departmental expenditure during this Government's term in office. Those are the benefits of the economic plan. That is where the money has gone.

The hon. Lady went on to say that there is not enough money spent in the public schools system and that is why people choose to go to private schools. There are many reasons why people might choose to go to a private school, but not enough money spent in the public school system in Gibraltar is certainly not one of them, (*Laughter*) and it is worth looking at the figures.

In the last eight years that she has been in this House the education recurrent expenditure budget has increased from £44.8 million to £62.9 million in the last financial year, an increase of 40%; and in the last 12 years, since this Government has been in office, the increase has been from £27.3 million – which was the education budget we inherited in 2011 – to £62.9 million for this coming year. That is more than double, so whilst overall expenditure has increased significantly, in education in particular it has increased by more than 100%. Is there anywhere in the world where she can see comparable increases? She will be hard pressed to find any country that has done so. And that takes no account at all – because that is only departmental expenditure – of the millions in capital expenditure that we have seen in the numerous school projects, not just the rebuilds but the capital expenditure on all the schools throughout the years which the Minister for Education has already referred to and which is there for all to see. No one can possibly believe that not enough is being spent on the public schools building.

The complement of teachers in 2011 was 332. That was increased immediately we came in by 47. The complement of teachers in this year's estimates is 504. That is a 67% increase in the number of teachers we employ since we have been in Government. There has not been a 67% increase in the number of children in our schools. That means more teachers per child as a result of this Government's spending initiatives in education. The complement of learning support assistants in 2011, or classroom aides as they were then known, was 49. The complement of LSAs

550 in this year's Book is 215. That is more than four times as many, more than a 400% increase. The budget for scholarships in 2011 was £5.3 million. The budget for scholarships this year is £16.4 million. That is over three times as much.

555 The increases in investment in education – in the public school system, as the hon. Lady described it – is staggering. She asks who has benefited. Well, our children have primarily benefited from this Government's investment in education. Better schools, more teachers, more learning support assistants, more resources for the schools, more scholarships – all of these have demonstrated a steadfast commitment to education by this Government and I, for one, am proud to have been a part of that as Minister for Education for close to six years.

560 Mr Speaker, we have heard many references in this debate to the unprecedented challenges we have faced over the last four years – and it is true, we have faced challenges like never before and we will continue to face challenges. The continuing post-Brexit negotiations are one example of that, what happens whether there is a deal or no deal. Now is not a time to take risks. Now is not the time to gamble with our future. We know what we get with a GSLP/Liberal Government: a Government whose record is there for all to see and all we have to do is look around us. All we have to do is look at the economic record over the past 12 years.

565 I remember when I used to travel and speak to politicians from other countries. They just could not believe how we delivered growth consistently in double digits. We are and have been the economic envy of countries around the world. We have heard from the Chief Minister some of the economic data that he has presented. This is not data produced by the Government simply because the figures are convenient. This data is produced by officials, by professionals. The figures do not lie. They show that Gibraltar is in the process of an economic recovery in less time than expected, in less time than most other countries, with a prediction of a surplus for this year when other countries are still struggling to recover and can only dream of an economic outlook such as Gibraltar's.

575 Again, the figures and the facts announced by the Chief Minister can only be described as staggering: 7.5% growth expected in our economy in 2022-23; net debt to GDP ratio lower now than in 2011; a record number of jobs in our economy, not just coming back to pre-pandemic levels but a record number overall of jobs in our economy; a greater number of visitor arrivals; tourist expenditure up by over 60%; Government revenue significantly higher than predicted. This is astonishing. It shows that confidence continues to be there in Gibraltar despite the challenges we have faced and some of the continuing uncertainties. And it is no accident. It is a testament to the prudent management of the economy by the Government and it is that prudent management of the economy that has enabled the Government to consistently fulfil its pledges, that has enabled the Government to transform Gibraltar over the last 12 years in education, in housing, in health, on the environment and on sports and leisure facilities, with truly remarkable world-class facilities available in Gibraltar, with the expansion of financial services and gaming industries, with Gibraltar continuing to be an important destination for cruise companies and tourism generally, with the Port of Gibraltar continuing to be one of the most important ports in the Mediterranean; all of that achieved by this Government since 2011.

585 In 1988 the GSLP was elected into government under the slogan 'Time for change' and it is a slogan which Members of the GSD appear to have adopted. It is not time for change, it is time for Gibraltar, its economy and its political affairs to continue to be in the hands of an experienced team that have demonstrated time and again that Gibraltar is safe when it comes to fundamentals and that we enjoy a quality of life like nowhere else in the world. That is the Gibraltar I want to continue to live in.

595 Mr Speaker, I want to end by thanking you and all your staff, past and present. It has been truly a pleasure to come regularly to this House over the past 16 years. I will miss it. *(Banging on desks)*

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

600 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I thought you were going to invite me to start my reply, which I intend to do, and not just to move the adjournment, so I wonder whether you want to do that.

605 **Mr Speaker:** I beg the Chief Minister's pardon. I invite the Chief Minister to sum up, to respond to the matters raised by Members of the Opposition in his rounding up of the debate on the Appropriation Bill.

610 **Hon. Chief Minister:** Thank you, Mr Speaker. I intend to reply at length tomorrow. Hon. Members during the course of their addresses have said things which I think merit very detailed reply, for a simple reason: hon. Members have tried to present a case to the people of Gibraltar which is demonstrably untrue. Therefore, what I intend to do is to demonstrate to them why it is that the numbers that they have sought to rely on are not numbers that the public can put any reliance on, and that in fact it is the numbers prepared by the Government – that is to say the officials, not magicians, who work in the Treasury, the controlling officers of all the departments.  
615 Those are the numbers in the Estimates Book which this community should rely on.

I am not shy to say that people will not have to wait for National Day for fireworks, because hon. Members have, in their own statements, sought to pepper their contributions with unfair provocations. Today, we have heard Mr Licudi go through a lot of that material in a manner which I think will be appreciated by the public because he has calmly dismantled so much of what hon. Members have said, in particular in the areas that he had responsibility for in his illustrious front-bench career in this place. I will go through all of the contributions that hon. Members have made and I will demonstrate why it is that the people of Gibraltar are unable to place any reliance or trust in the things that hon. Members opposite have said.

625 Today, I will finish simply by saying that Gibraltar will today have seen again what a superb contribution Gilbert Licudi has made to the public life of Gibraltar, to politics in Gibraltar, to all of the departments he led in the time he was a Minister and was on the front bench. I will say, on behalf of all Members of the Government who have had the pleasure of serving with him, how much we have missed him on Monday mornings and how much we will continue to miss him on Monday mornings, in particular going forward if the people of Gibraltar entrust us once again with the responsibility of government. I will say a little more about other Ministers and Mr Licudi tomorrow as well as I reflect on the 12 years of government that we have enjoyed so far.

630 Now, Mr Speaker, instead of continuing with my reply, I move that the House should adjourn to tomorrow at 10 a.m., when I intend to go fully through all hon. Members' speeches opposite and demonstrate, as I have said, why it is that this community can place absolutely no reliance whatsoever on the things that hon. Members said and why the team representing the GSLP Liberal Government is the team that keeps Gibraltar safe.  
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### Adjournment

**Chief Minister (Hon. F R Picardo):** I move that the House should now adjourn to tomorrow at 10 a.m., Mr Speaker.

640 **Mr Speaker:** I now propose the question, which is that this House do now adjourn to Tuesday, 18th July at 10 a.m.

I now put the question, which is that this House do now adjourn to Tuesday, 18th July at 10 a.m. Those in favour? (**Members:** Aye.) Those against? Passed.

This House will now adjourn to Tuesday, 18th July at 10 a.m.

*The House adjourned at 12.24 p.m.*