



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 5.30 p.m. – 9.16 p.m.

Gibraltar, Thursday, 13th July 2023

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The Gibraltar Parliament

The Parliament met at 5.30 p.m.

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

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

Appropriation Bill 2023 – Second Reading – Debate continued

Mr Speaker: The Hon. Roy Clinton.

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

5 First of all, may I commence my contribution on this Budget debate by saying how glad I am to see the Father of the House, Sir Joe, back in his seat, where he should be, and his contribution in person was greatly missed last year. (*Banging on desks*) And it is, of course, all the more gratifying for him being here to hear my reply. (*Interjection*)

10 Mr Speaker, the Chief Minister this week claims that his administration has not just restored financial stability in a year of continued deficit but he goes on to predict a £2½ million surplus for the financial year 2023-24. The fact of the matter is that he has achieved no such thing as financial stability as the increasing burden of debt and direct taxation and fees bites on the taxpayer. This wafer-thin £2½ million surplus, as the Leader of the Opposition has correctly identified, has been
15 conjured up by simply underestimating expenditure and, at a meagre 0.35% of recurrent expenditure, can be wiped out in an instant. There is not much to boast about in this Estimates Book and the associated Appropriation Bill that sits on top of it. Indeed, it is not so much what is in this Book but what it not in this Book that is increasingly of concern.

GDP is a number that is bandied around perhaps far too often. In his statements on economic growth, the Chief Minister has waxed lyrical about GDP and conjured up all sorts of ratios to
20 support his assertion that he has our public finances under control, but comparing Gibraltar to OECD countries, major nations, and indeed even the debt ratio of the United Kingdom, is an utter waste of time and complete nonsense in the context of an economy the size of Gibraltar. Sir Joe Bossano has made it abundantly clear that GDP does not necessarily translate into more revenue for the Government. In fact, he said the same thing this morning. Sir Joe chastised those who
25 confuse economic performance with public finance performance. Perhaps the Chief Minister should listen to Sir Joe more. (**A Member:** Hear, hear.) I have never claimed to be an economist. I am only interested in cash in the bank and cash that is generated by the Government and how that has been spent in meeting our obligations.

Looking at the estimated outturn for expenditure, the total recurrent expenditure budgeted
30 for 2022-23, i.e. the year just gone, was £682 million and the estimated outturn is £746 million. That is an incredible £64 million overspend. This overspend can be broken down as follows: £11 million in Consolidated Fund charges and £53 million in Consolidated Fund departmental expenditure. This is not what I would, at any stretch of the imagination, call restoring financial stability, even with the most generous interpretation. The majority of the overspend, or rather
35 underbudget, in respect of the Consolidated Fund charges relates to pensions and public debt charges. I will speak about the public debt charges in more depth when I analyse the debt burden.

The overspend in the Consolidated Fund departmental expenditure is, in the main, as has been mentioned before, £25 million in the GHA and £27 million in utilities. Although the Chief Minister likes to describe the GHA expenditure as 'demand led', it is evident that the Government consistently underbudgets for GHA expenditure. In the last two years, actual expenditure has averaged £148 million and yet the estimate for next year, 2023-24, is set at £125 million, £23 million less. Just this would turn the Chief Minister's notional £2½ million surplus estimate for 2023-24 into a £20 million deficit on just one department. Then it is perhaps a certainty that the GHA will come over the budget they set in the estimates. They have in the last two years. What is it that the Minister for Financial Stability has done so that they will spend £20 million less? I would love to hear. I do not think that is going to happen. I do not think we are going to have a £2½ million surplus, not based on these numbers. It is one thing to seek to control costs, but when it is evident that costs such as in healthcare are necessarily increasing due to demand, then it is imperative to set a realistic Budget rather than seek supplementary appropriations year after year.

Last year we heard that some £75 million had been shaved off departmental budgets even before estimates were presented to Parliament, which undermines the effectiveness of the Budget process if this Book is unrealistic. We heard Sir Joe say this morning it is just an estimate; it is not a promise, it is an estimate. Yes, but this Book is the basis for an Appropriation Bill, a Bill which will be turned into law, and that law sets the limit for spending for all departments, what they call the vote. No one is meant to spend more than the Appropriation Bill, which is based on this Book. This Book does not make sense if they are always going to have an overspend because this Book, frankly, does not do what it is meant to do. So what is the point of producing something that is unrealistic? Produce something that shows the true picture, and then we can collectively see what it is that we are actually facing. It is pointless to paint a picture – obviously not pointless in an election year, but it is pointless from the point of view of the process we are engaged in today, this week, which is to discuss the Budget and the Appropriation Bill – if the way this Book is put together does not present a realistic picture.

Sir Joe this morning chastised the Leader of the Opposition. He said he got it wrong. Well, Mr Speaker, I have to correct the record on behalf of my friend, the Leader of the Opposition, because he did not get it wrong, and I will explain why. But then again, neither did the Hon. Sir Joe Bossano get it wrong. What has happened is there are two different methods of calculation. Sir Joe did it one way, we have done it another way. The way we did it took it down to the agency level, which meant we captured the actual expenditure incurred and not that at the high level that he did. I have a reconciliation here, which I am happy to pass over to the hon. Member so that he can see how we arrived at our number. He claims it is an £18 million overspend and we claim it is a £35 million overspend. None of the hon. Members are wrong. It is just a question as to how you look at the numbers, and our interpretation of the numbers as presented by the Leader of the Opposition is obviously a different one to that which Sir Joe has arrived at. We obviously believe that our interpretation gives the fuller picture as to what happened in terms of expenditure last year. So, just to correct the record, that is the position and I have given him a full analysis as to how you can move from his figure of £18 million to our figure of £35 million. That, Mr Speaker, is just for the record.

Chief Minister (Hon. F R Picardo): Will you give way?

Hon. R M Clinton: No. *(Interjection by Hon. Chief Minister)* No.

Hon. Chief Minister: Mr Speaker, he thought it was departmental expenditure.

Hon. R M Clinton: No, I am not giving way, Mr Speaker, I am on my feet. *(Interjection by Hon. Chief Minister)* I am on my feet, Mr Speaker. *(Interjection by Hon. Chief Minister)* I am on my feet.

Hon. Chief Minister: *[Inaudible]* agency *[inaudible]* departmental expenditure.

Hon. R M Clinton: I am on my feet, Mr Speaker.

Hon. Chief Minister: You are, and I am telling you –

Hon. R M Clinton: And I am telling you that I am on my feet!

Mr Speaker: Let's calm down. Carry on. Let the Hon. Roy Clinton, continue.

Hon. R M Clinton: Thank you. (**Hon. Chief Minister:** Ridiculous!) Well, Mr Speaker, there is nothing more ridiculous than the Chief Minister. Anyway –

Hon. Chief Minister: Thank you so much. You are so kind.

Hon. R M Clinton: I am, and I am going to be even kinder.

Hon. Chief Minister: I have no doubt.

Hon. R M Clinton: And so, Mr Speaker, that resolves the apparent (*Interjection by Hon. Chief Minister*) difference between Sir Joe's interpretation and our view.

Sir Joe also invited us to go to him with any waste: 'Please come to me and tell me where there is waste.' I do not remember the hon. Member joining me in saying, 'Where are the Principal Auditor's reports?' Those will identify waste if there is any. Where are they? I do not remember Sir Joe actually standing up and saying, 'I agree with the hon. Member, we should get the Principal Auditor's reports, because I want to see what the value for money audits are saying.' That is where he will get his waste. It is one thing for him to turn around to us on this side of the House and say, 'Come on, identify waste,' when we have not even got the Principal Auditor's reports. If he wants to identify waste, get hold of the reports. Their value for money audits are by definition identifying waste. So, Mr Speaker, as much as I would love to take up his invitation, the real people who should be helping us in this place are the Principal Auditor's reports and we have not had one since 2016. That is where he will find his waste.

On the revenue side, the estimated deficit for 2022-23 was £45 million and the outturn is expected to be a lower deficit of £15 million. Given the overspend of £64 million I have just described, the deficit really should have come in at £109 million. This was, however, offset by improved revenue receipts of £94 million, which therefore reduce the expected deficit for 2022-23 to £15 million. The revenue outturn level of £731 million for 2022-23 versus the estimate of £637 million, as Sir Joe has correctly stated this morning, sets a new recorded high, exceeding the last high water mark of £708 million set in 2018-19 before COVID hit our economy – I agree with Sir Joe that that is what we should be using as a benchmark – a level of revenue that Sir Joe, as he repeated this morning, in last year's Budget speech said he anticipated would take some time to get back to, and yet this year we have exceeded it.

The excess revenue is, in the main, in two areas: £69 million in income tax and £25 million in corporate tax. Given the 2% increase in PAYE announced in the 2022 Budget, of course it was expected that Government would naturally collect a higher level of income tax. However, in answer to Question 389/2022 as to how much additional revenue the 2% would raise, the Chief Minister stated the following:

the Government expects to receive in the region of an additional £17.2 million.

I should emphasise that that is, of course, an estimate and is usually based on averages of people in those bands in previous years, and it may be exceeded or the amount may be lower, depending on income in respect of people in those bands during the course of this financial year for which they make a declaration – but usually the Income Tax Office makes estimations which turn out to be quite accurate.

Indeed, last year, using the information on page 56 of the 2021 Employment Survey, which
135 gives the average distribution of earnings, I estimated that this could generate perhaps
£16 million, at a guesstimate, which was not far off. I have updated those numbers this week using
the recently tabled 2022 Employment Survey and I arrive at a number of £18 million, which is
pretty much in the ballpark of the number the Chief Minister mentioned. But of course what could
not have been anticipated in last year's estimates was the growth of the workforce by 747 jobs,
140 to 31,150. Comparing the tables of distribution of average earnings, it would appear that most of
these workers – and I stand to be corrected – seem to be in the higher income bands. This would,
on average, have produced perhaps an extra £23 million in tax before applying the 2% tax
increase. Taken together, this would perhaps explain £41 million of the additional income tax
revenue that the Government received over and above the estimates. And given what the Hon.
145 Mr Isola has said about the tax revenue received from gaming companies, I might venture to
suggest that perhaps it is the gaming sector that has been the biggest contributor to this increase
in income, but of course, comparing £69 million excess receipts in income tax to the £41 million I
have calculated leaves £26 million, which is not an insignificant amount, and I would be grateful if
in the Chief Minister's reply he could provide more granular information as to the reasons for this
150 increase in income tax. It is important in determining the sustainability of the revenue projected
for next year. But of course, if the Chief Minister thinks that such a task is too ridiculous to
perform, it just reinforces my view that he is not fit to be Minister for Finance. *(Interjection by
Hon. Chief Minister)* Well, Mr Speaker, if he can continue, from a sedentary position, making inane
remarks, what can I say?

155 As regards corporate tax, *(Interjection by Hon. Chief Minister)* although this is naturally
dependent on fluctuations in company profits I have noticed that in March 2023, just before the
end of the financial year, there was a receipt in the order of some £20 million that was out of the
normal sync or pattern of corporate tax payments. In this respect I did table questions on the
receipt of state aid tax windfall settlements referenced by the Chief Minister in his Budget speech
160 in 2019 and whether anything in that respect had been received. In addition, I have asked for the
government companies that paid corporate tax in advance of March 2023. These questions are
pertinent to this year's outturn and, of course, the sustainability of next year's Budget, and I would
be grateful if the Chief Minister would address the increase in corporate tax receipts in March
2023 in his reply, if he feels it is not beneath his dignity.

165 If Government revenue is, indeed, improving on a sustainable basis – and not on a windfall
basis, on an ad hoc basis, on a we-got-lucky basis – that is, of course, welcome news, but it is of
small consolation if expenditure is still out of control and unstable. Indeed, the Father of the
House, Sir Joe Bossano, clearly said that the ratios and the growth of revenue ... I think he said a
3.2% increase in revenue and a 20% increase in expenditure, and there was a need to restore the
170 balance between revenue and expenditure, and he said there was still some way to go. That does
not sound, to me, like we have achieved financial stability.

The elephant in the room is really the servicing and repayment of direct debt, and here I really
have to take issue with the Chief Minister because he told a great story in his speech about the
debt ceiling, and he keeps on repeating it because he loves it – his boast that somehow there was
175 a great crisis when he came into government in 2011 and suddenly, 'Oh, my God, we're going to
hit the debt ceiling! What are we going to do about it? It's a disaster!' He went on public television
and said it was a disaster. He abolished that limit. He now boasts that we have massive headroom
for extra borrowing, should we need it. What he has conveniently omitted to say is that the 2011
limit was restricted to 80% of prior year recurrent revenue and would, once the latest revenue
180 had been audited, have been increased. His Government then abolished the stricter limit for a
higher limit of 40% of GDP, which today gives him this net public debt ceiling of over £1 billion. It
is not magic. He cannot take credit for anything. All he has done is remove the limit and take the
higher one, and now suddenly he is a genius. It is nonsense. It is complete sleight of hand. He is
comparing apples with pears. He is saying, 'How terrible! You were about to breach the limit. It
185 was awful.' So what does he do? He abolishes it. Easy. Much easier. It is the sort of misdirection I

have come to expect from this Government when they talk about public finances, because that is all they can do: misdirect. Using 40% of GDP is also less prudent. It does not take into account the Government's ability to repay. Sir Joe has already said, 'Forget GDP. It is not really our GDP, most of it is generated by cross-frontier workers. Do not talk about GDP. It does not translate into revenue for the Government. Forget it.' But the Chief Minister, because it sounds good, keeps on talking and talking about GDP as if it makes a difference to our public revenue, when he knows it does not.

Since our Budget debate last year – coming back to the topic of debt – the Bank of England base rate has *quadrupled* – four times bigger. It has moved from 1.25% to 5% on 22nd June this year. As the UK seeks to tame inflation, the predictions are not good. The predictions are that the base rate might even reach 6.25%, if not even 7% or higher next year. This has profound implications for current and future budgetary estimates because, as much as Sir Joe likes to think it, it is actually not expected that interest rates will reduce quickly. The Governor of the Bank of England has gone on record and said, 'Look, guys, don't think these rates are going to come down quickly.' And if you read the *Financial Times* or any other financial paper, they will tell you that mortgage markets are already pricing in much higher rates and it is not looking good. The last time interest rates were at 5% was on 10th April 2008 – you can look it up on the Bank of England website – and that was just before the financial crisis, 15 years ago. We have had 15 years of ultra-low interest rates. Part of the overspend in the Consolidated Fund is in the area of public debt charges, which was £4.8 million over budget. Indeed, for next year, 2023-24, the public debt charge is due to increase from £31.2 million, as per this year's outturn, to £44.9 million, a 44% increase. Given what I have just said, we are going to have to accept that we are going to have to commit more of our money to interest payments, which of course is linked to our level of our direct debt.

In last year's Budget it was anticipated the Government would borrow only £50 million in the grand scheme of things. The outturn for 2022-23 shows that £75 million was borrowed, £25 million more than estimated. On this basis, and given the answers I have had to questions in Parliament, the borrowing under the UK sovereign guaranteed facility increased from £350 million in 2022 to £425 million as at 31st March 2023 – I am happy to be corrected if I am wrong. The Estimates Book shows that the Government is not expecting to borrow any further amounts in 2023-24 but intends to make provision for a small repayment of £½ million. We now know that the Chief Minister has stated that the Government is making a commitment to repay 10% of any surpluses toward the COVID debt. The £½ million is thus 10% of double the expected surplus of £2½ million. The Chief Minister mentions this 10% of surpluses in order to repay the COVID debt several times, but has he done the maths? The current borrowing under the UK guaranteed facility of £500 million is £425 million. Assuming straight-line amortisation – which means just divide one number by the other – over 25 years, we would need to repay £17 million a year, which at a 10% reserve rate of surpluses implies we would have to have surpluses of £170 million a year. I am sorry, but this is simply not credible. It is not credible and does nothing to support his argument that he has achieved anything as to any form of financial stability. It is not credible. We need a credible plan, but we are not hearing it from the Chief Minister.

Hon. Chief Minister: You are not listening.

Hon. R M Clinton: Really?

Hon. Chief Minister: No.

Hon. R M Clinton: No.

Hon. Chief Minister: You can't understand, which is why you are ridiculous.

Hon. R M Clinton: Yes, well, you are ridiculous. I am not going to take any lessons from you on how to divide numbers – because it is obvious from his speech, Mr Speaker, that he cannot divide numbers. *(Interjection)* But Mr Mena is not here to help him anymore.

Hon. Chief Minister: Not Mr Mena.

Hon. R M Clinton: Ah, sorry, Mr *[inaudible]*

Hon. Chief Minister: I think you are obsessed with him.

Hon. R M Clinton: No, I am not; I think you are. *(Laughter)*

Mr Speaker, his Budget speech does nothing to restore financial stability, and what is worse, despite having signalled last year in his Budget speech that he is looking for a 25- or 26-year rollover, the mere three-year rollover of this £500 million or appropriate facility on 3rd December 2023 up to 2026 is very worrying, as it has been on the cards for a long time. What we needed was a long-term facility and repayment terms as necessary to precisely restore financial stability. I am not convinced at all by the Chief Minister's argument that interest rates will be better in three years' time, so he can then negotiate a 22-year facility that will be better. But does he have a crystal ball? Can I please borrow it? We would both be rich men if he can predict with that accuracy what interest rates are going to be doing in three years' time. I am not even convinced that this new facility would not be at a floating rate or a higher rate. Who knows? But he is telling us that he thinks, in his judgement, in three years he will be able to do a better deal. I do not buy it and he has not been able to get a proper financing deal for this amount of money. Either there is something he is not telling us or the UK government simply does not want to give us anything more than three years' headroom, Mr Speaker.

Hon. Chief Minister: It is simply not true.

Hon. R M Clinton: I would be grateful if the Chief Minister could at least confirm that the facility is still for £500 million and that the Gibraltar Government will have the ability to draw down the remaining £75 million under the facility. That is something that we will need to know as and when we get into government. *(Interjection)* I do not want to get into government and find a note saying 'Sorry, guys, there's no money left, we spent it all; there's nothing left.' *(Interjection and laughter)* That remaining facility of £75 million, even though we are only going to have it for three years – unless he has extended the facility, which it would also be nice to know ... Of course, the Chief Minister does not give us all the relevant information all the time.

Mr Speaker, it just gets worse. The analysis of the gross direct borrowing as at 31st March is as follows, and this is for the Government of Gibraltar, the only debt that the Chief Minister will recognise. He has government debentures on a fixed rate at 6%, which are held by the Savings Bank, of £247.7 million. He also has floating rate government debentures of £125 million, again held by the Savings Bank, which adds up to £372.7 million. If I am wrong, I am happy to be corrected but that is as per the last numbers that Sir Joe has provided me with. In addition to this, there is the existing RBS NatWest facility, which was for five years and I think expires in 2024. That is at a floating rate. That is Libor plus 0.875%. And then there is the big RBS NatWest UK guaranteed facility that expires on 3rd December this year, which is again a floating rate – Libor plus 0.35%, and then, depending on the level of borrowing, there is a usage fee to be added on top. That comes to a total direct debt of £872.7 million on a gross basis. What is significant is that of this £872.7 million, £625 million of it – £625 million of this £872.7 million debt, of our direct debt – represents 72% of our direct debt, and this is on a floating rate which will naturally increase with the Bank of England base rate.

By way of illustration, just so listeners can understand this, £625 million today would cost us, at 5%, £31.2 million in interest alone. A year ago, that would have cost us £7.8 million. Obviously,

as I have said, rates have quadrupled. Ironically, there are £125 million of five-year government debentures which have been issued to the Gibraltar Savings Bank that cost base plus, remarkably, 3.05%, so at today's rate that is 8.05% that the Government is paying to the Savings Bank. This is surely something that the Government can address, as all it does is boost, unnecessarily, Sir Joe Bossano's reserves and drain the Consolidated Fund. What is the logic in that? The problem is that any new financing is no longer going to be cheap. Even the UK government is finding it hard to sell its government bonds or gilts, and its investors are now demanding higher and higher yields. Sir Joe Bossano will recognise this: the era of cheap money is over. It is over, Mr Speaker. We have had 15 years of cheap money. It is no longer going to be cheap, so 'let's wait three years' is really not going to help.

Each year, I try to quantify the indirect gross debt, being the moneys borrowed through companies, and this year I have the following list: the mortgage of the housing estates, £300 million; Credit Finance borrowing, £400 million; sale of the 50/50 affordable scheme, £165 million; and now, this year, I have added GSBA Ltd, £40 million and Gibraltar Properties Ltd, £70 million – that is a total of £110 million. The reason why I have added these is to reflect that the moneys borrowed by GSBA Ltd and Gibraltar Properties are being used (1) to fund Sir Joe's National Economic Plan, building the Rooke Nursing home, and Gibraltar Properties is using the money for purposes the Government simply will not tell me. Added to this is what we know about £53 million of the power station, £21 million of Gibraltar Car Parks and the walls ... I did have an old number of about £9 million on GCP Investments, which came to about £1058.60 million, rounded up to well over £1 billion of indirect debt. But the wonderful hospital deal the Chief Minister announced adds an extra £16.9 million to that in direct debt, being borrowing from the Gibraltar International Bank so that GCP Investments can purchase the Hospital. That has not gone through the books of the Government.

So the indirect gross debt ... And the reason we use gross debt for the indirect debt is because we simply do not know what the cash reserves of the companies are. The Father of the House, Sir Joe, knows that I ask every session what are the cash reserves, where are they, of the companies. He says, 'I am not prepared to tell you,' and I accept he says that, and I ask the same question and he gives me the same answer, but if I had the Principal Auditor's reports on time, I would be able to tell how much cash the government companies had, but of course the last information I had was for 2016. I have no way of knowing what the net debt might be, so I have to go on what I do know, which is the gross debt, regardless of what was said by Sir Peter or anybody else. So our gross indirect debt is well over £1 billion, and when you add that to our direct gross debt it comes to an incredible number, £1.9 billion. This is what the Chief Minister describes as financial stability, and it is the elephant in the room.

If this is not of sufficient concern, then consider how the Government's flagship National Economic Plan is being managed. The Government has no plan, or credible plan that I can see, to repay the direct debt, and we are in £1.9 billion of debt. I am not scaremongering. These are the numbers. I am happy to be disproved. Sir Joe will say, 'Oh, well, Credit Finance isn't borrowing.' I say I beg to differ, because when you drill down through Credit Finance, the £400 million, yes, there is maybe £4 million to Sunborn, £100 million in commutations, but that is technically borrowing, and there is something like £273 million which it says quite clearly is to a related party. 'Related party' has to be government related. I have asked in this House who is this entity and how are they going to repay £273 million, and of course I now get the answer 'I am not telling you.' He is not telling me, Mr Speaker. But that is borrowing, I am sorry. And so that is where we are, and the Government has no plan.

The National Economic Plan has been a real brainteaser, I may say, if not a challenge. During the 2019 election campaign, Sir Joe Bossano sat right next to me in our live TV debate and said he was going to inject £500 million by way of investment into the Gibraltar economy and it was all part of his National Economic Plan. But after the election, in this place on 19th December 2019, when I asked the direct question about this £500 million, he said no, that the Government was going to be receiving £500 million from somebody was not the case and this was the impact on

the economy. By this he meant to say it would reflect a growth in GDP. It is now evident that the £500 million injection was to be financed all along by the Savings Bank. He can split hairs and say, 'Ah, yes, but it is not the Government.' Yes, I know it is not the Government, it is the Savings Bank. It is hard to describe how difficult it was to work out the structure that Sir Joe created to execute his National Economic Plan.

In July 2020 in this House we asked specifically who were the beneficial owners of Community Supplies and Services Ltd (CSS). This was the company that was applying for planning permission for the Rooke nursing home site. Sir Joe unhelpfully replied, 'I have told him I am not telling him, Mr Speaker. I think the answer is clear.' We have since learnt, from unravelled the structure, that CSS is part of Sir Joe's Economic Plan. It is owned by Community Initiatives Ltd, a registered charity with lawyers from Hassan's as directors, so he knew all along what this was about but he could not bring himself to tell us. I do not know why. The problem is that Sir Joe revealed in answers to questions on 22nd December 2022 that a Gibraltar Development Corporation entity called Gibraltar Community Projects is lending money to CSS for three years at 4% but it is ultimately funded by the Savings Bank, and he quoted a number of around £22 million in respect of the building of the Rooke site. In addition, GSBA Ltd, which is a subsidiary of the Savings Bank – which, incidentally, has never been audited – is providing the funding via intermediary companies that Sir Joe refuses to identify. He will not tell me. Indeed – and this is the best bit, Mr Speaker; I really cannot believe he actually said this, but it is all in *Hansard* – on 19th January 2023 Sir Joe said, about my questions on the financing structure of his National Economic Plan:

He needs to have a trail through the jungle – to get to where? To see if there is something that he can criticise the Government for. Well, criticise me for not providing the answer; it is faster.

'It is faster', Mr Speaker, 'He needs to have a trail through the jungle.' His words, not mine. And it is a jungle, it is a veritable jungle. It is the best jungle ever seen or that we will ever see in my lifetime. That he described his own structure to execute his National Economic Plan as a jungle is worrying and perhaps explains why no Member of his Government, not even the Chief Minister beside him, will dare answer any questions relating to his National Economic Plan, because it is a veritable jungle. (*Interjection*) When it comes to the management of the public purse, whether Savings Bank money or taxpayer money in the Consolidated Fund, all Ministers have the same responsibility to be transparent and accountable. The Economic Plan is neither. It is not transparent – using the Minister's own words, it is a jungle – and there is no accountability. There is nobody else who would dare answer any questions about it because they, I presume, do not know.

It gets worse because when we asked something which I thought was a simple question – and I know Sir Joe enjoys answering my simple questions, as I enjoy asking them – as to what was the rationale for building sheds at Eastern Beach, what was the great economic opportunity that was identified for building sheds at Eastern Beach ... It was beyond me, so I asked, and his answer was (*Interjection*) 'The profitability of the investment in storage facilities at Eastern Beach by the private not-for-profit company Community Supplies and Services is a matter for that company, as is what they have spent to date.' All I asked was what is the economic rationale and how much have they spent, and he said 'Nothing to do with me, ask Community Supplies and Services, which is owned by a private company and is a registered charity, so I am not going to say anything.' But he cannot have it both ways. He cannot have a National Economic Plan – and we have heard more about it this morning, about how he is going to be doing lots of wonderful things and sponsoring projects and all that – and not be accountable for what he is doing. It just goes against all the rules of public finance.

Recently, in an advert that just appeared in the *Chronicle*, a new entity appears, which I presume he knows nothing about because he knows nothing about the Eastern Beach sheds. A company called EBS Ltd appeared from nowhere, a subsidiary of CSS, asking people to register for interest for sheds at Eastern Beach. Sir Joe tells us it is nothing to do with him – and he confirms

from a sedentary position, yes, nothing to do with him – but he is financing it. (**Hon. Sir J J Bossano:** So?) (*Laughter*) ‘So?’ he says. Mr Speaker, I am glad I had my heart operation last year and not this year. ‘So?’ he said. He is willing to spend up to £700 million out of the Savings Bank funding projects and he seriously expects us to believe that he has no knowledge as to what the money is being used for, what profitability is or how is he going to get a return on his money? He cannot have it both ways. This money in the Savings Bank will be not be government money is public money, and he, as Minister for the Savings Bank, has responsibility for that, and having responsibility for the Savings Bank he has a responsibility in this House to explain what he is doing with it. The Savings Bank is not a commercial bank, it is not regulated by the FSC, and he knows it.

I do not understand the mystery. Why not just say, ‘This is what we are doing and this is why we are doing it; we are going to make a packet of money and this is why?’ What is wrong with that? Is it so difficult, or is it that he genuinely does not know, in which case we really do have a problem if money is going out of the Savings Bank and he does not know what is happening with it – which I refuse to believe. He knows what is happening with it. He knows how it is going through a chain, a chain he will not describe to me. I do not know why, again, because he seems to think I am just looking for reasons to criticise him, but all I am doing is trying to understand it, because that is what I am here for. The people put me here, albeit in opposition, to hold the Government to account. He is telling us, ‘Not telling you. Don’t care, not telling you.’ The electorate will form their own view of that attitude, but it is not good enough in the 21st century, (**A Member:** Hear, hear.) not good enough.

Mr Speaker, just when we thought the jungle could not get any worse, we come to the great subject of the National Stadium, which Sir Joe proudly announced will be financed and funded by the Savings Bank and to the tune or value of £100 million. We do not know which one it was, or is, or is not. But then he tells this House he has had no sight of any business plans or financial projections, nothing. I do not know what is actually going on. He – not me, he – was the one who stood in the stadium and said, ‘I have a great announcement to make.’ The videos are there on YouTube; he can look at them himself. ‘Why I am going to use money from the Savings Bank: I am going to build this with your money.’ Ironically, despite my warnings over the years, people were more worried about what he said than anything I have ever said. He is the one who destabilised the Savings Bank, not me. It was his words that rattled people. (*Interjection*) Something clicked. He said –

Minister for Social Security, Economic Development, Enterprise, Telecommunications and the Gibraltar Savings Bank (Hon. Sir J J Bossano): [*Inaudible*] why they destabilised the Savings Bank.

Hon. R M Clinton: Well, it suddenly clicked in their minds: ‘He is going to use our money to build a stadium,’ and they said, ‘Well, no, we don’t want him to use our money to build a stadium, it’s our money.’ But of course, in his mind, no, it is the Savings Bank and he can do whatever he wants with it. He is the one who said that, not me. He also went on GBC and explained the wonderful plan. He was going to take security over the property and generate a wonderful return. Nothing for people to worry about – it is great. Fine. We, both sides – well, everybody on the Opposition – expressed our concern, interest, asked for more information, more details. Nothing was forthcoming. And then, Mr Speaker – and it could not get any more bizarre – in what I can only describe as a *Dallas* moment, for those of us old enough to remember *Dallas*, that great –

Hon. Chief Minister: The shower scene.

Hon. R M Clinton: Ah, the Chief Minister does remember it.

Hon. Chief Minister: The shower scene.

Hon. R M Clinton: Indeed. The great soap opera we all used to watch as kids. I do not know if Sir Joe ever watched it, but he probably did not have the time for it. *Dallas*, Mr Speaker. That great episode where in the shower scene, as the Chief Minister said, suddenly it was all a dream, it never happened. An entire season never happened. It was great. It was going to be the cheapest script ever written. 'No, we cannot kill off the characters.' 'Okay, let's put them back in. It never happened.' The Chief Minister on public television on *Direct Democracy* said it was never the intention to fund the stadium with money from the Savings Bank. It was all a dream, a bad dream. This was a bad dream. It never happened. 'Wake up, it never happened.' And so it got more bizarre, and whether the Chief Minister said those words flippantly in the heat of an election or pende or coming election campaign, he rather inelegantly, I thought, threw Sir Joe Bossano under a political bus –

Hon. Chief Minister: What a bus!

Hon. R M Clinton: – a political bus which had, on the side of it, written 'We will build your stadium with £100 million of your money from the Savings Bank'. He threw the hon. Gentleman under a bus. We never ever said that happened it is on the public record. And of course the Chief Minister did not utter those words in this place. He is entitled to his opinion outside this place, but Sir Joe knows the truth, we know the truth and the general public know the truth. Somebody stopped me down the street the other day and said, 'Does he really think we're that stupid?' I shrugged my shoulders. What could I say? It was all a dream.

Mr Speaker, as I said in my opening address, I am now more worried about what is *not* in this Book, specifically the National Economic Plan because it has become this creature which is unaccountable. It is an unaccountable parallel government. It provides no proof of its activity, no proof of what economic value it is creating. And it is a matter of concern that Sir Joe intends to funnel and effectively borrow up to perhaps, and maybe even more, £500 million from the Savings Bank – and it is hard not to say this without laughing – through this 'jungle' Book structure that he has created, with no accountability. And then this morning he announces that he is going to be launching new debentures for his development plan debentures. He may as well call them jungle debentures – 'Let's go buy more of Joe's jungle debentures,' – because that is what they are. No one will know what he is doing with it because he does not provide any information. I trust he puts the appropriate health warning on them. I will, of course, be talking more about the Savings Bank later on, and his wonderful rainy day fund.

So, Mr Speaker – and Sir Joe may want to cover his ears at this point, but I am sure he knows it is coming – should we be elected into government, we will commit to completely dismantle and flatten his jungle. We will dismantle this structure which has been created to run Sir Joe's National Economic Plan. (*Banging on desk*) It is an affront to good governance and undermines sound public finance principles, and we will not be channelling any more money to the structure. And so the directors of this entity should be put on notice because they may not be directors of a concern that is not going. Let them consider that in their plush offices. (*Interjection and laughter*) The public have the right to demand sound public finance principles, as ultimately it will not be Sir Joe, it will not be the Chief Minister, it will not be anybody on that side of the House, it will be the taxpayer that will foot the bill and pay the burden for their mistakes.

The burden of tax is slowly increasing on the ordinary PAYE worker and this is evidenced by the untailored 2% increase in tax last year. It was untailored. It was not targeted to the higher earners or anything; it was no, everybody pays 2%. In 2018-19 – the baseline which I agree with Sir Joe should be the one we should use – total revenue was £708 million, the record year before this year just gone by.

In percentage terms, Sir Joe has inflation-adjusted the numbers, which is perhaps the more scientific economic way to do things. I have taken a perhaps more basic approach, but it should generate the same result. In 2018-19 that £708 million was made up of income tax 25.7%, corporate tax 23.1%, import duty 24.5%; departmental fees 18.4% and other items 8.3%. The

estimates for 2023-24 are for revenue of £724 million. Interestingly, this will be made up of income tax receipts 34.5% – that compares to 25.7%; company tax 21.4%, compared to 23.1%; and, importantly, import duty 13%, which compares to 24.5% at the high water mark; departmental fees 21% compared to 18.4%; and others 10.1% compared to 8.3%.

On that simple analysis, the ordinary taxpayer is having to bear a higher burden of tax, which is really to offset a major loss in indirect tax, being import duty, which in the high water mark year, 2018-19, was £173 million and for next year, 2023-24, is estimated to be 45% lower at £95 million. So combined with a continuous increase in departmental fees for all sorts of licences – road licences, dog licences, whichever licence you can think of – the burden of personal tax, both direct and indirect, is increasing.

I will be honest, Mr Speaker, it may be that this is the new reality we need to face, that collectively we have to adjust to until new sources of government revenue can be generated. The most obvious new ways to tax would be perhaps taxing property developers, given the massive scale and volume of luxury projects that will change the face of Gibraltar in the years to come, and forever, but if this personal burden cannot be avoided then it is incumbent on any responsible Government to lead by example and ensure that we do get value for money – a concept that Ministers simply fail to understand. They fail to understand it, Mr Speaker. Furthermore, any increases in taxation need to be properly debated and analysed before being passed into law. It is no longer good enough for the Chief Minister to stand up and say, 'I am going to do this, I am going to do that, maybe I will do this. Maybe I will change my mind. Maybe I have got it wrong.' No, Mr Speaker, this House has a duty and an obligation to scrutinise and discuss any tax increases.

And so we come to the Budget measures. Last year we were treated to the most specular U-turn in budgetary history when the £25 a week – and, of course, when the Chief Minister says something per week or something per day, it is obviously a much bigger number; £25 a week is much more than the price of the *Chronicle* – was reversed within less than 24 hours of its announcement. It displayed a complete lack of thought, judgement and planning as to what might have been its potential effects on our economy, let alone the fairness of its application.

Then, after we debated the Appropriation Bill here and the Chief Minister had made his announcement in June/July last year, in August 2022, by way of Gazette Notice 231/2022, Sir Joe Bossano increased the cap on Social Insurance by 1% from August 2022 with a further 1% increase in July this year. This was not even mentioned during the Budget debate and what is even more surprising is that no mention was made that the employers' contribution was being reduced from 20% to 19% in the first year and then to 18% in the second year, while employee contributions stayed at 10% of earnings, albeit both capped. He said he had discussed it with the Chamber of Commerce and the Federation, although he said this morning, 'No, I don't discuss these things with them.' He discussed it; he said so. It is a remarkably unsocialist measure. He reduced the employers' –

Hon. Sir J J Bossano: Clearly a misunderstanding [inaudible]... honourable Member... [Inaudible]

Hon. R M Clinton: I will give way to the Member.

Hon. Sir J J Bossano: I informed them, Mr Speaker. I invited both the Chamber and the Federation to send somebody to see me and explained to them what I was doing and why, so they knew what was going to happen and, if necessary, they would inform their members. I did not negotiate with them, and that is what I said I do not do, which was the same thing that the GSD said in power – that they did not negotiate with the private sector about whether they agree to pay more, because nobody would agree to pay more.

Hon. R M Clinton: I am grateful for the Minister's clarification, but, Mr Speaker, he must agree with me that the employer element reduction was not given wide publicity. It was a remarkably unsocialist measure, but I have to accept it was business friendly.

We have repeatedly called for a Finance Bill to be introduced at Budget time. This would allow for proper consideration of measures and, indeed, for the timely enactment of changes. We have on our Agenda in this session Bills which enact measures dating back to the 2019 Budget, the 2016 Budget and the 2018 Budget. This needs to change. I am sure it is something we can agree on both sides of the House. It is nothing short of amateur. Let's have a Finance Bill.

This year's Budget measures that benefited the vulnerable and less well-off are, of course, welcomed, as the Leader of the Opposition has already indicated. On this side of the House, anything that supports the most vulnerable in our community, we will support. But given that I do not believe we are quite out of the financial woods on matching revenue and expenditure – what Sir Joe Bossano described this morning as the funding gap – I find that the Government's decision to halve the 2% increase in PAYE for those earning below £100,000 perhaps surprising. A more generous cost of living targeted measure for those earning below average earnings of £34,000 would perhaps have made more fiscal and social policy sense.

But the most surprising Budget measure announced was, of course, the tax-free non-consolidated lump sum cost of living assistance payment in respect of public sector workers, which varied from £1,200 to £900 to £600, staggered depending on income bracket, to be paid at the end of September 2023 and costing, by the Chief Minister's reckoning, £6½ million. He then says, in the same breath, 'and I have asked Ministers to find half a million pounds' saving each, to be able to pay for this'. The Estimates Book says 'Draft' at the top of it, so why doesn't he put it in? Why hasn't he put it in and said, 'Mr Speaker, I have a late amendment, I want to put this in'? But no, Mr Speaker, he cannot do that because that is £6½ million off the bottom line if he cannot find half a million pounds' worth of savings from his other Ministers. So his £2½ million surplus is already a £4 million loss and that is before he has even approved the Estimates of Expenditure.

The average salary in Gibraltar is £34,000 and yet this lump sum, albeit staggered, is to be paid to workers earning up to £100,000. It would also appear from the Chief Minister's statement – and this affects us in this House, Mr Speaker – at line 739, that this lump sum is to be paid to certain Members of Parliament. (*Interjection*) Well, I do not have an occupational pension and I have no alternative employment. I would respectfully remind the Chief Minister that MPs are not public sector workers – (*Interjection*) exactly – and cannot be entitled to such a random lump sum payment. (*Interjection*) Yes, MPs are paid an allowance and the variation of this was the subject of recommendations by the Canepa Commission, of which he is so fond, specifically recommendation 12. Indeed, it would say little of us in this place, of leading by example, if such arbitrary payments were made to MPs. So just put 'This will not be applicable to MPs.' But it is not. There is no need even to reference it, other than by clarification that we are not going to pay ourselves a lump sum, and if he is willing to do that, great, he certainly has my support to put that full stop in.

Hon. Chief Minister: I am [*inaudible*] not paying ourselves.

Hon. R M Clinton: Good. Mr Speaker, the definition of the public sector as per the Employment Survey is as follows: 'all government departments, statutory authorities and agencies financed by the Gibraltar Government and wholly owned government companies'. That is the definition of the public sector. It is not the Gibraltar Parliament and certainly not MPs. I hope that will clarify any misunderstanding.

Private sector employees have rightly raised an eyebrow at this measure. It is not a universal cost of living benefit scheme to those most in need, as operated by the UK government, and this is despite the Chief Minister putting his one-liner in his Budget speech. He asserts:

The objective is to use public money to help those on the lowest incomes ...

I did not know anything above £50,000 was considered a low income. At first blush, a less generous interpretation is that it is a straightforward pre-election giveaway, even though it would destroy his projected £2½ million surplus for next year, and by definition, as Sir Joe will understand, will force the Government to borrow more if he cannot identify equivalent savings that will cover those costs in these still draft Estimates.

And then the Government explicitly states that it will not cross the red line of borrowing to fund public sector pay. It will not borrow to fund public sector pay. Shortly after the Chief Minister's speech, Unite issued a statement: 'Negotiations with the Government on a pay solution have been lengthy and very detailed, with commitments provided around consolidated pay increases for 2024-25. The outcome of the pay negotiations will be subject to a public sector wide ballot of Unite members as to whether these proposals are acceptable.' It all suddenly seems to make sense, because we have since seen this bulletin which was issued by Unite. This bulletin from the Unite Public Sector Working Group recommends accepting an offer, and this offer is an increase of consolidated basic salary for 2024-2025, and it reads remarkably like the lump sum socialist system's payment this year. Basic salary earners up to £50,000 will receive £1,200, basic salary earners between £50,000 and £75,000 will receive £900, basic salary earners between £75,000 and £100,000 will receive £600 and basic salary earners over £100,000 will not receive an increase.

In the context of what is a complex and global pay negotiation with Unite as outlined above, which is with an objective to consolidate these amounts into a pay settlement, the Budget measure the Chief Minister announced takes on a whole new light. This is not a one-off lump sum assistance to help the lowest income earners in the public sector; no, this was an upfront payment at the end of September, probably as a good-faith measure and saying, 'If we get re-elected, we will do the second part.' But he did not say anything in his Budget speech about this. He did not say a word. He will probably say in his reply, 'Ah, yes, well, Mr Speaker, this was a complex negotiation. We have not necessarily accepted it, they have not gone to ballot, and, besides which, technically it is 2024-25 and therefore is not part of this debate.' And probably, technically, he will be right, but in the context of his lump sum social assistance payment this year, without this second piece of information, apart from looking odd, it is incomplete because he should have told us what the full picture is – 'I am putting this on the table now. I am going to suggest this for the year after, but it is subject to ballot' – and we would have perhaps said, 'Okay, if that is the Government's position.' It, kind of, then makes sense, but without the second bit of information the whole thing looks lopsided. Social assistance payments to somebody on between £50,000 and £75,000 and £75,000 and £100,000? Seriously? I do not get it. With this, it does kind of make sense, but they are not giving us the full picture, and they never do give us the full picture because they are used to it.

Of course, this now explains these rather bizarre lump sum payments which have been presented across such a wide pay scale in the public sector, which is obviously a teaser for this settlement. This settlement will incur recurrent expenditure because it will be a consolidated pay increase. It will be consolidated into their salaries – not a non-consolidated one-off lump sum payment, it will be consolidated – and that will increase recurrent expenditure, which Sir Joe this morning warned about and has been warning for the last few years is a problem. So this is the Chief Minister's financial stability. It is great.

As regards the private sector, I really do regret to see there is not much in the way of relief, other than the elimination of a few token fees and perhaps a little bit more latitude on certain items.

To ask taxpayers, as I have indicated, to shoulder what will be a higher tax burden is, of course, a big ask at any time, but it must be met with a commitment to complete transparency and accountability on the part of Government. This Government fails to meet even the basic standards of transparency and accountability, and that is ignoring the vagaries of the much-famed National Economic Plan.

645 I have complained for years as to the lack of reports from the Principal Auditor on the Government's finances. First we were led to believe it was due to outstanding supplementary appropriations. This problem was cured – three years' worth – on 26th July 2021, and now we are told there are adjustments required before finalisation. The last report we had in this House from the Principal Auditor was for the financial year ended 31st March 2016. That is even before the composition of this Parliament in 2019. I am beginning to doubt whether we will ever receive any reports, given the short remaining life of this Parliament. And even if they are received for 2017 and 2018, they will be five years old and all the issues that may be identified – all waste issues that the Father of the House is so interested in, any value for money issues – will have become irrelevant and obsolete. How is the Minister for Financial Stability expected to do his work if he gets no reports, if this Parliament gets no reports?

655 We have something broken, something is not working, something is seriously wrong and it prevents the Opposition from being able to hold the Government to account. **(A Member: Hear, hear.)** We cannot do it without reports. He expects us to tell him, to identify waste. We do not have access to the books of the Government. We cannot go in and audit them. I would love to – I would do it for free – but I have not that ability, so we rely on the Principal Auditor. We do not have any reports, so go figure. How am I going to tell him, 'Look at page 222 of the Principal Auditor's report: this department is doing this'? I do not have access to the information – he has, I do not. He is the Minister for Financial Stability. Why hasn't he asked for these reports to be produced? And so, Mr Speaker, it is all not working.

660 And then Sir Joe, who at one point used to enjoy sending out glossy booklets for the Savings Bank, although not the investment analysis, will not even gazette the audited accounts of the Savings Bank. He gets audited accounts; he gets them separate to the Government's own accounts. He has them but he will not gazette them until the Principal Auditor does his overall report – which he accepts from a sedentary position by nodding his head. But this is nonsense. What is the big secret? Why can't he just do it?

670 Why does it matter? It is about transparency. The problem is if everything is fine and there is nothing to hide, well, just publish. The problem about not publishing is people then say, 'Why hasn't he published? What's the problem? Is he actually hiding anything?' We do not know. We do not get any audit reports. They are produced, they are there, he has them on his desk but he will not publish. There is no reason why he should not publish them. I invite him to publish them. He has told us this morning he has £1.5 billion of deposits and yet the audit reports he will not publish, he will not gazette, as he is required to do in the soonest possible time, or whatever words are in the Savings Bank Act. This is nonsense.

680 And then we go to the other topic, the Government's record on filing its corporate accounts. It has worsened since last year, I regret to say. In answer to questions on 15th March 2023, Sir Joe answered that there were 41 companies that were overdue in their filings at Companies House and these had now accrued penalties amounting to £20,350. And then, in addition, there are nine companies that have never been audited since incorporation. These include, in terms of late filing, companies such as Gibraltar Joinery and Building Services Ltd and the National Mint. They are overdue on filing the accounts. The National Mint, which produces coins every other week that we see in the Gazette and which Sir Joe claims is making fabulous profits, has never even been audited. I am astounded, Mr Speaker. How can the National Mint never have been audited? *(Interjection by Hon. Sir J J Bossano)* Yes. *(Interjection by Hon. Sir J J Bossano)* No, maybe it was *[inaudible]* Okay, fine, I understand. *(Interjection)* I can lump it, that is fine. *(Interjection)* Yes, I will lump it. Why not? That compares to the position as at 31st March 2022, when 26 companies were overdue in their filings and a further 12 had not been audited since incorporation, a minor improvement on the not since incorporation, but this is really an unsatisfactory situation and one that should have been resolved by now. This new dawn Government has been in place, as they claim, since 2011. They have had sufficient time, more than sufficient time.

695 The Chief Minister claims he needs no lessons on value for money from us because he is the expert and he has a Minister for Financial Stability. So where is our Public Accounts Committee, I ask.

Hon. Sir J J Bossano: That has nothing to do with this.

700 **Hon. R M Clinton:** No, nothing to do with it. A Public Accounts Committee does scrutinise how public money is spent and whether it is spent effectively, efficiently and economically. We are an embarrassment. We are the only UK Overseas Territory not to have such a scrutiny committee, and the Hon. the Father of the House knows this because he has been to the conferences with me. St Helena has one, the Falklands have one. (**Hon. Sir J J Bossano:** Ridiculous.) Yes, he says it is ridiculous. Well, I disagree with him and we agree to disagree, but it does serve a purpose.

705 Mr Speaker, I wanted to turn to the comments from the Hon. Minister Mr Isola, but unfortunately I see he is not in the Chamber. He takes us back more than a quarter of a century to 1996. He says, 'Well, you should have done it, and you didn't.' Well, look, Mr Speaker, I was not in government in 1996. And then I started thinking, well, where was I in 1996? Where was I? And then I remembered. Yes, I remembered that day, that very day. I was in the John Mackintosh Hall when they lost the elections, and the look on their faces was priceless. It was priceless. They did not think they would ever be booted out. They thought they were going to be there forever. Well, the electorate thought differently. After the count, we had a walk, collectively, down Main Street. 710 I can tell you, hand on heart, Mr Speaker, it felt like the liberation of Gibraltar. (*Interjection*) Yes, it did. There were people cheering us from the windows. (*Interjection by Hon. Chief Minister and laughter*) Yes, well, good for that. There were people cheering us from the windows because they were liberated. They were liberated from the tyranny of the GSLP Government. (*Interjection*) Yes, the tyranny. (*Interjections*)

720 The Minister Mr Isola – (*Interjections*) Oh, they have woken up, Mr Speaker. I am glad to hear it. The Minister Mr Isola went on to say, 'Well, where were you?' and I said, 'Well, what happened in 1996?' He has to go back a quarter of a century to come up with points. He then says, 'Well, what about public accountability? What about ...?' (*Interjection by Hon. Sir J J Bossano*) Where is his commitment to the Public Accounts Committee? The first thing I did when I came into this House was to present a motion to set up a Public Accounts Committee. He says we are not collegiate. I say I try to be. I put in a motion of Public Accounts Committee made up of Members of both sides of the House. But no, they do not want one. They voted against it. (**Hon. Sir J J Bossano:** Yes.) Yes, Sir Joe says. He acknowledges that, and so did Mr Isola. He voted against it. So he has the audacity to criticise us for something 25 years ago that he will not commit to today. He will not do it today. We commit to do it and – 730

Hon. Sir J J Bossano: Well, do it on your own.

735 **Hon. R M Clinton:** Yes, Mr Speaker, he says do it on your own. This sums it all up. They are not interested. They are in power. That is what they want, raw power. They do not want to be held accountable in this House. (*Interjection*) They do not want to know. They want to sit there, pontificate, do whatever they want and rule by decree. That is what they want. They do not want to come in here and answer questions. It is beneath them. It is too much trouble for them. (*Interjection*) Yes, but – (*Interjection*) Oh, yes, the new dawn. I forgot. But that is the irony of Mr Isola's comment. He tries to score political points when he himself will not commit to undertaking that same measure. And not only that, even if we did get into government and we did implement a Westminster-style Public Accounts Committee, the Father of the House is on record that they will not participate. Well, fine, do not participate. We will find other people who will do it. 740

745 **Hon. Chief Minister:** You cannot do anything.

Hon. R M Clinton: If we legislate, we can do what the hell we want, the same as you do.

Hon. Chief Minister: Well, then it is not a Public Accounts Committee of the House.

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Hon. R M Clinton: We will be. It will be something else. But if you do not want to participate, you are not doing your jobs. Maybe we will deduct it from your salaries if you do not want to attend the Public Accounts Committee. *(Interjection by Hon. Chief Minister)* Good, yes, because you are earning enough, you do not need the money. Why don't you let people who actually care stand for election?

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Hon. Chief Minister: People who care.

Hon. R M Clinton: No, not the people you put forward; the people who care, who want to see social justice done in this place and not just this excuse for a Government.

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Hon. Chief Minister: Of your tiny, tiny, tiny brain.

Hon. R M Clinton: Well, Mr Speaker –

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Mr Speaker: I think hon. Members need to pipe down somewhat. Let us continue listening to what the Hon. Roy Clinton has to say.

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

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Hon. D A Feetham: You are being effective, Roy.

A Member: Absolutely.

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A Member: Hear, hear. *(Banging on desks)*

Hon. R M Clinton: But I haven't even got warmed up yet, Mr Speaker. *(Laughter and interjection)*

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I was impressed with the Chief Minister's quotes from Shakespeare. I did not know he had such a depth to him. He has surprising depths. Dick the Butcher, *Henry VI, Part Two*, Act 4, Scene 2: 'the first thing we do, let's kill all the lawyers'. Dick the Butcher may find that he has a lot of sympathisers in Gibraltar at the moment, I regret to say. I will reserve my own judgement. But of course, being an accountant, I do not have to fear the mob.

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I was struck and a bit flabbergasted, to be honest, at Mr Isola's comments about the negotiating ability of the Chief Minister. The hon. Member Mr Isola will know I have great respect for him, although he is not here today, as a lawyer and a financial services practitioner, but to suggest that somehow his ability to have photographs taken at No. 10 is some great boon to diplomacy is stretching the imagination. I know he and Boris went to Oxford. Maybe it is some old-school-tie tradition where they meet every so often and have their photographs taken.

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(Interjections) Well, I think Liz Truss went to Oxford, too. **(Hon. A Member:** David, too.) Well, there you go, it is a club, yes, it is an old school club, Mr Speaker. And so he shared that in common with Boris Johnson. They both went to Oxford. Great. So what? Does Mr Isola seriously suggest that somehow this is something that we should be in awe of, that we in this place should somehow kiss the Chief Minister's feet because he managed to get his feet across the doorstep of No. 10? Seriously?

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It got worse. This fawning adoration of the Chief Minister by Mr Isola, who is more than the Chief Minister's equal, was somehow nauseating. His worship of the new dawn false prophet, the sun god of the new dawn, which Mr Isola could not find enough words to describe in his adulation

of the Chief Minister. I just found it a bit, perhaps, over the top, and I would commend the Chief Minister to read *Julius Caesar*:

Yond Cassius has a lean and hungry look,

It strikes me as Mr Isola. (*Interjections*) I could quote Shakespeare ad nauseam, but I am not going to. And so, Mr Speaker, Mr Isola's contribution, frankly, was vacuous.

In his Budget, the Chief Minister claims to have spent £160 million on schools. Last time I heard, it was £100 million. Again, it is only rumoured, because I have no way of verifying it. So where is the £160 million in the schools? Where do I find it? Is it here? What number is it? Oh, no, it is not here, Mr Speaker. Nothing in the Book, nothing. They all just miraculously appeared. So where was the transparency and the accountability on this? How do we know those were value for money projects? Were they just rushed jobs at any expense to meet electoral cycles and pretty political pictures? How do we know? He keeps on saying, 'Oh, well, there's the Airport.' Yes, because the Airport was in the Book. He could look at it; it was transparent, it was accountable. Where is the transparency and accountability on the schools? Where is it? Why couldn't he put it in the Book? Was it so difficult? Is it beyond his reasoning or rationale? What is the reason? It is daft.

This is not what we are here to do. This is the Parliament of the people. We are meant to be holding the Government to account. The Government does not want to be held to account. (**A Member:** Hear, hear.) (*Interjection*) So where is the money going to come from to cover the £30 million increased cost of housing construction that the Government says it will absorb? How generous, but where is the money coming from? There is nothing in the Book. Where is it coming from? He has a £2½ million surplus next year. Is that in the Book? No, it is not in the Book. Is it really a surplus? No. This Book is just a waste of paper. And so we have a Government that is asking the taxpayer to bear a bigger burden, year on year, as time goes on, but they fail to provide transparency and accountability at even the most basic level. Sir Joe will not even publish the Savings Bank accounts. It is no wonder the public trust in this Government is evaporating, and it is all of their own doing.

The COVID-19 Response Fund is something that was very important for Gibraltar. In May this year the World Health Organization declared that the COVID-19 global health emergency was over. It has been – and this is perhaps an understatement – a difficult three years in more ways than just financial, but I will be dealing with the financial aspect, Mr Speaker.

At this point I note and reciprocate the thanks of the Chief Minister as regards the modest input I was invited to give at the height of the COVID crisis. I say this genuinely: I sincerely believe that when the history books are written about this very difficult period for our community, it will be described as our finest hour as a community. We did what had to be done and we pulled together. It could have been worse. I do not deny the words the Chief Minister quoted me as saying on 20th March 2020 because we were staring into the abyss and confronting our mortality. It was a scary time. None of us knew what was coming round the corner in terms of potential mortality. I did say – and I stand by what I said – and I quote myself, that 'we need to do what is necessary and we will work out later on how we pay for what we need to do', in pretty much the same way all governments round the world did. However, that did not mean a blank cheque with no accountability, and I am glad that the rules and regulations for the operation of the COVID-19 Response Fund were agreed between us to ensure safeguards were in place. I remember the meeting at No. 6. These rules required the Financial Secretary to sign off on all the expenses booked to the fund and that these would be audited in due course by the Principal Auditor. This, of course, resulted in increased levels of direct debt, which were generously supported by the UK government, but I have to say that they are dwarfed by the indirect debt previously accumulated by this Government. In fact, if I remember correctly, he is on record as saying, 'Thank God I didn't take Mr Clinton's advice to put the tax on the books.' It is debt.

It is apparent from the quarterly gazettes of the movements on the COVID-19 Response Fund that there has been no new charge to the fund since September 2022. The position at 31st March 2023, which appeared in Legal Notice 132/2023, indicates that the fund is to be set to zero and that the balance as per the Gazette – the number may have slightly changed – of £2,702,350.91, which represents mainly donations, is to be transferred to the Government Trust Fund. As a technicality, I look forward to the Chief Minister formally declaring this sub fund to be closed as having met its purpose under Rule 6 of the regulations gazetted on 18th May 2020.

I note that the Chief Minister's Budget address stated that the donations transferred to the Trust Fund will be used in, I quote, 'a significant overhaul of the entrance to the Hospital' and will include meeting spaces and a mezzanine administration floor for the Hospital ... blah, blah, blah. Mr Speaker, I imagine that those who, in good faith, made those donations thought they were going towards urgently required life-saving equipment such as ventilators and not what can only be described as a building project. I would respectfully suggest that the Government consult with the donors, if it has not already done so, as to what their wishes might be as to how this money should be applied within the GHA given the current circumstances.

This sub fund served a valuable purpose. It allowed us to record and track with some accuracy the financial costs of the COVID-19 pandemic. The final cost booked to the fund was £406 million, but this was made up of £311 million of lost government revenue, £90 million of direct costs and £5 million of capital expenditure. The actual cost of the employment support BEAT measures came to a total, across more than one year, of £32 million, which is recorded within the £90 million of direct costs.

The COVID-19 Response Fund was, of course, financed mainly by way of loans, but it is important for the public to realise that 77% of the £406 million was in order to cover lost government revenue rather than actual expenditure, which was £95 million. The amount that actually was used in practical terms was £95 million. Under the regulations creating the sub fund, the Principal Auditor is required to audit the sub fund and I look forward to his report in due course, and it is important that this exercise is done as soon as possible so that we can get some comfort that all the equipment bought was bought, albeit under difficult circumstances, under the best value for money possible. As we know from reading the UK press, there has been consistent criticism of contracts that were given for personal protection equipment etc., and so it is important that this fund is audited sooner rather than later.

Mr Speaker, I move to the rainy day funds, because it has not rained enough. The Savings Bank reserves belong to the Government and thus the people. The Chief Minister boasts that it has £67.5 million of reserves, and yet Sir Joe Bossano will not deploy this so-called rainy day fund until the day of judgement is upon us – and he agrees – but he then cannot call it a rainy day fund. If we are not going to use it when it is raining, (*Interjection*) when are we going to use it? What is the point? Whether it has £1 or £50 million of reserves, it is nothing to boast about; it is just another pocket of the Government. And most of its returns, as Sir Joe will acknowledge, come from Government activity. Sir Joe is not an investment guru. The returns are mostly manufactured from other government entities, such as, for example, the £125 million borrowing which pays through its nose.

He made a very interesting point, Sir Joe, this morning, when he talked about the 10% margin, some very interesting points, because he said, 'I am keeping them there because I am now no longer keeping it in near cash or cash, and therefore there is a risk of capital losses.' That is what he is saying. He is saying there is a risk of capital losses. Therefore, he is keeping a reserve.

Hon. Sir J J Bossano: Mr Speaker, if the hon. Member –

Hon. R M Clinton: I will give way.

Hon. Sir J J Bossano: That is not what I was saying. I was saying the argument that they use ... and I quoted the backbencher former Chief Minister explaining that, as far as they were

concerned, there was now a risk which justified ... a theoretical risk. He explained why he removed it, which is not the explanation that they gave, that he was the person who did it, and in fact what I did was quote what he said, that it was justified to be backed because there was a theoretical risk if it was not all in cash – which I do not agree with anyway because the money, when it was all in cash, was invested on the London Stock Exchange, so I think there was the same risk. But I was telling them that the arguments that they used were in conflict with what the person who did it was saying in this Parliament, not me.

Hon. R M Clinton: Mr Speaker, that may or may not be so. I do not doubt the Member, and we can obviously all go back and check the record, but he did say, 'I am thinking of reintroducing that rule.' (**Hon. Sir J J Bossano:** Yes.) He acknowledges that. But then, if he is going to reintroduce that rule, he cannot call it a rainy day fund because he will not have access to it by law, because he will be required to keep 10% in the Savings Bank. Therefore, to say, 'Well, hey, it's my rainy day fund ...' If he puts that law in, he is not going to be able to touch it. It is as simple as that. If he says he wants to keep 10% of £1.5 billion, he is never going to be able to touch it, not for at least another ... I do not know what rate of profit he is projecting, but at least not for another five or 10 years before he would be able to take any money out. It is because he calls it a rainy day fund that I said last year, 'Look, as far as I can tell, and I am not a meteorologist, it's pretty much monsoon weather.'

Hon. Sir J J Bossano: The monsoon is still to come.

Hon. R M Clinton: Sir Joe says the monsoon is still to come, but –

Hon. Member: The rainy day fund.

Hon. R M Clinton: Yes, but we cannot touch the rainy day fund. Maybe we should all go out and buy umbrellas, because we are not going to be able to touch the rainy day fund.

And so it is a bit nonsensical, Sir Joe's approach to the Savings Bank, and given what he is talking about already ... He talked about some new debenture for his development projects, or whatever he called it; I cannot remember the exact words he used. (**Hon. Sir J J Bossano:** Economic development.) Ah, economic development bonds. I look forward to reading the prospectus because if he is offering 5%, why would anybody want to buy them? What is it that is going to be so special about these bonds that will make them attractive to people? And when he says there will be new elements to it, the ability to make them transferable, I think they are transferable anyway, the Savings Bank debentures, but to talk about trading them is something completely new and different, although I think it is allowed within the law.

And then another thing which struck me when he was talking about the Savings Bank, boasting about the growth in deposits in 2011, was of course ... He talked about the switch from Savings Bank debentures that he alleges Sir Peter instigated to move them into direct government debt, but what he has not mentioned is the fact that they went the other way. They went from government direct debt into the Savings Bank.

Hon. Sir J J Bossano: It was reversed.

Hon. R M Clinton: Yes, it was reserved, in which case, naturally, the level of debentures shot up. It is simple maths. So it is not some great economic miracle. And of course, if you are offering rates way above the market, it is understandable that you are going to have a lot of people putting money in. That is bound to happen.

But the Savings Bank is not what he calls a development bank. He has turned it into that, but with the best will in the world I just cannot accept the way he is running it. Where is the independent board? Where are the experts? Where are they? Does he just sit there with his

crystal ball every day and say yes, no, yes, no? Who is actually coming up with the decisions as to how this money should be deployed? Where is the rational thinking? Is it just him? He is the Minister for the Savings Bank, he is not the investment manager of the Savings Bank, he is not the chief investment officer of the bank. He may be the Minister for Inwards Investment and Economic Development, but it was never really the intention ... Yes, he has changed the law on the Savings Bank to turn it into a bank that will invest money to further the social and economic development of Gibraltar, but that he should be the only mind behind it – even giving him the benefit that what he is suggesting makes sense – does not make sense. If he said to me, ‘I am going to do this, and by the way, here is an independent board of experts that is going to be running this,’ I might derive more comfort, but when he sets up a parallel government through a structure which is registered as a charity, which is run by lawyers at Hassan’s, and then when we ask questions – what are they doing with the money? – and he says, ‘Don’t ask me, ask them,’ I am sorry, Mr Speaker, it is not acceptable. The Chief Minister may find it amusing, but I do not find it acceptable and I do not think the people out there find it acceptable either. This is not the way to be doing public finance. This is not the way to be running the Savings Bank. It is not their personal toy. And then the projects – the Eastern Beach sheds; I do not get it. What is the potential economic benefit? I do not understand. What does he think he is doing? *(Interjection and laughter)* Well, he laughs, but the people out there are not going to be laughing on election day, believe me.

Of more concern – and Sir Joe may find this of interest – is the disclosure that Community Care holds reserves of just £38 million. Sir Joe will know from previous election campaigns ... He once boasted it was £100 million. He wanted to get it up to £300 million. It is now just £38 million. From what I have seen from previous accounts – I am happy to be corrected by Sir Joe – the annual expenditure, and I am not only talking about community officers to the run-of-the-mill Community Care cheque that most people get, costs us about £20 million a year, and so the amount held will only just cover two years of payments. Logically, when this runs out, the Government will have to intervene, which means the Government will have to stick its hand in its pocket and do whatever is necessary. But then this thing comes back to the whole question of financial stability. Are we really out of the woods? Are we going to have to borrow more? How are we going to do this? And again – this is the issue, Mr Speaker – we are not getting the answers to the big questions.

Mr Speaker, as an aside – and I really did not want to say this, but I have to say it – I am aware that the Charities Commission have filed accounts for Community Care for the year ended 30th June 2020, and they have had them for at least six months. I am told that they will not release them to me because they claim to be checking them. I have been chasing this for six months and I have to say I am baffled at what I think is unacceptable stonewalling. I would urge the Charities Commission and commissioners to consider whether they are complying with the spirit and not the letter of the law. Once the accounts are filed with the Commission, they should be available for public inspection. No one should be stonewalled, least of all a Member of this Parliament. **(A Member: Hear, hear.)** It is unacceptable.

Last year, the Government announced they would nationalise AquaGib. The Government owns one third of the shares in this joint venture. On a net asset value basis, last year I estimated this would cost something like £6 million and I asked, ‘Where are you going to get this money from? Is it going to part of the National Economic Plan? Is the Savings Bank going to buy it? How is it going to be structured?’ The Chief Minister has stated in his Budget speech that it is still the intention to buy AquaGib, but he said nothing about funding. I do note that in the Budget Book, for what it is worth, in the Improvement and Development Fund there is provision for a £10 million acquisition of shares, and I would ask the Chief Minister can he at least advise the House in his reply what is this £10 million earmarked for? Is it for AquaGib, or is it for something else?

As regards inwards investment, Sir Joe has quite rightly said things are difficult out there and are likely to continue to be difficult. The receipt of the £90 million premium from TNG is, of course, welcome, although we do note that it comes with conditions in terms of planning and those conditions could, whatever those conditions may be, trigger repayment. The other big site on which we have no clarity at the moment is Victoria Keys. We have no sense as to what is happening

with Victoria Keys or what premiums or anything like that will be forthcoming. And there is a mysterious 150,000m² reclamation project, which was meant to be part of the National Economic Plan, on which we have heard nothing since the election in 2019.

On FATF, Gibraltar's grey listing was unfortunate, and on this side of the House we have already expressed our disappointment at the failure to achieve delisting in June, but of course – and we genuinely do mean this – we do hope that the Minister's 100% certainty that Gibraltar will be delisted in October is achieved. In that, he has our support.

Mr Speaker, to the relief of the House, I am coming to my conclusion, and my conclusion is this. Why did I get into politics? Why am I even here? The Chief Minister may have his views, but I came into this place ... I stood for election for the first time in 2015, not to have something on my CV; I did not do it for medals or to get a knighthood. I did not do this for money. (*Interjection by Hon. Sir J J Bossano*) No, but, Sir Joe, I exclude you completely, you definitely did not do it for a motive. I certainly did not do this for money. I am not doing it to protect any business interests. I am not here to protect a particular sector or their interests, or lobby on their behalf. I came into this House because I genuinely believed in 2015 that the way they were handling our public finances was dangerous. We are in 2023 now. If I thought it was dangerous then, what they are doing now is beyond my worst nightmare.

We have seen again and again that the Government cannot keep to its Budget. The people are inevitably having to shoulder a bigger burden to pay for their failures. The Chief Minister has failed to restore financial stability in our public finances, as I have clearly demonstrated and Sir Joe has only confirmed. This is no longer a Government. This is Team Picardo, led by their sun god, their messiah, who Mr Isola thinks so highly of. This is a Government that fails. It has failed on transparency. It has failed on accountability. This is a Government in which the people have lost trust. It is time for change. It is time to get back on track and regain control of our public finances in the way the people expect, demand and deserve. It is time for Team Picardo to go. Just go.

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

Mr Speaker: The Hon. Paul Balban.

Minister for Transport (Hon. P J Balban): Mr Speaker, it is an honour to rise once again as Minister for Transport, for the last time before the upcoming elections.

At first blush, and after listening to the Father of the House's Budget speech conclusion regarding his analysis on the environment, the first thing that came to my mind was whether I should simply stand up and say, 'Mr Speaker, I commend the Bill to the House,' and sit down again, but, luckily enough, the resilient bicycle and our even more resilient feet have a few more tricks up their sleeves, and one is their potential for significant health cost savings. These savings come about when a population walks or cycles more as a mode of transport as opposed to each person sitting inside their very own car. The direct effect on fitness, cardiovascular health and respiratory health still leaves active travel in a very good place. Nevertheless, my friend and colleague, someone I have always looked up to and wise far beyond his years, hits the nail on the head. We need to change our mode of consumption 'from excessive consumption to necessary consumption'. We need to change our lifestyle. This is spot on and the reality of it. I will not dwell on or delve further into what was said, as it paints quite a bleak picture and it will be there, recorded in *Hansard*, long after we burn up in the heat of the sun. Maybe our next Budget should include a head for space exploration, as we are going to have to look for that Planet B.

We are all very aware that opinion is extremely divided when it comes to the environment and our responsibilities towards it, especially when it comes to traffic and transport. Our 2019 manifesto was for a green Gibraltar and the creation of a child-friendly city. This was the direction that this Government wished to see Gibraltar take during the four years after the election. Little did we know the challenges that we would face. Least did I know that I would leave Transport and become the Minister for Health and would be faced with the challenge of a worldwide pandemic.

1055 Although my heart has always been in medicine and health, preventative medicine, in my view,
is the most important of all branches of medicine. As a dietitian before my time in politics, I tried
to encourage healthy living, promoting good nutrition, treating obesity to prevent illness and
improve fitness. Over time, this resulted in massive improvements in my patients' health, but it
was the weight loss and the prevention of obesity that made the most difference. Preventative
1060 medicine during COVID meant behavioural change, social distancing and self-isolation, and this
was especially important for the most vulnerable. Living an active life has always been the key to
promoting a longer and healthier life, and this in turn translates to health savings. This
Government recognises the direct impact that health and fitness have on us, and our Budget
measures reflect this. Who doesn't want to live longer, see their grandchildren grow up, and feel
well?

1065 Mr Speaker, looking at my journey over the past 12 years objectively, I have realised that my
work really has, in fact, revolved around the health of the nation. But how does traffic and
transport tick this health box? Although, back in 2011, inexperienced when it came to traffic and
its management, I thought that I would tackle the traffic problem head on, creating more and
better infrastructure, new roads, roundabouts and parking, but I soon realised that more parking
1070 meant more cars. The work carried out to prepare the Sustainable Traffic, Transport and Parking
Plan (STTPP) reinforced my thinking. Instead of dealing with improving traffic flow, building more
roundabouts and creating more parking spaces, I found myself instinctively trying to look at traffic
and transport in a human-centred way. In my mind, mobility – I believe that the Ministry I lead
should perhaps be called the Ministry for Urban Mobility – is all about people and how we may
1075 be able to move as a community effectively, efficiently and quickly. In doing so, we create that
human-centred city, that child-friendly city, that green Gibraltar. By thinking about people, but
especially children, even if many cannot see it and they criticise it, rebel against it and fight against
it, we can make this community a better place. At least, this is my opinion and the basis of my
work. However, this does not mean that we must rid ourselves of the private vehicle. No, this
1080 means that we must try to choose the right tool for the job. Some people will find the car is their
only option and hence the right tool for the job – and that is perfectly fine – to go shopping or to
drive elderly relatives to their medical appointments or simply because they want to. This is called
choice, and we can all choose. But for others who live close enough to school or work, walking
may be the best way to move.

1085 But why do many children not walk to school? Why do many children not cycle to school, as
many of us did when we were kids? I am often told by parents that they are scared to let their
children walk or cycle to school because our roads have become busy, dangerous and unhealthy.
But these roads used to belong to us, to the people. We lived on the roads, children played on the
roads, we socialised and did business on the roads, but we gave them up, surrendered this space
1090 to the car and moved indoors. Those were the days of *el patio*, *las verbenas*, playing football on
the street, having to pick up the ball and all of the children having to step to one side each time a
car came, which was extremely infrequent. We would place an empty matchbox in the middle of
the road and take turns to see whose matchbox would be squashed first by the tyre of an
oncoming car, but it was so boring because it took ages for the cars to come. These were magical
1095 times and our social media was *el cotilleo* that was spoken *en el portón de los Humphries*. Today,
children play inside metal cages, in parks, separated from the lions of the road to keep them safe.
Children must hold their parents' hands or be tied into their buggies, even on the pavement, in
case a child should run away on to the road. The moment we cannot allow our children to walk
alone on the street or cycle to school, the circle is complete, activity levels drop, average weight
1100 increases and we become unhealthy. Furthermore, many management companies and
committees within estates forbid children cycling or skating on the podium and common areas;
they make noise, they are a nuisance.

Then we have fossil fuel emissions to further contend with, but even electric vehicles produce
particulate matter from their brake pads and from the erosion of their rubbing components,
1105 especially their tyres, which affects our respiratory health. Then there is the small matter of our

geographical size. We physically cannot accommodate so many vehicles, even if we changed them all for electric vehicles. All vehicles take up space and we have one of the highest vehicle ownership rates in the world. But we know that. This Government's view has always been that we should be inclusive, that we need to provide the choice and encourage those who wish to walk or cycle to be able to do so safely. I will therefore not apologise to those who have been upset as a result of some of the work that I have done, nor for projects and initiatives that have very often been contentious and unpopular in certain circles, but which have been an important part of the holistic vision for a better Gibraltar.

I have often been jeered from a distance, insulted. I have been the subject of many memes, and because of the vast differences of opinion, some individuals have become very personal in nature, especially on social media. I am often shocked when some criticise vociferously the creation of safer walkways created along Prince Edward Road and South Barrack Ramp. Some prefer to see parents with prams and children leapfrogging dangerously between parked cars than see parking spaces for their cars and motorcycles being lost. However, it is true to say that I have also enjoyed a great deal of support and encouragement from many individuals who have motivated me to continue this very difficult work, each day more and more. Were it not for this positive support, this journey would have been harder, but one that I would, nevertheless, have still embarked upon as I believe it is the right thing to do.

Social media is often alive, rampant – in fact, it is fair to say, usually on fire – when projects aimed at environmental improvement or the safety of people are announced or are being carried out. The reality is that there are few subjects more emotive than our cars and parking spaces, and sparks often fly. This is the very reason why it is often heard within professional circles, especially urban planners, environmentalists and sustainable transport professionals, that governments around the world need to be very brave and resolute when it comes to transport policy because transport contributes significantly to our environment, our well-being and our health. I have tried to be just that, brave and resolute. I introduced pay parking simply to give those who need to drive more opportunity to park. I introduced the Residential Parking Scheme with a yearly fee. That was fun from the word go, and the Opposition will remember the fun as we had arguments for months and months about it. I introduced the first bicycle lane, removing a number of parked cars; penalty points; the 1.5 m law – that was another memorable one. I have even taken away parking spaces to create bicycle parking. The list goes on and on. I have done so many things and I have got it in the neck more times than I care to remember. Even my beard became easy picking. But when I say resolute, here I stand today with my full beard, despite the many memes, pleas and attempts to convince me to shave it off.

Mr Speaker, change needs to be taken like bad medicine, with much honey. I struggle somewhat with the honey. In Gibraltar, transport is responsible for 20% of our total emissions. This Government has committed, by way of its 2019 manifesto, the Climate Change Strategy and its Active Travel Strategy, to make Gibraltar a better, safer, greener, child-friendly city and to achieve some ambitious targets. I, for one, will not shy away from my commitment to try to achieve this, even if this is at the expense of my own popularity. I have strived to create human spaces within our city, safe democratic spaces for all, but especially for our children to enjoy, and we will hopefully see these come to life soon, because Gibraltar matters to me; space for people to sit, socialise, discuss politics perhaps, or even their next holiday plans, and for people to enjoy a coffee away from heaving roads of rushing cars, acceleration, blaring horns and the sound and smell of idling engines. There is space within our quiet parks to enjoy a lawned oasis of calm, lined with trees and plants. This is part of our vision for a green Gibraltar, but there also needs to be a balance of urban space – areas which are not parks – within the community, where children can play, ride their bicycles and skate, for people to eat, drink and enjoy time with their friends, or walk their dogs respectfully and conscientiously in landscaped areas, away from the more rigid rules that exist within our parks in Gibraltar today, which prohibit bicycle riding and dog walking.

I am pleased to work closely with my friend and environmental ally on many projects, and we agreed to permit access through Campion Park and Juan Carlos Perez Promenade for cyclists and

included bicycle parking, telling cyclists you are welcome here, allowing for more travel options. A living street is exactly this, and many cities have already created these urban spaces which allow for human interaction and life. Modern cities must be human, liveable cities. This is what I strive for. In fact, the Development and Planning Commission recently granted final planning permission to our first living street project in Gibraltar at Europort Avenue, a project that will be privately funded and will provide exactly this, a democratic and person-centred space. Within this space, those who wish to drive their children to school will be able to do so, and residents of the area will also be able to access their homes by car in a westbound direction. I am hopeful that this area will become our first low-emission zone within Gibraltar, something that I have also been working on with my colleague John Cortes. I am extremely excited to be able to showcase this vision, one that I expect the community will support over time. The residents of this area and the children who will be going to the new schools opening here in September will be the real winners of this project. This road will boast of landscaping and shaded areas with trees, kiosks and cafeterias that will cross-fertilise the whole area, inviting those who walk by to spend some time there.

Mr Speaker, I am not against the car. I am for life, for living and for providing human spaces within our city. I am all for providing sustainable and meaningful options to move and travel to and from work in a space away from our busy and unhealthy roads. The private car is but one travel option in today's changing world and it is slowly become less relevant within many urban city centres as alternative and sustainable travel options come to life. A community that owns a reasonable number of cars is a reasonable community, but not everyone can walk or cycle, or will want to walk or cycle, but so too, not everyone can drive, not least children and teenagers who do not have a driving licence. We must provide the option. Mobility is a human right. I repeat, this is all about personal choice but we must give the choice, and without safe bicycle lanes people do not have the choice.

Although this statement often raises eyebrows, I am not a cyclist. I do not dress up in Lycra and ride with the peloton. I simply choose to ride a bicycle to get to work and back. I enjoy the freedom of cycling to places without the constraints of having to drive around in a car looking for a parking space or getting stuck in traffic. I can soak up the surroundings on my bicycle. I am one with them and not stuck within an air-conditioned box on four wheels, stuck behind all the other boxes in a queue.

Encouraging other forms of travel will help address the real problem within our city, the numbers of private motor vehicles on our streets and our unsustainable reliance on them, their emissions and our unhealthy, broken streets. This is what we must get right. Vehicles make our roads unsafe. Irresponsible, speeding and careless driving makes our roads unsafe. Heavy vehicles tear into our roads, create potholes and make our roads unsafe.

We have a very long way to go before we can aspire to say that we are ready to promote cycling as a real alternative mode of transport in Gibraltar. Acceptance and respect are key within our community and especially so on our roads, pavements and public spaces. And respect goes both ways. Cyclists must respect, too. Changing attitudes and mindsets is our biggest challenge. One segregated bicycle lane along Bayside Road does not cut it. That is not a bicycle network. That will not encourage modal shift or bicycle take-up. The work that has been embarked upon now must be supported by all those who lead our nation in the future, across the floor of this House, regardless of political beliefs, all of us, just as all of us supported the Active Travel Strategy earlier this year, but it will take us many years to achieve a truly meaningful bicycle route network. But the seeds have now been sown.

I am all for the environment, for sustainability. Tony Juniper, at the recent Aspire conference, stated that it is now accepted that the greenest building that exists today is the one that already exists. I asked Mr Juniper, after his keynote address, is it also therefore fair to say that the greenest motor vehicle on our roads today is the one that already exists? He only took a second to reply and he nodded affirmatively. The Aspire conference was a real eye-opener for many when the world's insatiable and unsustainable thirst for raw materials was exposed. He said the planet could simply not sustain our linear economy where products were purposefully manufactured with

1210 limited life, encouraging further purchases of fridges, washing machines, water boilers, cars; that a circular economy is one where developers build with the foresight that buildings could be reused and repurposed in the future – for example, car parks that one day could be converted into office space or apartments without the need to knock them down.

1215 This also means cars should be built to last longer, be well maintained and not constantly traded in for new vehicles while they are sold on in a second-hand market; that we should make things last longer, using them for longer, because swapping a fossil fuel car for a new electric car does not have a net zero effect. Electric vehicles do not have a zero-carbon footprint and their manufacture is hugely impacting on our planet's resources and our environment, especially because of their batteries, even though they may have zero tailpipe emissions. It has been
1220 estimated that electric vehicles need to be driven between 50,000 km and 80,000 km for them to break even with their internal combustion engine counterparts.

Many say that the car industry is not building electric cars to save the planet, that the car industry is building electric cars to save their businesses, something that the car industry counterargues extremely well. I personally believe that we will struggle to provide the necessary
1225 infrastructure to charge all new electric vehicles should all cars that exist today be swapped for electric vehicles, maintaining our record-breaking ratio of cars per household. Battery technology will need to take a huge leap forward to provide rapid charging and greater autonomy at an affordable price to make a real difference, but this could yet happen. Nevertheless, we must start to plan our city with care, building to provide electric infrastructure within which to start this
1230 transition as the manufacture of internal combustion engines is phased out by the industry, while keeping a close eye on hydrogen and other fuel technologies. We must, however, tackle unmaintained vehicles spewing out plumes of sooty black smoke as a matter of priority, because there is no space in our community for them.

We need to use our resources wisely, but this only works if we use our cars much less and look
1235 at what other options may be available to us. Sharing is clearly one of these options and it makes total environmental sense to share our resources and not own one of everything. Many cities support car-sharing models, car clubs, shared bicycle and e-scooter schemes. All of these make sense in a world where resources are limited.

If the climate emergency is exactly this, an emergency – a real emergency – then we need to understand as a population that the work being done in Transport is exactly being done for this reason, and this reason is to try to encourage sustainable alternative modes of transport in Gibraltar as per our STTPP, our Climate Change Strategy, our Active Travel Strategy and, indeed, our 2019 manifesto. If the blue lights are not flashing and sirens are not sounding, we might as well declare a climate concern instead of a climate emergency.

1245 Every one of us must work together in this respect. This is about us; it is our collective responsibility. We will need to focus on smart technology, on novel ways of moving and new ways of delivering and moving items and produce within our city. Change is an extremely hard thing to face and change is generally always unpopular at first. People do not adapt quickly to change. However, I sincerely believe that change is necessary if we are to create a better, greener and
1250 environmentally sustainable Gibraltar for ourselves and our children. But if we ignore the environment for just one moment, these changes will make Gibraltar beautiful, they will increase our health, make our city safer as a place to live and work and make us a more attractive, greener and vibrant place.

Modern cities today are moving towards the 15-minute city, the vision of Carlos Moreno, a
1255 Franco-Columbian urbanist and the driving force behind this concept, one that has also become hugely controversial and the subject of conspiracy theories. Nevertheless, the 15-minute city is simply a city where children live within 15 minutes of school, people live within 15 minutes of a supermarket, 15 minutes from their workplace and 15 minutes from their nearest hospital or medical centre. Being able to move to all these places within 15 minutes is a result of efficient, effective and cheap transport opportunities. Who would not want to live in a city like this?
1260 Paradoxically, many of us already live in this 15-minute city, where could easily walk or cycle to all

of these places, yet many choose to live in a 45-minute city by driving our children 800 m to school, then driving on to work and then continuing driving around looking for that parking space, if available. When it rains, our 45-minute city becomes the 60-minute city. These urban models, which include the concept of tactical urbanism, simply try to help tackle the climate emergency and climate change, which this very Parliament declared and we all voted unanimously for. There is nothing more to this work than the work that I am doing; it is simply environmental work.

I just do not get it. Why don't we want a better Gibraltar? We are breaking climate records year on year. Last week saw the three hottest days recorded on Earth. We can feel the effect of that change, and yesterday was incredibly hot here in Gibraltar, the hottest day of the year so far. Climate change will continue to be something many will battle against, especially if it has a direct bearing on the quality of our day-to-day life. I have always tried to push change carefully, but regardless of how carefully one pushes change, it is still that: change.

Children, schools and education should always be of central importance to cities and to governments. They have always been centrally important to us as a Government and our focus has always been on children, building new, modern schools to better our educational offering and encouraging and supporting further education abroad or locally. Schools also form the basis of the work that we do in Transport. We consider schools the starting and ending point of cycling and walking infrastructure because it is the children who can most easily get to school in this way. We aim to make the schools the place where bicycle lanes start and finish. Cycling proficiency courses and providing bicycle parking at schools is also key.

Mr Speaker, the way I see it is that I have just one chance. When I leave this place, I would rather be remembered for trying to change Gibraltar – hopefully for the better – for my conviction, my stubbornness and my passion for what I believe is right, than be remembered for toeing the line, sitting on the fence or seeking popularity. One thing I will say to any future Minister for Transport, or preferably Minister for Urban Mobility: if you are looking for popularity, you will not find it here. To this end, and as part of the STTPP, I am delighted that the workings of this critical document have continued to grow in a most positive and evolutionary manner – the STTPP, another hugely criticised and debated document that saw the first real traffic plan for Gibraltar.

In January this year the Ministry of Transport announced the launch of Gibraltar's Active Travel Strategy. The strategy aims to present our vision for the future of active travel and encompasses walking and cycling, which are the most sustainable and healthy ways of travelling. This new strategic plan builds on the fundamental foundations described in chapter 6 of the STTPP, as well as section 4.2 – Decarbonising the Transport Sector – of the Climate Change Strategy, which was published in 2021. This strategic document will sit within the auspices of Town Planning and the forthcoming Development Plan to serve as a reference to the community in laying down expectations on architects, developers and urban planners for all future developments, so that they are commensurate with a healthy, sustainable and green way of thinking. This is to say that we must plan our future city with a very clear purpose when it comes to the creation of public space. We must allow for this public space as part of all future construction projects, to provide for adequate and accessible pavements, thoroughfares and infrastructure for micro-mobility, especially active travel. We must limit the footprint we sell to developers to ensure that public space is guaranteed to create living, human space. I am very happy to say that I have started to see this happening of late, and developers are now thinking more about our city as one that needs to breathe and be vibrant and not just as a space to maximise development opportunity. However, this is work in progress and we have a long way to go in this respect.

The strategy outlines developments and improvements for active travel in Gibraltar, creating further opportunities for locals and tourists to enjoy and appreciate our public spaces through enhancements to our pedestrian areas and the introduction of bicycle infrastructure to get us where we need to go quickly, or simply to exercise safely. The Technical Team at the Ministry of Transport spearheaded this strategy closely with the Ministry of the Environment via our environmental attaché, to ensure that we work towards our common aims and aspirations for a better and greener tomorrow.

Because of the nature of this document and the fact that we should be unified when it comes to the environment, we shared this document across the floor of the House before the document was announced and published. I am happy to say that there was in-principle agreement with the concept of the strategy and the need to develop Gibraltar into the future in this way. Without consensus there can be little chance of true progress or success. I wish to thank the Members opposite for their time in reading the document, for their comments and for supporting the principles of the strategy. I am personally extremely pleased to have shared our vision for a greener and more liveable city with the community, even though not everyone found the contents palatable.

I am passionate about transport and the potential role that the bicycle can have in greening up a city and improving the health of the nation, helping to bring down health costs, improve mental health and keeping the community fit and active into our later years. However, the reality of unsafe roads makes cycling inconceivable to many. Gibraltar has never had bicycle lanes, other than the few meters of bicycle lane across the live runway painted by the MoD many years ago. Following the launch of the Active Travel Strategy in January 2023, the Ministry of Transport embarked on the implementation of some of the first phases contained within the document. These works have seen the introduction of new segregated bicycle lanes from the southern airport runway barrier, past the Sundial roundabout along Bayside Road up to the Ocean Spa Plaza building. This was opened to the public on World Bicycle Day and works are now progressing along Glacis Road towards Waterport roundabout with the intention of continuing southbound towards Queensway and Waterport Wharf Road. This will complement the recently opened Kingsway Tunnel Cycle Way and its cycle connections on the northern side of the runway.

Today, anyone living in Glacis Estate, Ocean Spa Plaza or Tradewinds can cycle all the way to Eastern Beach and back without having to mix with traffic on our roads. We will be increasing this distance very soon, so that children living in Beach View Terraces or the new affordable homes at Hassan Centenary Terraces will be able to cycle to Bayside or Westside Schools without mixing with road traffic, should they wish to. Pedestrian routes and thoroughfares are also being improved with the construction of new footpaths with new paving and a general beautification of the areas contained within these initial phases of our bicycle lanes. We have, within the first month of opening, seen 70,000 bicycles and e-scooter trips. This infrastructure, which can also be used by e-scooters, results in less conflict between users and will make a huge difference to this mode of travel. It will also remove what many road users consider annoying bicycles and e-scooters from the road.

The Active Travel Strategy is an exciting document – at least I think so – that sets out the whole vision for Gibraltar, including commuter routes, school routes, recreational routes and tourist routes. It is a document that has little text and many clear images and artistic impressions. It is available online on the Government’s website and I fully recommend that people take time to look at it. I hope that the rollout of cycling and its associated walking infrastructure that has now started will continue to expand into the future when I am gone, and that successive Parliaments will continue to embrace sustainable transport, the bicycle and the pedestrian into the future. The plans are for all of Gibraltar in its entirety, and this infrastructure is and will be transformational.

With regard to the wider ambit of the STTPP published by the Ministry, several projects during the past year have been carried out. October 2022 saw the publication of regulations which would govern the safe overtaking of cyclists on our roads. These new regulations are designed to protect cyclists from indiscriminate and potentially dangerous overtaking which may lead to serious injury of vulnerable cyclists. The legislation will increase safety for cyclists on the road and require a minimum distance of 1.5 m when overtaking a bicycle.

October 2022 also saw the publication of regulations to introduce a penalty points system for traffic offences. This followed representations from the Commissioner of Police, who was concerned at the lack of respect by some road users and ongoing issues with unsafe driver behaviour on our roads. The regulations introduce a system whereby a person is issued penalty points if they commit a driving-related offence. The points are recorded against the person’s

driving record. Accumulating 12 points within any given three-year period will automatically disqualify a person from driving for six months. The penalty points system is designed to encourage proficient driving, to help promote road safety and reduce casualties on our roads. The introduction of similar systems in other jurisdictions has provided for a 10% decrease in road collisions and up to a 25% decrease in traffic injuries and fatalities, whilst proving much more effective than monetary sanctions. This was a manifesto commitment in 2019.

Following from the United Kingdom's update to the Highway Code, the Ministry for Transport updated and revised Gibraltar's Highway Code in November last year to ensure compatibility with our own laws and advice on road safety. The aim of the Highway Code is to promote road safety, which also supports current thinking to promote a healthy, sustainable and efficient transport system, be it on foot, bicycle, using public transport or by private car. The biggest change within the code saw the introduction of a hierarchy of road users, meaning that those road users who can do the greatest damage bear the greatest share of responsibility in ensuring safety on the road. This grading of users has been established to provide protection of injury in the event of a collision to the most vulnerable of road users, starting with pedestrians, moving on to cyclists, then other categories of motor vehicles, with buses and finally heavy goods vehicles at the top of the scale showing as the least vulnerable but the most responsible. Further changes included clarifying the existing rules on pedestrian priority on pavements. Currently pedestrians only have priority over other road users if they have already begun to cross a junction, but this code gives pedestrians priority over other road users at junctions where pedestrians are waiting to cross, in addition to the existing rule that pedestrians have priority when they are already crossing, even if these locations may not be at the traditional crossing areas. This shows a change in road use ideology and a lean towards a far more human and people-based approach. The new Highway Code is another of those documents road users seldom read. It is important that road users are familiar with this very important document. Driving proficiently, respectfully and safely is key to keeping our community and children safe.

Mr Speaker, I now turn my attention to the Technical Services Department. The financial year 2022-23 remained a difficult year for Technical Services following the effects of the COVID-19 pandemic and the uncertainties raised by the ongoing negotiations with the EU. This led to Technical Services Department concentrating its efforts once again on operationally critical items in all areas under its responsibility, while meeting its core objectives of maintenance and providing technical support to Government Ministries and Departments.

Maintenance has included the slope stabilisation works along Sir Herbert Miles Road, the repair of several retaining walls, critical highways repairs, highways maintenance and general sewer maintenance and improvement works. With regard to highway maintenance, the works programme has continued over the past year with ongoing critical repairs to roads and footpaths. The Department's team of highways inspectors carries out regular inspections of all our roads and footpaths and reacts to reports received from the general public. When works are identified, these are then assessed, classified and work specifications prepared for the Government's team of on-call contractors to make good.

This financial year will see the continuation of our road resurfacing scheme, which typically always happens during the quiet summer months when the school term is over and there is appreciably lower traffic on the roads. Clearly, during the past few years this has not been possible due to our other financial priorities. Over the last few years, a very significant number of our roads have been resurfaced, and during the last financial year the new Kingsway Tunnel and access roads were completed. Nevertheless, because of the constant construction in Gibraltar, heavy goods vehicles and heavy loads, roads simply cannot and do not last the amount of time they should. Furthermore, traditionally, essential infrastructure and services run beneath roads and pavements and these often need servicing or localised repairs, breaching the integrity of the road surface, which quickly suffers further damage, especially because of these very heavy vehicles. I am pleased to announce that the next phase of our major road resurfacing programme is set to commence in the coming weeks. During this latest phase, the following roads will be resurfaced:

Smith Dorrien Avenue, from Smith Dorrien Bridge to Casemates roundabout; Windmill Hill Road; Crutchett's Ramp; Queensway, in the area of Campion Park; Europa Road, from Brympton to Bella Vista; and Europa Road, from Shorthorn to Mount Road. The cost of this resurfacing programme is estimated to be in the region of £1 million.

The replacement and enhancement of pelican crossing lights and equipment will continue during this year, working jointly with the Gibraltar Electricity Authority. The department also continues to successfully manage road closures and diversions on the public highway, both for its own in-house works and for all other utility companies and contractors.

Following the major fire in Power's Drive last year, which had a huge knock-on effect on Gibraltar's water supply, TSD were tasked with co-ordinating the efforts to make the tunnel safe and ensure that the saltwater supply to the reverse osmosis plant at Governor's Cottage was reinstated as quickly as possible. The Chief Executive Officer of TSD, Emil Hermida, sat on the Strategic Co-ordinating Group and initially co-ordinated works to ensure that the tunnel was made safe. Works to stabilise the tunnel commenced in September and were completed in December, allowing AquaGib to replace the damaged pipe within the tunnel. These works have now been completed. In addition to co-ordinating all stabilisation works within the tunnel, TSD provided expert technical advice on the temporary saltwater diversion, which was set up at Europa Advance Road. I think it is important to recognise the very professional and expert advice provided by Technical Services during such a challenging time.

Mr Speaker, in continuing with other areas of responsibility related to Technical Services, I move to coastal engineering works. The department continues to monitor and carry out maintenance and repair works when required. The department also continues to provide advice to developers and the Development and Planning Commission on all aspects of coastal engineering when required. 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.

With respect to cliff stabilisation and rock-fall protection projects, during the last financial year the department has been involved in numerous schemes, which have included stabilisation works at Sir Herbert Miles Road and the Upper Rock. During the past year the Technical Services Department was also involved with works to several retaining walls. The continuous monitoring and repair of existing retaining walls is critical, as many of these are old and border our public highways network.

Moving on to sewers, during the past year the Infrastructure section of the department have continued to maintain the public sewerage network. As part of the major desilting and relining works of the main sewer, works commenced several years ago. During the last financial year, however, the Infrastructure section of Technical Services relined a further 160m of the main sewer. This brings our total relined length to 570m, covering over 60% of our main sewer within the city walls. This continuous project has now covered all the areas which were of most concern within the Town area, reinforcing the main sewer in the areas which would cause the most disruption if there was a structural failure. As part of project, TSD also cleaned and desilted some 412m of the main sewer, ensuring it maintained its maximum possible hydraulic capacity. 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 sewer network. The department continuously monitors the condition of the main sewer to prioritise the continuation of this essential maintenance work. Other works will include gully cleansing, manhole repairs and the general upkeep of the public storm and sewer networks. Given the sharp rise in developments in Gibraltar, the department continues to provide advice to both developers and the Development and Planning Commission on the impact that these various developments can have on our existing sewerage network.

Finally, funding is once again being provided 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 the sewer network. This also applies to the Garage and Workshop, where funding

1470 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. I would once again like to
 take this opportunity to publicly thank the Infrastructure section and on-call officers of the
 Technical Services Department for their hard work and commitment over this past year. As I have
 1475 stated in the past, the TSD is one of those government departments that are rarely in the limelight
 but work tirelessly behind the scenes to maintain public infrastructure and support and provide
 technical advice to other government ministries and departments. Not only does the department
 meet its core responsibilities but it is also actively involved in other key projects for Government
 which my colleagues have already mentioned in their respective speeches but include the delivery
 of improvements of the new container terminal at North Mole and working with the Office of the
 1480 Chief Technical Officer for the delivery of the first phase of the reclamation works at Coaling Island.

Mr Speaker, I now turn my attention to the Driver and Vehicle Licensing Department. The DVLD
 continues doing all the necessary amendments to legislation and additional requirements in the
 exchange of driving licences. This has proven challenging at times, with the DVLD team working
 closely with the Government Law Offices, the DVLA in the UK and the HMGoG Office in Brussels
 1485 to obtain the necessary agreements with EU countries. The DVLD continues to see a high demand
 from its service users via the online e-gov portal and through its public-facing counters, which
 include a dedicated business counter for all Gibraltar motor vehicle dealers, who require an
 expeditious service. The express service is working well, providing our local dealers a next-day
 service for new vehicle registrations, duplicate certificates of registration, change of ownership
 1490 and motor vehicle particulars. The department continues to arrange the Driver Certificate of
 Professional Competence with an approved UK instructor to deliver the course in Gibraltar on a
 twice-a-year basis for those driving licence categories for buses and heavy goods vehicles.

The Compulsory Basic Training for motorbikes continues to be a huge success. The three
 modules ensure that every person demonstrates a minimum level of skill and competence before
 1495 being permitted to drive on our roads, helping prevent injuries and accidents on them.

The Motor Vehicle Test Centre embraces the latest equipment for the testing of vehicles, which
 enables our vehicle testers to establish if any part of the emission of the vehicle has been
 tampered with, removed or modified. By using this latest equipment we can provide a service to
 check for excessive noise when vehicles are brought in by the Royal Gibraltar Police to perform
 noise test analysis. The DVLD shares vehicle information via the European Register of Road
 Transport Undertakings via the Driver and Vehicle Services Agency, in accordance with EU
 directives. I am pleased to announce that the DVLD has managed to secure the reconnection of
 the European Car and Driving Licence Information System EUCARIS network by signing a service
 agreement at the last conference attended in Sweden. It is important for the DVLD to be
 1505 connected to this network, as it is used for information exchange between EU member states on
 the vehicle, driver registration and licence exchange. The DVLD attends yearly conferences to keep
 in line with the latest updates provided by all member states and be included in the discussions
 for future changes and improvements of vehicle, driver and licence exchange that countries
 provide.

The Traffic Commission is responsible for assessing all the requests that are received from
 members of the public for road improvements. This forum assesses all kinds of applications from
 the installation of signage, road improvements, requests for road calming measures, speed limit
 assessments, parking considerations and pedestrian enhancements. The Traffic Commission is
 also a stakeholder in DPC applications. The Transport Commission also meets on a regular basis
 1515 to consider applications for a wide range of transport-related licences. The Commission also
 considers all transport-based complaints received from users of our public services.

Our team of transport inspectors provide cover on the ground to the Police and regulate
 transport-related activity throughout Gibraltar. Their duties include the overseeing of our taxi and
 bus services, the inspection of the taxi service provision at locations such as the Airport, and police
 1520 the city service. Additionally, our team of inspectors also ensure that access to pedestrianised

areas is closely monitored and regulated and that only those commercial and resident vehicles strictly in possession of permits access any such areas.

Mr Speaker, I now move to Gibraltar Parking Management Services Ltd (GPMSL) as Government's parking enforcement contractors. As parking enforcement agents, their parking management officers (PMOs) provide invaluable support in the management of our on-street parking spaces and residential parking schemes. Parking enforcement continues to be a massive challenge in a frontier city the size of a town with one of the largest vehicle ownership rates in the world. This often means that a significant number of cars are commonly parked illegally on pavements and areas not assigned for parking. This provides a massive challenge to provide all-year-round enforcement. Additionally, the company manages most government-owned car parks that our community benefits from and are also assigned school crossing point duties.

Following the successful rollout of Residential Parking Scheme (RPS) zone 1 in July 2017, zone 2 in March 2018 and zone 3 in June 2018 respectively, 2022 saw the rollout of zone 4. This RPS zone services residents of Harbour Views Estate, Mid Harbours Estate and Waterport Terraces within our Westside district and this new zone surrounds the West District from Marina Court in the north to Ordinance Wharf in the south. Once again, I am delighted with the continuity towards our commitment to roll out recommendations contained within the STTPP. The company has also worked with the team at the Ministry to address the issue of derelict bicycles throughout Gibraltar. Bicycles that seem abandoned or derelict are issued with a seven-day notice for their removal. Those that are not removed by the owners are being removed by the company and stored at the vehicle compound for a set period. Unclaimed bicycles will be gazetted and disposed of, if not claimed by their owners. In bringing the services provided by GPMSL to a close, I turn to the opening of Kingsway Tunnel. PMOs are actively providing support throughout the tunnel for the management of six lanes and contraflow arrangements during weekends or otherwise when traffic volumes at the Frontier are at a peak, creating heavy volumes of traffic and tailbacks because of frontier queues. I would like to thank GPMSL for their continued commitment and support. Before I move on, however, I would like to give a special mention to one of the key players who recently sadly passed away following a long illness. We will forever have Dion Mansfield in our thoughts for his dedication. (*Banging on desks*)

Mr Speaker, I will now move on to Gibraltar Bus Company. Buses are a key and critical component of our transport network within Gibraltar. If we wish to encourage modal change we require an efficient and reliable bus service, and the Gibraltar Bus Company aims to provide this. At present, the company operates a total of 26 buses, of which 20 are midsize buses and six are smaller, Upper Town buses. Our Government is committed in providing a free daytime bus service, which provides little reason for residents not to consider taking up this free public transport service. As we move forward, we will be looking at renewing our Upper Town fleet of buses soon. We are also very close to securing electric buses for our fleet. The intention over this financial year will be to audit the present bus offering, to try to address and consider several potential improvements to the service, which will include the possibility of extending the operating hours of the service, improving the service at school times, extending routes and looking into the potential of creating new ones.

User data shows massive take-up during morning runs and at school times and low usage during the day and weekends. The school bus routes operating at present during school terms continue to indicate a growing demand. Population shift resulting from new residential estates and districts are amongst the research we are conducting so additional school buses may be incorporated into our service. Of special mention are the demographic changes in the south, especially the Europa Point area and the new-builds along Devils Tower Road and Eastern Beach, which are seeing a far greater demand for buses. We continue to consider feedback from service users, who report full route buses at school peak times. However, we expect to enhance presently convoluted school routes at the start of the next academic term. The weekend night bus fare service is also showing greater take-up. The Bus Tracker app continues to prove a success, putting the bus service right into the hands of the user.

The Bus Company shares a hopper ticket with Calypso Transport. The hopper ticket, which is a hop-on, hop-off ticket, 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 are committed to continue to explore ways to improve our current bus fleet and, more importantly, our existing service. I would like to thank all those down at the Gibraltar Bus Company – the bus manager, his 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.

Mr Speaker, in bringing my contribution to a close, I would once again like to thank all those working within my respective departments, the management, technical and administrative staff at Technical Services, the Sewers section, the Highways Division, the Garage and Workshop personnel, those involved with parking management and enforcement, the management and staff down at the DVLD, the transport inspectors and the members of the Traffic and Transport Commissions, many of whom give up their spare time to form part of these bodies.

I would also like to give a special thank you to the people I spend most of my office time with – my Ministry admin team for looking after the ministerial office and managing our constant and very large workload, dealing with all sorts of challenges – for their professional engagement with the general public and for their hard work in the discharge of our ministerial responsibilities and looking after me: Stephen Bonich, Krystel Rodriguez, Leila Asquez, Malcolm Figueras, and a special mention to Jared Negron, my stalwart PA, always on the other side of the phone whenever I need him. Also, the Technical Team at the Ministry for their efforts throughout the past year, especially with the massive and very difficult project that has been the planning of our bicycle lane infrastructure. I am grateful for their continued efforts and dedication in the delivery of many schemes and projects – Damian Muscat; Dylan Infante; Janine Galliano, our environmental attaché; and Matt Brear, our man from the GEA.

I would also like to thank you, Mr Speaker, and all parliamentary staff for your hard work and assistance during this year, and especially our Clerk, Simon Galliano, who looked after the delegation, which included me this year, at the recent CPA Conference in London.

Thank you. *(Banging on desks)*

Mr Speaker: The Hon. Damon Bossino.

Hon. D J Bossino: I have a bet with the Hon. Mr Feetham as to who is going to fare better in the graveyard slot. I think I am going to win this one, but let's see. He has got tomorrow, so let's –

Hon. Chief Minister: I am not so sure.

Hon. D J Bossino: Let's see.

Mr Speaker, the Chief Minister dismisses what are my valid and justified observations of the Minister for Tourism's less than satisfactory performance over the last four years with his 'yawn' reference. This is his way. He makes light of things when he does not want to be reminded of uncomfortable truths. The reality is that we can say exactly the same things about him.

I could not believe my ears, the day before yesterday I think it was, when I heard him talk about the cost of the Airport, for goodness' sake, the Theatre Royal – talk about old chestnuts – or the now tired bastardisation of our party's acronym represented by the words grimy, smelly – or was it slimy? – diesel. No doubt in his reply we will be treated to a reference to 'flops' again. I am looking forward to that. Mr Isola complains about us going back to 1996, but when it comes to them, it is fine for them to go back to 2011. Talk about tired repetitions and back to the future. **(A Member: Hear, hear.)**

1625 The fact is that all of us are, in this particular Budget session, doing a recap over the last four years because it is the last Budget debate of this Parliament. As he has said, we are bound to have an election in autumn, or at least he has indicated that we have we are going to have an election in autumn. In doing that analysis, I have to remind Members of some of the gems that the Hon. Minister for Tourism has left us with.

1630 We have already ventilated in this House and outside of it – and I am sorry to have to repeat it again, but at the end of the day it is the record of the hon. Member – the embarrassing spectacle that was the non-arrival of the Volotea Bilbao flights connection, the flops that were Wizz Air, Eastern Airways and the BA CityFlyer service to London City Airport. I at least draw comfort and am glad that the hon. Member, in his intervention – I think it was yesterday – admitted that he had made mistakes, and my God, they were mistakes. The gentleman simply lacked the political
1635 maturity to acknowledge that these connections were happening precisely because of COVID. Airlines, as I have told him ad nauseam in the past, need to get their planes into the air, and Gibraltar provided that opportunity for them to do so. The airline bosses of these companies must have been amused at witnessing our Minister for Tourism bragging about the successful effects of his, and only his, marketing efforts and exploiting for obvious political gain, in his mind and his
1640 mind only, the arrival of these inaugural flights. He thought he had arrived and that what his predecessors had failed to do, even from his own side, he and only he had accomplished. Unfortunately for Gibraltar, that was not to be the case.

The vain hope that the Hon. Minister had developed some political maturity was somewhat dashed when he went on again misplaced bragging mode and issued a statement to say – this was
1645 back in January – that he had presided over the highest number of inaugural cruise calls since 2016. This missed the point completely, as at the time that he issued the statement the numbers of cruise passengers in 2022 were still some 126,000 less than they were at the 2019 pre-pandemic levels and about half of the numbers which arrived in 2016, the year he claimed to have beaten in inaugural calls. These statements were being made at a time when the cruise terminal itself is
1650 in an embarrassing state of decay. What is the point of making nonsensical statements about inaugural calls or saying that Gibraltar has all the ingredients to become a port of choice, as he told us yesterday, and globetrotting the world at taxpayers' expense when visitors are greeted to what can only be described as a shanty-town, third-world building and construction site? (*Interjection*) The western arm, where cruise passengers disembark, is currently a building site,
1655 but it is beyond comprehension why hoarding or other imaginative solutions have not been put in place to make the arrival a more aesthetically pleasing experience for passengers when they disembark.

The Chief Minister feels obliged because he has to defend probably the weakest Member of his Government with a feeble case and talk about, 'a magnificent financial performance'.
1660 Undoubtedly the figures are better, but does he not see that the better numbers are *in spite of* the Hon. Minister, that what the numbers represent are an improvement on the dismally bad statistics of COVID when there was no movement of people? The Chief Minister refers us to the 38.2% increase in visitor arrivals, yet ignores the 52% drop that we suffered during COVID. So there is still a lot of catching up to do. The fact is that we have about three million – yes, three
1665 million – people fewer coming here than before the pandemic. This is where we are now. The Chief Minister also attributes the increase in tourist site receipts to his Minister for Tourism's work, yet, as you would expect from the Minister for the Environment, he attributes it to himself or the increase in fees. In other words, nothing to do with Mr Daryanani. What is it to be? Are they that disorganised that they cannot decide that amongst themselves?

1670 Hon. Members opposite should not be smug about these numbers. In any event, this complacency is very concerning and ignores the worrying headwinds which I will highlight now, because we simply cannot forget that this is the Minister who presided over the departure from our shores of Royal Caribbean for 2024. This development represents a huge and significant blow to the jurisdiction, given the prestigious brand that Royal Caribbean is and the large vessels and
1675 therefore big passenger and crew numbers it has, yet the hon. Member skirted the issue

completely. No mention whatsoever was made of it. And we can make no mistake about this. Any trader in Main Street will tell you – he is, or was one – that this is another blow to their business; another blow, let's not forget, which follows in the wake of the COVID lockdown.

1680 What was even more alarming was that the hon. Member did not appear to be aware until I raised it in a question in this House. You got the distinct impression that measures were put in place to recover from this disaster *after* we brought this news to him in this Chamber. When asked for the reasons behind this decision, he conveniently, and as is usual for this Government, hid behind the cloak of national and public interest, inviting me to a closed meeting to explain the reasons. The decision of Royal Caribbean not to come to Gibraltar but to continue to use nearby
1685 Spanish ports such as Malaga is one which properly attracted public attention and debate.

Why can't we, therefore, have an open debate as to the reasons behind this departure, so that it informs us, all of us, how to address and resolve whatever it is that provoked the decision in the first place? Does the real reason not lie in the possibility that the Government is being less than open because they want to avoid political embarrassment, and less about concerns relating to the damage to Gibraltar's tourism prospects, as the Minister said the other day? The Chief Minister may yawn yet again, but let me tell the House that the information I have received is that Costa Cruises had cancelled all their calls to Gibraltar for 2024. They later came back saying that they would book selectively and have since reinstated some bookings, but not all. I am told that the reason for the decision is because of complaints passengers have received because of the
1690 condition of the pier, which has not been attended to, but perhaps the Chief Minister, who has the right to reply, may revert to us on this point. The hazard that comes with yawning is that you end up with flies in your mouth. *(Laughter)*

In terms of having the wider debate, we really have to have better political leadership. I have little doubt about that now. I have come to that conclusion after observing the hon. Member for
1700 this long. That is the inescapable conclusion that one arrives at from witnessing how the Member opposite has handled matters over the last four years. We need a strategy which we would implement from day one in government, a strategy which, as a fundamental and underlying goal, would recognise that tourism and the money it brings is a crucially important sector of our economy. This is a matter which seems to escape the gentlemen opposite. As an initial step, we
1705 would focus on the product and, in doing so, we want to tackle, once and for all, our entry points and sites. We have seen improvements of late and, at long last, particularly at the pedestrian entrance of the Frontier. Incidentally, I need to remind Members of this House that when this was raised by us, the Chief Minister gave a long explanation as to why what is now being done, i.e. a patch-up job, could not be done because it would represent a loss of public funds if the configuration at the Frontier would have to change as a result of a post-Brexit deal. I draw
1710 immense satisfaction that the Government has come to our way of thinking and finally done the precise same patch-up job which was so obviously and badly needed. The same is true of the access points to Casemates. Here, we also see much needed and overdue refurbishments, but why has it taken them so long to do this? Are we expected to believe that the upcoming election bears no influence over these decisions? **(A Member: No.)**

Other issues, as identified by entities like the Chamber of Commerce, such as the incapacity of our transport infrastructure to properly service passengers and the lack of variety, with some exceptions of excursions, would be given priority by our new Government in its first few months in office. We are giving positive solutions to the difficulties that we are facing in this area. The
1720 Chamber, in this context, rightly refers to stiff competition which Gibraltar faces from Cadiz and Malaga decrying the increasingly real fear that we are lagging 'further and further behind'. A joined-up-thinking approach would be implemented so that the ineffective decisions of the Environment, Heritage and Tourism Departments, which appear to work within their own bubbles and ministerial fiefdoms and do not communicate with each other, would come to an end. That
1725 would deal with the product, and then we would approach marketing in a much more structured way.

Here, too, we see symptoms of a lack of political vision and direction. As an example of this, we witnessed the bizarre trip by the Minister – and I am sorry to have to remind him of this – to Bangladesh in the same month, in January last year, when he decided not to attend FITUR, the tourist fair in the capital of Spain, which he described as a very important market only the other day. What is even more worrying is that the non-attendance at FITUR last year was not just a hiatus, as it was repeated this year, this January. But even more worryingly and shockingly, we had a revelation in answers to questions, when the Chief Minister once again stood to defend his Minister saying that it is actually government policy not to attend. In other words, if they are re-elected into government, we will never attend FITUR. (**A Member:** Yes.) All the nearby towns go to this event. La Linea goes to this event. Why? Because it is the place to be, especially given the importance of the Spanish market to us.

And here lies another contradiction. How do you marry this policy with the Minister's statement to the effect that Gibraltar should 'attend all important conferences' and describes Spain, as I said a few moments ago, as an important market? Yet when it comes to Florida and Bangladesh, those are fine because, presumably, we need to be there, according to him. This policy decision is as ridiculous as it is bizarre and is one which we would reverse if elected into office, from transport, excursions, the cleanliness of our streets, proper signage, proper regulation of tour guiding to proper investment of our sites; in effect, a revolution in which no stone will be left unturned to turn this place around and make it the tourist gem it has been and deserves to be again.

Before I move on to other areas, I need to mention the topic of the convenient use, for them, of the national interest card, the absolute – borrowing the phrase that Mr Clinton used earlier – stonewalling that we have been treated to by the Chief Minister himself regarding his trips to Morocco. It is useful at this stage to remind the House what his Minister for Tourism told us in answer to my question regarding his announcement that he was wanting to secure tourism and business opportunities with Morocco. He said:

The Chief Minister has engaged in a number of visits to Morocco

– that was not revealed by me, it was revealed by his colleague in government –

to seek to establish stronger links, and announcements which show those links bearing fruit are expected in coming months.

Yet when asked a simple question about the date when the Chief Minister had attended, we were treated to an obviously irritated Chief Minister who basically argued that it was not in the national interest to divulge information as to the dates on which he had visited, when his own Minister had told us that he had visited Morocco. I can understand that he may refuse to say who he has seen or what was discussed, but surely he can advise us of the dates. What is there to hide? Why the lack of transparency on such a simple matter? In any event, the Minister for Tourism said in November 2022 that he would be making an announcement in the coming months, but we remain at a loss on a matter which, for unexplained reasons, still remains a mystery.

It has only been due to questioning and challenging the current state of our heritage assets by us that we are now seeing reports and projects being rolled out, not actual photographs or video footage of the current and real condition of our heritage sites – and also, we would argue, tourist sites – but documents and demonstrably inaccurate claims that, and I quote to the Hon. Minister for Heritage, 'our heritage has never been better'. Disgracefully, what we seem to be getting from the Minister for Heritage is a litany of empty rhetoric and words which pander to the hon. Member's significant ego, an ego which must be nourished at all times in lieu of little in the way of real, tangible and on-the-ground action to preserve our heritage. (**A Member:** Hear, hear.)

We have recently been treated to a consultation document, which he described as a vision document, which lacks any substantive information. Where are the budgets? Where are the

programmes? Where are the target areas, business and conservation plans? We have none of that. It is highly concerning that all the hon. Member can come up with after 12 long years in office is a vision document at this stage that mentions a possible future management plan. What have they been doing since 2011? For such a vision to be presented now, at the end of the third term of this Government's time in office, serves to put into sharp focus the fact that there has been no ambition for the past 12 years; knee-jerk, unplanned political spin, which belies the fact that the hon. Members have no vision on this or, quite frankly, anything else. (*Interjection*)

The Heritage and Antiquities Advisory Council reports should have, by law, been presented on an annual basis, but they failed to do so from 2018, the year their Act was passed in this House, and they were all presented hurriedly because I asked a question about them in Parliament. Or is he trying to tell us that it was completely and utterly coincidental? These reports, in any event, lack the minimum information to allow for the proper and forward-thinking management of our national monuments. When I say this, criticism is not directed at any NGO who the hon. Member seeks to hide behind as a human shield to save his own political skin. The criticism is wholly and exclusively directed at the Member opposite. It is he and only he who has ministerial responsibility, chairs the Council and is given by this House an annual budget of close to £2 million. More, *much* more, is expected than reports which are but a few pages long and many years out of time.

We have numerous heritage and tourist sites which have been closed for a considerable period of time, such as the World War II tunnels, which the Minister now says will be opened – and I quote their favourite word – ‘soon’; O'Hara's Battery, which was only opened very recently; the Stay Behind Cave; and the Moorish Castle complex. The Minister talks, for goodness' sake, about the 9.2 inch gun being kept in a ‘holding and restoration area’, he tells us. Really? Has he not seen the evidence for himself? It is a dumping ground. (*Interjection and laughter*) It has been moved from one dumping ground to another.

The hon. Member recently indicated that the Castle project would cost millions and take years to complete. Does that not raise legitimate questions in his mind – certainly it does in ours – as to why this was not started years ago and in a phased manner? Why is such a project, considering that this monument is our gem – I think the Hon. the Chief Minister used that word to describe the Moorish Castle – with such clear, immense touristic potential, being left to rot? Why is the company contracted to manage – and a bit more about that later – the site not delivering? Talk about lack of value for money. Is it because, as we recently heard the Minister state in his best Llanito, *a mi me da igual* – he just does not care? (*Interjection*) For him to refer to the works done over recent years, at an approximate cost of £110,000, as restoration works at the Moorish Castle exemplifies the lack of resources and interest. Removing vegetation and repainting should not enjoy the status of restoration. It is called basic maintenance. He should not brag about that, and I am told, furthermore, rather bizarrely, that this is not even being done by the contracted service provider, it is being done by the Government. I suppose once again *a el le da completamente igual*.

Is he seriously expecting us to believe that the recent announcement on Parson's Lodge – by the way, there was another announcement in 2015; this is now the second one – had nothing whatsoever to do with our recent questions and press releases regarding the embarrassing state of our heritage sites and that we exposed that? Nothing to do with that? Again, coincidence in the last few months of the lifetime of this Government and this Parliament? As matters stand, and as far as we are aware, there have not been any plans filed with the DPC, nor any mention within the vision or annual reports on this proposal. All of this supports the sceptical view that I have just shared with hon. Members that what this announcement basically boils down to is yet another PowerPoint presentation to an empty hall of what could have been done over the last 12 years but has not been done.

The hon. Member must really live in a completely and utterly parallel universe. I am not surprised that the information which reaches us is that the Hon. Minister for Economic Development does not see eye to eye with him on many issues. An example exemplifies this point. How can he, on the one hand, claim that Governor's Parade has been renovated, yet all that has

1825 been done there is the construction of a monolithic rubbish dump in what is an iconic square? Will this be another of his enduring legacies? Is he going to use the opening of the rubbish collection point for another of his photo opportunities that we are all getting increasingly tired of, and ask for the placing of another gold-plated plaque with his name commemorating the occasion?

1830 The above failings, coupled with an annual departmental cost of close to £2 million a year, as I referred to earlier, of which over half goes to a private company, is simply not acceptable. We are very concerned not only with the state of some of our valuable heritage sites, but the lack of transparency and value for money when it comes to the contractual arrangements entered into with a company which runs sites such as the Moorish Castle, the Stay Behind Cave, the Museum and Parson's Lodge. The Hon. Sir Joe Bossano challenged us to state where savings could be made. Well, this is one of them. This company is costing the taxpayer in excess – in answers provided by 1835 the Minister in this House – of £1 million a year and, as far as we know, is subjected to little, if anything, in the way of performance indicators. If we are contractually able to do so, I can tell Members of this House that we will make this contract publicly available and hold the service provider to account in terms of performance *as a minimum*. We saw the hysterical reaction by various Members on the other side, including the Chief Minister, to our questioning in this area, 1840 a reaction that makes us even more concerned – it does not assuage our concerns, it makes us even more concerned – as any calls for transparency were not only sidestepped, but challenged with the riposte that all I know to do is to attack, attack and attack. We are not attacking. We are simply asking legitimate questions which go to the heart of how our valuable taxpayers' money is being misspent. We shall continue to do so until, in the not-too-distant future, we are hopefully 1845 given the opportunity to do something about that on the other side of the House.

There is an evident lack of strategy and co-ordination between Ministries, as I referred to earlier. It is also self-evident that there needs to be a complete overhaul as to how our heritage and tourism product is managed. We shall work with the Heritage Trust and other interested parties to ensure that resources are properly and adequately focused to place heritage right bang 1850 in the centre of Gibraltar's tourist offering. This will happen immediately after getting into office. (A Member: Hear, hear.)

I am very conscious that this, I am afraid, is going to hurt the Minister for Heritage's oversensitive ego, because *el muchacho no tiene abuela*, but while he arrogantly claims (Interjection) to be an expert on whatever he does and touches, I need to tell him that he has 1855 demonstrated a lack of understanding of what urban renewal or regeneration should, in fact, entail. Whilst the restoration of a historic building is commendable, it does not of itself constitute urban renewal if it does not also address environmental, economic and social needs. Urban regeneration schemes improve infrastructure such as utility services, schools and public spaces, and incentives such as grants or tax allowances for fiscal or fiscal measures which can be applied 1860 in identified districts for the creation of facilities or improvements to properties, for example. He has done none of this. These things all form part of an ambitious range of initiatives which can lead to urban regeneration of an area. That is urban regeneration. For this Government to state that Governor's Parade, the Moorish Castle, the conversion of St Bernard's and Police Barracks are success stories in this field is actually an admission of guilt on their part. Why has the Upper 1865 Town been ignored for so long? Historic buildings are not even rendered correctly, such is the insensitive cowboy plastering of concrete on the building up Prince Edward's Road Road. Shame on them! (Interjections)

No one can surely deny the focus and energy that existed in this area when we were last in office. We are now going to go back to not 1996, we are going to go back to 1996 all the way 1870 through to 2011 because testament to this are urban renewal schemes such as the beautification of Main Street and all of its associated side streets, including Irish Town. This created a more attractive shopping experience and the removal of traffic from the heart of town. These represented real and tangible environmental improvements. The conversion of Grand Casemates Square from a car park to a venue which is now thriving with restaurants and social events is 1875 another example. The GSD's urban regeneration scheme extended to our city walls with the

removal of structures such as the old power station to reveal the King's Bastion, the opening up of Chatham Counterguard, the demolition of structures upon its fortifications, a policy which has sadly been reversed. We started the conversion of the ex-St Bernard's School, provided underground car parking and other improvements at Governor's Parade, regenerated Castle Street and refurbished numerous historic properties for first-time buyers. We also provided a women's halfway house and a cancer care facility at South Barrack Road. All of these improved not only the urban but also our social fabric and lifestyle generally. *That* is urban renewal. *That* is a legacy to be proud of. *That* is a record to be proud of. (**A Member:** Hear, hear.) These are the outstanding examples of urban renewal policies and strategies which we can hold as a proud legacy, throwing the Minister's words back at him. The evidence is out there for all to see. Conversely, what is the best that the hon. Member has come up with? Press releases announcing the placing of interpretation panels. Our vision for the coming years will not consist of a published document or new plaques, but instead will be performance driven and based on our solid track record and performance.

Mr Speaker, here we are once again, yet another year without an updated comprehensive development plan, which is now four years overdue. Yes, we have heard Ministers talk about plans, visions and strategies, and we are all very familiar with photographs of ministerial committee meetings, trips and working groups. However, the reality is that this administration has not only failed to deliver a new development plan, but has not even been able to provide a local area plan within the existing one. Policies and designs for areas such as Rosia or Devil's Tower Road remain vague, non-existent or dated, with the threat of urban sprawl and insensitive overdevelopment now impossible to ignore. We have heard the clarion call by the Heritage Trust and the ESG – and rightly so – for an updated plan. They are members of the DPC. There has been fierce criticism in particular with regard to Devil's Tower Road.

The result of this lack of strategy and direction is obvious to all except the hon. Members opposite, it seems. Let's take the airport tunnel project, for example. Was this not an opportunity to improve our land entrance, which could have been a shopfront to the Rock? Instead, we have makeshift structures, concrete barriers, holding and portacabins. Welcome to Gibraltar, indeed – that is if you can find your way around. But the lack of planning is not limited to this area. The entrance along Eastern Beach and the roundabout – the roundabout cost in excess of £700,000 to construct – has not been completed either or prepared for this year's summer season. This does not even require a development plan. I would like to believe that it is at least within the hon. Member's capabilities to have envisaged more or less when summer begins. What level of incompetence has overtaken the Government that they have been incapable of completing the works at Eastern Beach in time for summer? The Minister yesterday reported to the House that there are some works still to do. The reality is that the beach is littered with concrete, which I am told is having an adverse health effect on children. It is plainly obvious that there is simply no cohesive thinking. Government states that it encourages a healthy lifestyle, yet builds sports facilities, for example, at the furthest point from our residential areas and schools, areas which lack basic infrastructure such as pavements, therefore encouraging the use of vehicles. Can we really be surprised when sports days become a disaster as parents try to drop off their children? (*Interjection*) Or are we surprised when competitive sports cannot be played during most of the year at Lathbury sports facilities, as the area is too windy? (*Interjection*) The name Windmill Hill should have provided a tantalising clue.

The arrogance and hubris among Members opposite simply knows no bounds. Instead of pretending to lead the world on sustainability and climate change, why don't we start with the basics? Why don't we at least try to get solar panels that do not wreck our new facilities, for example? We now have a proposed aquarium at the Victualling Yard, which many are already seeing as an election gimmick and nothing more than that, and it will not materialise; and a residential development in the bay below. How is this area serviced to take such capacity? How will it impact our environment and residents for years to come? How will visitors get there? These are legitimate questions to which we do not have answers. What is to become of the Rooke site?

Have the best proposals been considered, or have we once again sold to the highest bidder without catering for our local current and future population? This is a Government which is capable of allowing government assets such as the ex-Social Security building at Governor's Parade to lie empty, yet rent government office space from the private sector at places such as the Bassadone building at New Harbours. (*Interjection*) It is an utterly shameful waste of government resources that this should be happening. Why did the Government not foresee the need for office space in the first place? Then we have, for example, the Eastside development with a token amount of affordable residential units – I think it is 100 – without any schools, rented accommodation or social and recreational areas; a wasted opportunity in many respects.

What I have set out is but a brief synopsis of the many critical issues that plague us. This is why a new development plan is essential. The Government has failed to deliver one and their decisions will weigh on the shoulders of current and future generations.

Last year I said that housing continued to be a pressing social issue and explained how it is one of the main areas in respect of which people come to see us. The number of applicants currently on the housing waiting list up to 31st May 2023, which is the information that we have online, stands at 852, which is a higher number than that which I referred to last year. This is, quite frankly, staggeringly and unacceptably high. The Government tells us that it is convinced that this figure will come down significantly and will deal with the issue when the affordable homes come on stream by, as I have understood it, a cascading effect which results from the de-clogging of government rental tenants moving from their current homes to their privately purchased flats. We on this side of the House are not so sure. We disagree with the Government's position and say that we need to cater for the social housing needs, which the parties opposite appear to have abandoned as a matter of government policy.

Fundamental to all of this is the need to tackle the administration of the housing problem – the housing issue, as I will call it. The Minister for Housing states that he is working on a wholesale review of the Housing Act rules and policies, yet nothing materialises. I need to remind Members that they have been in office for a very long time. They have had the privilege of governing this place for three consecutive terms, which is *much* more than other parties in other democracies get, and here we are in the dying days of this Parliament, and despite promises we are none the wiser as to when these documents are going to be produced.

All of this is happening when people are in dire need of social housing. The needs vary, but they are nevertheless real and in many cases shocking and, quite frankly, heart breaking. The Leader of the Opposition and I experienced it at first hand and I know that the Minister for Housing also did when we were invited by Action for Housing on a visit to various properties in town. The squalor and extreme deprivation that so many of what were, in the main, elderly citizens live in is, to put it in the most diplomatic terms I can think of, wholly and utterly unacceptable. We appreciate and are very conscious of the fact that many of these individuals are caught in a vicious circle, in the sense that they cannot afford to pay market rents and therefore pay what are, from a landlord's point of view, meagre statutory rents, but then the landlord is unable to refurbish what are old but beautiful buildings, due to a lack of funds. We need to break the back of this and start a process whereby the administration of the housing list is handled in a more efficient and effective manner, also by reviewing amendments to our laws to liberate landlords' ability to spend money on their properties and obtain returns, and introduce the policy, that we announced some time ago, of means testing.

On the affordable housing front, what we have witnessed is a litany of mismanagement and delay. As we have said, the Government cannot be allowed to rely on Brexit and COVID in order to absolve itself completely of responsibility in this area. The facts and chronology speak for themselves. As at the 2015 election – that is a good eight years ago – the GSLP Liberals had announced the launch of Hassan Centenary Terraces and Bob Peliza Mews, promising to deliver those projects within that term of office. They then repeated the promise again in September 2017, this being 15 months after Brexit, and citing completion dates for the first phase of Hassan Centenary Terraces for February 2020, which was a month before the advent of the COVID

1980 lockdowns. In the run up to the October 2019 election – another election – the Government continued to give the impression that everything was on track and that there were no delays to the completion of these developments, when it was not the case. On Chatham Views they said that it would commence in the last quarter of 2019. Many of these dates were after Brexit, before COVID, and clearly used for electoral and political gain. It beggars belief that in January 2020 the
 1985 Government was still announcing that construction of Hassan Centenary would begin shortly, when they had previously promised completion of the first phase by February 2020. This last date was, once again, a month before COVID hit. With Chatham Views, construction was expected to have started in the last quarter of 2019 – again, months before COVID. All the developments are now the subject of substantial delays, not to mention, in the case of Hassan Centenary, an
 1990 overspend of £30 million and lack of sufficient parking for phase one purchases due to the delay of the construction of phase two. I invite the Hon. the Chief Minister to update us with the latest overspend figure in his reply, as we understand on this side of the House that it is now considerably higher than the £30 million figure he provided to the Hon. Leader of Opposition.

These are all facts and it ill behoves the Chief Minister to feign being upset when we point this
 1995 out to him. What he should be doing is acknowledging and apologising to the long-suffering Gibraltarian public, who will judge him and his Government on this record when the time comes to cast their vote at the ballot box. The last thing he should be doing is to be so dismissive of the delay with the words, as he said during the course of the introduction to this debate, that some delay ... ‘I get it.’ We have spoken on this side of the House of a lost generation of mainly young
 2000 Gibraltarians who are currently being priced out of the local housing market with not even the prospect of obtaining a flat in the medium term. We will all, their political representatives, be judged by them if we do not offer them a way forward.

The Chief Minister says that his gut tells him he will win the next election. I need to tell him that there is less of a gut, so maybe he should not be relying on it anymore. But surely he realises
 2005 that the herd is leaving him and that when the herd leaves, it leaves. I saw his rather sad photo of his solitary coffee mug at the Galeta Social Club a few weeks ago. I am told that he had a very poor response. I also heard of him being booed at a prize-giving ceremony recently. Not one day goes by – and I am sure I speak on behalf of all Members on this side of the House – without people expressing the desire for change. They are fed up of him and his Government. I know that deep
 2010 down – I know him well – these things hurt him. I think he also knows that experiences like these are something of a bellwether of the prevailing political mood. I know, deep down in my gut, that he is nervous.

Hon. Chief Minister: Never been much [*inaudible*]

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Hon. D J Bossino: That’s true! Mr Isola will not like this, but someone told me recently how tired and spent they look, what a motley crew. Time, then, to move.

Mr Isola’s contribution, just to ponder on that for a second, was an exercise in attacking the Leader of the Opposition and the Opposition itself. No doubt Mr Licudi will do the same. In effect,
 2020 with what Mr Isola did, what Mr Licudi, the hon. backbencher will do, and then what the Hon. Chief Minister is entitled to do, the Government will have three rights of reply. We have had it before.

Mr Isola spent *40 minutes* delivering what was clear will be, according to them, the main battling ground of the election: Brexit and fear. Where was the reply to the point made by the
 2025 Leader of the Opposition about the under-forecast of the health and care budgets, which are his responsibility, the effect of which would have made the tiny supposed surplus disappear almost as quickly as the support they once had? He had nothing whatsoever to say about Gibraltar’s grey listing, nothing whatsoever; and even in his speech, which he then provided to the press, it is not there. There is not a handout. There is nothing. He said nothing because he knows we are right
 2030 and he has no response. The only answer is ‘Don’t change us now, because we have Brexit.’ Fear, fear, fear. But I’ll tell you what: this fills us with confidence because this shows that we are winning

the argument. This shows that they recognise that they are so weak in all other areas that they have to resort to Project Fear. We will meet the Brexit point head on, but we will not allow them to take the argument to the territory they feel most comfortable with and ignore the various serious concerns people have in relation to our state of public finances, lack of housing, the constant grime on the streets, etc. We will remind the electorate of their broken promises over the last 12 years. And yes, we will attack, attack and attack, so that we can turn this place around and direct it to an honest, transparent and clean future once and for all. (**A Member:** Hear, hear.) (*Banging on desks*)

Deploying the Hon. Mr Isola in what are inelegant references to us by suggesting that we do not have a clue ... He came out with those words, that we do not have a clue, that we do not understand diplomacy and that the Gibraltarian public will understand this and re-elect them into office because of that. This, from a man who really understands the Gibraltarian public. Mr Isola really understands the Gibraltarian public. This is a man who did not even know what was south of the Piazza before he stood for election for the first time. Quite apart from the fact that we do have a competent team to lead the negotiations to a final conclusion, did the Hon. the Chief Minister himself not give evidence to the European Scrutiny Committee on 5th July, only last Wednesday, to the effect that we are 'close to a treaty'? Are we not already nearly there, in any event? Do they not persistently extol the virtues of the public servants, the team who have assisted them in the negotiations? Do these individuals – the Attorney General etc. – suddenly disappear when we walk into No. 6? Is that what happens? Or are they impliedly critical of the officials dealing with the negotiations and it can only be them and honourable the Chief Minister and Deputy Chief Minister to politically lead the team? (*Interjection*)

In any event, is this A-team of supreme negotiators that the world has ever seen not giving out two distinct messages? We have had it today. We heard it from the Minister for Economic Development. He said a lot. How many hours? Two and a half hours? (**A Member:** Yes.) I think you nearly beat him. But he came up with massive headlines. He came up with two or three massive headlines – or clangers, I think, for them, (**A Member:** Gaffes.) gaffes, indeed – for the governing parties. But I will dwell on one because it is the point that I am dealing with now, and I am sure the Hon. Mr Feetham and Mr Phillips will deal with some of them as well in their contributions. (*Interjections*) This is what he had to say:

The only deal that can be achieved, as has been obvious and publicly stated on many occasions since December 2020, is a deal that has a maximum period of four years, because none of us are willing to accept a Spanish presence in Gibraltar as the price for a deal. Spain has agreed to request from the EU that Spain's Schengen obligations under any deal would be carried out on Spain's behalf by Frontex for an implementation period of four years, at the end of which Frontex would be replaced by Spanish officials or the deal would be terminated. So the deal will be terminated. As I told the UN seminar in Indonesia in May, that is the only option as far as Gibraltarians are concerned: the deal is terminated in year 4.

That is what the Hon. Sir Joe Bossano said. What, on the other hand, did the leader of his Government say? He said, in the committee I referred to earlier, in relation to a question from Mr Greg Smith in relation to business interests:

We can only think of the opportunity costs of not having done these arrangements

– i.e. the Schengen arrangements –

Of course, if we do these arrangements and get beyond the four-year horizon,

– that is what he wants, he wants to go beyond the four-year horizon –

then, as the whole thing hardens, the opportunities for business on both sides of the frontier are huge.

He talks again about shared prosperity:

It is worth continuing to work very hard to have this area of shared prosperity. That must only mean greater prosperity than what we have today, greater opportunities for businesses in Gibraltar, [...] greater opportunities for the businesses around Gibraltar ...

He says, 'I am ambitious to try to achieve more' beyond the four years. That is what he was saying. He says:

What we have found in our Spanish counterparts is that they too are ambitious to try to achieve more.

2070 And he talks about the 'opportunity to deliver a treaty that can bring about this additional prosperity' once again. We need to understand from the Government why, on the face of it, their aspirations are totally different.

Hon. Chief Minister: They are not.

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Hon. D J Bossino: What we had from Sir Joe Bossano is completely different to what the Hon. the Chief Minister was saying to the committee in the House of Commons. It is completely different. Sir Joe was very clear: after four years, it is over. The Hon. the Chief Minister is saying something completely different. And if he is not saying something completely different – he is getting excited again – all he needs to do is clarify the position to the people of Gibraltar so they understand what they are voting for.

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Hon. Chief Minister: Yes, [*inaudible*] can understand that.

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Hon. D J Bossino: But I must say, Mr Speaker, that I agree with the Hon. Mr Isola in one respect. I do agree with him. He said that Gibraltar deserves a better Opposition, (**Hon. Chief Minister:** Hear, hear.) and he is right. I think that the hon. Members opposite would do a wonderful job. It is obvious that the gentlemen and lady opposite have run out of ideas. They have run out of steam. After having thrown money around as if it were dishwater, they have run out of money. There is simply no more petrol left in the tank. It is time for a new and fresh approach. It is time for the GSD.

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A Member: Hear, hear. (*Banging on desks*)

Adjournment

Chief Minister (Hon. F R Picardo) Mr Speaker, I suppose it is because of the length of the session, but I am starting to fall asleep, so I wonder whether it might be a good idea to adjourn the session now until tomorrow at 11 a.m.

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Thank you.

Mr Speaker: I now propose a question, which is that this House do now adjourn to Friday, 14th July at 11 a.m.

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I put the question, which is that this House do now adjourn to Friday, 14th July at 11 a.m. Those in favour? (**Members:** Aye.) Those against? Passed.

This House will now adjourn to Friday, 14th July at 11 a.m.

The House adjourned at 9.16 p.m.