



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.06 p.m. – 6.48 p.m.

Gibraltar, Thursday, 25th May 2023

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The Gibraltar Parliament

The Parliament met at 3.06 p.m.

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

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

Questions for Oral Answer

CHIEF MINISTER

Q435/2023

**Disposable vapes –
Number imported in last 10 years**

Clerk: Meeting of Parliament, Thursday, 25th May 2023. Answers to Questions.
Question 435/2022. The Hon. E J Philipps.

5 **Hon. E J Philipps:** Mr Speaker, can Government state how many disposable vapes have been imported in the last 10 years, separated by year?

Clerk: Answer, the Hon. the Chief Minister.

10 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the information requested is not available, as there is no legal requirement to collect this data. I have, nonetheless, asked Customs to keep a record as from this month.

15 **Hon. E J Philipps:** Just a related question to that. I am grateful that the Minister has now confirmed that we will be able to collect that data. I share with him, and the Minister for Financial Services actually, the need for collecting data so that we can make better decisions.

20 Does he share with me the concern of many in the community in relation to the unlawful disposal of these particular vapes? And is there anything that the Chief Minister might be able to help us with, insofar as policy, moving forward? He knows that Australia is moving very close to a full outright ban, which I do not think is something that the United Kingdom, our closest jurisdiction that reflects the laws that we have best here ... I wonder whether he might be able to help me with that point.

25 **Hon. F R Picardo:** Mr Speaker, as the hon. Gentleman knows, I have always found it difficult to understand what it is that persuades a mature adult to put a piece of paper with rolled-up, crushed leaves in its mouth, light it and proceed to allegedly enjoy it, knowing the damage it is doing to the respiratory system that keeps him or her alive. Vapes are an alternative to that, which does different damage to the respiratory system. It is now becoming clearer and clearer that small particles of plastic pass into the lung from vaping. I therefore believe it is important that we should
30 have data in order to be able to determine whether we need to make policy decisions of the sort

that the hon. Gentleman is making, not least from the point of view of the cost to the Health Services of these continued practices.

35 New Zealand has passed a law which provides that it becomes illegal to sell tobacco to people born after a particular date. That is to say anybody who has been smoking for their lifetime can continue to smoke, can stop smoking and start again; it is not a problem. But if you are born after a particular date, it is illegal to sell you tobacco or to provide you with tobacco. Those are the sorts of things that are extraordinarily progressive. I do not know whether we would ever go down that route, because there are potential civil liberties issues that arise, but that is the level of drastic action I think is necessary that we consider as policymakers if we are serious about saving people
40 from themselves – civil liberties issues there – and indeed saving a lot of money for the Health Service in respect of the treatments that arise as a result of these practices.

Hon. E J Phillips: It is an interesting debate that we may well have if a Member of this House files a motion.

45 One of the interesting things I learnt last week from the GHA board, especially the Director of Public Health, who said very clearly that vapes, in effect, help those who are quitting smoking, so the damage is being done less to their lungs, but actually what she is finding is that younger and younger people are accessing vapes and that is damaging their lungs for exactly the reasons the Chief Minister has put forward. So the problem I suspect we will have in our community – and I wonder whether the Chief Minister may have a view on it – is the access that children are having
50 to vapes. That is probably the most important challenge for us as a community, I would have thought, in respect of this particular activity.

Hon. F R Picardo: Yes, Mr Speaker, I agree, and indeed the hon. Gentleman knows that we
55 passed legislation to prevent access by young people to vapes in the way that was becoming indiscriminate. Indeed, one of the answers the Hon. the Minister for Education gave, I think in recent months, was that we were procuring systems in order to detect the use of vapes in laboratories in the senior schools.

60 These are important issues. Young people sometimes do not know better. I do not say that out of any disrespect for young people, who are sometimes more visionary than we can be, stuck in our ways as we are, but when it comes to whether or not it is cool to do a thing, whether or not there is peer pressure applied, people might do things which it might not otherwise make sense to do. And so anything we can do to help young people in particular not to fall into the trap of early addiction in respect of vapes, tobacco or any other noxious substance we must do, I agree.

65

Mr Speaker: Next question.

Q436-37 and Q450/2023

Devil's Tower Road –

**Rational for slip road by E1 development;
modifications to avoid weekend chaos; cost of new roundabout**

Q449/2023

Eastern Beach parking –

Readiness for use by summer beachgoers

Clerk: Question 436/2023. The Hon. E J Phillips.

70 **Hon. E J Phillips:** Mr Speaker, can the Government explain in detail the rationale for the slip road by the E1 development?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer with Questions 437, 449 and 450.

75 **Clerk:** Question 437/2023. The Hon. E J Phillips.

Hon. E J Phillips: Mr Speaker, can the Government set out what modifications it has made to Devil's Tower Road to ensure that chaos does not return to our streets each long weekend?

80 **Clerk:** Question 449/2023. The Hon. D J Bossino.

Hon. D J Bossino: Will the Eastern Beach parking facility be made available for users of the beach this summer?

85 **Clerk:** Question 450/2023. The Hon. D J Bossino.

Hon. D J Bossino: What is the cost of the new Devil's Tower roundabout?

Clerk: Answer, the Hon. the Chief Minister.

90

Hon. F R Picardo: Mr Speaker, there is no slip road by the E1 development. The eastern end of Devil's Tower Road was realigned to tie in with the new roundabout constructed under the tunnel project. The redundant section of Devil's Tower Road has been retained as a means to access the E1 development and the future wine vaults project. There will be no through road along here.

95 The conversion of Devil's Tower Road into a dual carriageway in 2010 was part of the overall traffic management strategy to deal with increased traffic flows arising from the decision to build the runway tunnel. No further modifications have been made to Devil's Tower Road in that respect.

100 The Eastern Beach multi-storey car park will have its full parking capacity available for beach users in time for the bathing season.

The new Devil's Tower Road roundabout was included as part of the overall contract to build the tunnel, entered into by the former administration. Due to the protracted nature of the works on the latter, which have been undertaken over three different periods involving different contractors, it is not possible to provide an exact figure of cost. However, I am advised that the cost is approximately £750,000, but I want to record in *Hansard* that the figure is not exact.

110 **Hon. E J Phillips:** Mr Speaker, I am grateful for the answers. I just wanted to further drill down into Question 437. I should have just one question. Obviously, the Chief Minister is aware, as we all are in this House, of a number of weeks ago, during a long weekend, the chaos that ensued on that particular stretch of road. As we confront another long weekend due in our community, many will be concerned about how they transit to Spain if they wish to go on holiday for that particular weekend. I was just wondering what was done before the tunnel was opened. I assume the Government has done a lot of work in terms of mitigation of traffic issues around Kingsway, and I just wondered whether this type of issue was anticipated from the outset and what the thinking was around traffic build-up in that area, in terms of the closure of Kingsway with the traffic lights that they have there. I just wonder whether there are any significant plans now to readdress those issues. We have heard of ambulances being stuck within those queues and whether they now can use the traditional route across the runway in those circumstances. I just wonder how the Government is reflecting on its experience of the opening of Kingsway and what modifications it might be thinking about now, so that we can communicate that to the community.

120

Hon. F R Picardo: Mr Speaker, first of all, we have to understand who is causing the chaos. Before we analyse the solution to the chaos we need to understand the cause of the malaise, and the cause of the malaise is the Frontier. At the Frontier, the cause of the malaise before our
125 departure from the European Union might rightly be said to be difficult Spanish frontier guards, and after our departure from the European Union, when Spanish frontier guards are not enforcing the Schengen Border Code to the full extent, it is Brexit that is causing that there have to be some checks even when the Schengen Border Code is not being enforced to its full extent. So that is the problem. The problem is the pinch point. The pinch point is the Frontier and the question of where
130 fault lies at the Frontier.

Then, when we analyse what happens after that, south from the Frontier, we need to remember what the position was before. I am grateful that the hon. Gentleman opened that part of the debate because it is important that we recall what Gibraltar could be like on a bad, rainy
135 Thursday afternoon after 3.30 when schools were out if, before leaving the European Union, we had a particularly difficult Spanish government. I recall a Spanish foreign minister of a particular name – who was appointed at the same time as we were elected – who loved causing merry hell in Gibraltar. I often remember the frontier queue reaching 6 Convent Place. I knew there was a frontier queue because there was traffic outside Convent Place beeping its horn, and I would then seek to ameliorate it in some way – and that was with the third lane operating on Winston
140 Churchill Avenue, with all of the traffic going down Winston Churchill Avenue, down Devil’s Tower Road, going into Eastern Beach, coming out of Eastern Beach, going up Devil’s Tower Road and then going up the rest of Winston Churchill Avenue, down Corral Road etc. and on to Queensway and Line Wall Road. So the queues got that bad.

That sort of chaos – and I am using the hon. Gentleman’s word – occurred regularly during the
145 week, even before we left the European Union and before we had the tunnel open. It could also occur during the weekend. It did not so often occur during the weekend for a simple reason: at the weekend, people have a choice of whether or not to go to Spain at a particular time. And so people would say *Hay mucha cola* – ‘There is too much of a queue, I will stay here,’ or ‘I will go later,’ or ‘I will make sure I leave earlier.’ There is that sort of choice. During the week, at 3.30
150 school is out, at five o’clock work is out, at six o’clock work is out – everybody is trying to get across at the same time. There was less choice. So the chaos that the hon. Gentleman refers to off’ occurred before we left the European Union, when it should not have occurred, and before we had a tunnel.

Cut forward to the opening of the tunnel. Hon. Gentlemen will forgive me for reminding them
155 that the plans that we have in place are the plans that they put in place, which were put in place by them in good faith and would have had to go through the test of electricity that every plan has to go through – that is to say interaction with reality. So you have a perfectly plausible plan provided for in the time that they were in government as to what would happen when the tunnel operated. The tunnel systems are designed at the time that they were in government, in good
160 faith, to deliver what is a very plausible plan. And then of course the first contact with reality requires that the plan should be tweaked and amended, and that is where we have been.

Hon. Members will also know that absent a long weekend, which I accept has not happened since he asked his question ... since the last weekend we have not had instances of that sort of
165 chaos because different mechanisms have been brought into play. Different types of contraflow have been tried, to work out which is the best contraflow. In other words, do you have one lane going south on Devil’s Tower Road with one clear lane of that dual carriageway? And do you queue in the tunnel or do you not queue in the tunnel? Or do you have two lanes of traffic going south on Devil’s Tower Road, going through, only one of them queuing in the tunnel, and a contraflow on the westerly-bound Devil’s Tower Road, which permits a clear route through a contraflow in
170 the tunnel to the area north of the runway but not going to Spain?

All of those different permutations had to be tried. It was our view that they must be tried and our view that we had to change the permutations that were provided for by the former administration, which required that both barriers come down at any time on each of the cores

175 Hon. Members will know that there are, at both ends of the tunnel, barriers that come down
related to the lights that he has referred to. The system put in place, which we inherited, was that
the lights went red for both lanes going in a particular direction and that the barriers came down
for both lanes going in a particular direction. That means that if you are not going to permit
180 queuing in the tunnel, you cannot bring down one barrier if you are queuing cars on the on the
right-hand side lane of one core and keep open the left-hand side of that core because the
software that they provided us with, you press the button, they both come down. It is not a
complicated thing; it just needs to be reprogrammed so that it is possible to control one lane in a
core and not have to control both lanes in the core at the same time. So all of those things were
being tried, and when we had the most recent frontier queue we tried the permutation which
involved queuing in the tunnel on one lane of one core, not queuing in the tunnel on the other
185 lane of that core, and keeping the other core divided in two with a contraflow, and that seemed
to work.

Why not queue in the tunnel? Well, the reason for not queuing in the tunnel is based on the
advice from the Fire Brigade relating to the Mont Blanc tunnel fire. The Mont Blanc tunnel is
190 40-odd kilometres long. There was a tragic incident there, where there was a fire. Many people
died. They could not get out of their cars. They could not get their cars to the end of the tunnel
because there was a huge fire. The Government's view is that in a tunnel – which is more of an
underpass than it is a tunnel – which is 500 m long, not 50,000 m long, which is what it would be
if it was close to the Mont Blanc tunnel, where you have the potential to keep one lane always
free, you can safely queue in one lane of one of the cores without having any of the risks
195 associated with the Mont Blanc tunnel fire because you can always get out of your lane with your
car. In those circumstances we have tried different permutations.

None of us here is an expert in traffic management. We are now advised by the same people
who would advise them if they were here, that what systems are being tested now and have been
tested, we say, successfully – we are told, at the last instance of queuing – should ensure that we
200 never see a case of the sort that we saw at the time of that long weekend unless the Frontier
completely seizes up and we still have people seeking to go into Spain.

On a Friday, if people are going on holiday and want to get out that night because they have a
hotel booking that night and they meet the traffic I referred the hon. Gentleman to earlier, that is
to say the weekday traffic – so on a Friday school is out at 3.30, work is out at five, at six and at
205 seven, and all of the Gibraltarian traffic to go behind enemy lines for the weekend starting on a
Friday ... If all of that meets at once ... well, you do not need me to tell you. You have got the Hon.
the Minister for Transport. That number of cars is a square peg that will not fit into a round hole
without a traffic jam of the proportions that we have seen many times before.

There is no administration that can fix that because there is no contraflow, there are no
210 barriers, there are no lights, there is no tunnel that can deal with that if you have a pinch point at
the top. So whether it is Caruana's tunnel or Picardo's tunnel, the reality is the same and we should
not pretend otherwise to people, because that is why people start to think that politicians are
dishonest, when they play games like that.

215 **Hon. E J Phillips:** I am very grateful for his analysis, I always am, but just one question, because
he talks about pinch points, and of course volume, although not in that definition a pinch point, is
a serious consideration. Likewise, the closure of the barriers at the Frontier when we originally
crossed the width of the runway. We have removed that pinch point and hopefully things should
improve with the technical improvements that he talks about and the constant testing of that
220 particular route across the Frontier.

A long-term solution to the problem is to try to discourage the frontier workforce from using
cars to come to Gibraltar, for a variety of different reasons – our green community, and it has
been echoed by the Minister for the Environment and the Minister for Transport for years,
because it seems to me that the volume of traffic ... our frontier workers who are using our roads
225 to bring their cars in and out every day, and also our citizens who wish to go on vacation on

weekends. So the long-term objective is to reduce the numbers of vehicles coming into Gibraltar by various means, such as park and ride, that have been spoken about in this House on numerous occasions. I wonder whether he might share his thoughts on how we might go about doing that and whether that is the Government's policy in trying to reduce the volume of traffic coming to Gibraltar from Spain.

Hon. Chief Minister: Mr Speaker, thank you. I think we are *ad idem*, as we might say in court – we are of one mind – but not on the use of park and ride, because park and ride I do not think avails us of any solution other than the cars come in from Spain and are just parked in a particular area, and in the context of what he is talking about, that area, that park and ride car park, is south of the tunnel and would still have to get itself out through the tunnel and would still be queuing in Devil's Tower Road. So I do not think that is the best location for a park and ride for that purpose. It is a good location for a park and ride for arrivals into Gibraltar by tourists and others who might want to visit Gibraltar, but not necessarily by frontier workers. I do not think it was ever designed, even by the former administration, with that in mind. The Hon. Minister for Transport has passed me ... A picture is worth a thousand words. I do not know whether he can see it. I am sure the Minister will happily send it to him by that modern device called WhatsApp. What we have here in this picture is a huge number of cross-frontier 'scooterees' and cyclists, and the runway shows us every day a huge number of cross-frontier workers coming in on foot, not just on bikes and scooters.

So it is fair to say that we should seek to further discourage the use of vehicles by cross-frontier workers. It is also fair to say that a very large number of cross-frontier workers already walk more than most people in Gibraltar do because they walk from Spain into Gibraltar, across the runway etc., and some of them use public transport to boot. What have we done already to encourage that? Well, the hon. Gentleman knows that we have introduced charges for parking in Gibraltar, that Gibraltarians – that is to say people with red ID cards – can park in multi-storey car parks, but others, even with workers' ID cards, have to pay. It is important that in seeking to encourage a particular activity by a third party, we recognise what it is that we are doing already to encourage that activity and the fruits of it, because I am sure that more people walk since we introduced the parking charges, more people might take a taxi or a bus since we introduced the parking charges because the taxi or the bus might be less than the parking fee. That is, I think, the most that we can commit to.

Mr Speaker: The Hon. Damon Bossino.

Hon. D J Bossino: Mr Speaker, I am not sure how to pursue my question with regard to the new Devil's Tower roundabout because the Hon. Chief Minister premised his answer on the basis that it was an estimate – I think was the word he used – because in effect, if I recall, it is not a cost which is broken down. In other words, it forms part of the overall cost of the tunnel project. But he did offer a – (*Interjection*) He is saying from a sedentary position that it was not an exact sum, but he came up with a figure which is quite exact, £750,000, so at least we have a more-or-less figure, albeit not exact. But I will pursue it, subject to the caveat that he put forward during the course of his reply.

The information that I have received is that it was around £40,000 in terms of the soil costs at £2,000 per tonne. That was put to me as already a very expensive price tag. He has come up with a figure which is many times a multiple of that. Is he able to confirm that sum that I have just given him in relation to the cost of the soil? And can I ask him to provide a further breakdown in relation to that £750,000 for the construction of the roundabout? We will then need to deal – with your permission, Mr Speaker – with the maintenance costs thereof.

Hon. Chief Minister: Mr Speaker, I can assist him with the details I have, and maybe that would be helpful to him. The roundabout was designed in 2009. The reason it is so large is because it is

280 meant to cater for the volumes of traffic to and from Spain with an allowance for growth, including that which the Eastside may be expected to receive. The approximate breakdowns that I have are as follows: excavation and filling to formation level, £100,000; initial road resurfacing of base course and binder, £205,000; roundabout features and finishes including kerbs, lighting, topsoil and planting, £225,000; final road resurfacing, including the wearing course, £88,000; highway signage, £35,000; and contract preliminaries, £99,000.

285 **Hon. D J Bossino:** Mr Speaker, by way of second supplementary, he mentioned the design and he gave a date of 2009. What has been put to me as well is that the roundabout need not have been so large. In other words, he does say that the roundabout was that size not just because of the project that was then envisaged, but also because of, he said, the possible developments at the Eastside. The contrary point has been made to me that because there are now more
290 developments, which are the developments steered by the Members opposite, which were not ours and were not envisaged in 2009 when we were in government, the roundabouts ought to have been smaller and therefore cheaper. Does he have a comment to make in relation to that?

Hon. Chief Minister: Yes, Mr Speaker, of course – that his information is, as usual, completely
295 wrong, that the roundabout is the size that was designed in 2009, that the volume of traffic to the Eastside anticipated under the Sovereign Bay project was higher than the volume of traffic envisaged now because the massing proposed by the Multiplex Reuben Brothers project was actually much greater than the massing proposed now, and that therefore every single one of the premises that he has based his question on is entirely fallacious and wrong and he should roundly
300 chastise the person giving him the information, who, if they were a person with information and access to information at the time, has clearly forgotten most of the facts, and if they were not, is simply making it up.

Hon. D J Bossino: Mr Speaker, all of that is perfectly possible, but I will not take his word for it.
305 I will make further inquiries. I will certainly put on inquiry everything that ... He knows that everything that he says puts me on inquiry.

Can I ask him which company – or companies, because in his helpful response in relation to the breakdown it is possible that various companies were involved in the construction of the roundabout ... Can he provide me with details of which company/companies those were?
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Hon. Chief Minister: Mr Speaker, he knows that as to being put on inquiry by things we say, the feeling is entirely mutual. Every time he greets me with a good morning, I check my watch to ensure that noon has not passed, and then I check to ensure I still have my watch. (*Laughter*) But despite that, given the friendship that has joined us for so many years despite our current political
315 differences – I put it no higher or lower than that – he should know that the information I am giving him should put him on inquiry, not in relation to me but in relation to the people who provide me with the information, who are the technical people who prepare answers to questions. This is not something that a Minister makes up.

I do not have the names of the companies that provided the services. I imagine they are probably different companies. I am very happy, if he wants, to write to him with the details of which company did what in respect of the two, four, six things that I have told him, or I am quite
320 happy for him to ask questions next time. (*Interjection*) Sorry? I am quite happy for him to ask questions next time. He is nowhere near answering questions, Mr Speaker, however much he might think he is. It is a matter for the people of Gibraltar, they can decide who should ask the questions and who should answer the questions, but my gut does not tell me that he is going to
325 be answering questions any time soon. I am happy to provide the answers next time, if he asks, but I have no doubt he will be put on inquiry as to what my gut feels, or not.

330 **Hon. D J Bossino:** Mr Speaker, this is a third question. I see the Speaker is already going towards pressing his microphone button.

Yes, let's agree that we are, as he says, mutually put on inquiry. I do exactly the same thing, and I will take the comment that he has made suggestive that I am a thief in the jest that he has imparted it. That is why I made sure that I did not stand up and ask for a point of order. One has to be philosophical, quite frankly. I have been to two funerals already this week, so this is a fact of life.

335 Mr Speaker, can I ask him one final question, which I alluded to in my first supplementary? Is he able to state which company and what the cost of maintenance of the roundabout is, going forward into the future?

340 **Hon. Chief Minister:** Mr Speaker, I am very grateful that he is going to take in the same jest that I am going to take his suggestion that I say things which need to be checked up on – that is to say that I say things which might not be true – the suggestion that I had to check whether I had my watch or not as he walked past, because we do have to be philosophical. We have both been at one of those funerals of an old friend, and there are more things in heaven and earth than are thought of in either of our philosophies, and we have to be alive to that in particular in this place.

345 I do not know which is the company that is doing the ... I assume what he means is the gardening. I do not know who it is. There is one company I do not want to mention across the floor of the House because it may not be, but I am sure it is, that does most of the Government's public planted areas. There is a contract with that company and that contract dates from the time before we were in office, but again, if he asks that question either at this or future meetings of the House, I will be delighted to answer it if the people of Gibraltar so determine that I should.

Hon. D J Bossino: Mr Speaker, I had a supplementary from my questions on the Order Paper because –

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Mr Speaker: So you are going to be asking about Question 449?

Hon. D J Bossino: Yes, Mr Speaker, that is right. That is one of the ones that he grouped together.

360 In relation to the Eastern Beach car park, which, as Mr Speaker has just said, is Question 449, he said – and I am sure that beach users will be very happy to hear the answer, which is that the Eastern Beach parking facility will be made available to them for the summer ... If I can take him to the answer he provided me during the course of the meeting of the House of 19th January, where we were talking about eligibility, he expanded on it and he said:

we need to work out as a matter of policy how we provide for that, and we expect to be making a statement, which will be quite detailed, about people in the area and

365 – and this is where I emphasise –

the summer use of the car park etc., which we have not yet finalised.

I am assuming that he did not intend to provide that type of detailed information across the floor of the House pursuant to a question that I would be posing for him to answer, and that he intends to, at some point, make the detailed statement which he promised across the floor of the House. And if that understanding is the case, may I ask him when he expects to provide that statement?

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Hon. Chief Minister: Mr Speaker, why use a few words when you can use many? Yes, I do intend to make the statement referred to. I am not yet able to give the exact date when I will, but

375 the fact is that the Eastern Beach car park will be available for Eastern Beach users for the period
of the summer months, as I have already indicated. That will be detailed more specifically in the
statement to come, which will also provide for parking arrangements for those who live around
Eastern Beach.

Hon. D J Bossino: Mr Speaker, I will use the words that I deem appropriate and I do it, I think,
380 to assist him, so that I can convey precisely what is going on in here, so that it can hopefully get
to him and he can understand fully and there can be no doubt as to what it is that I am asking.

Can I ask him what it is that is delaying the statement in relation to such an issue, given that he
promised this on 19th January and here we are, end of May, very close to the summer season, not
yet in a position to make a statement of that nature? Can I ask him what is the cause of the delay?
385

Hon. Chief Minister: Mr Speaker, the hon. Gentleman is completely wrong in the premise of
his questions again, despite having eaten a fair dose of tongue for lunch, obviously. He assumes
that we are delaying and he assumes that we cannot make the statement. Far from it. We think
that there is a moment to make the statement, which is closer to the beginning of the bathing
390 season, when we have more accurate facts at our disposal because obviously we will then know
the exact number of parking spaces that will be available in the car park as the works come to an
end or are held for the period during the summer. And so there is no delay and the statement will
be made at the right moment before the opening of the bathing season. If we were to make the
statement too far before the opening of the bathing season, we would find that we would have
395 to make it again before the opening of the bathing season. For example, I remind him of the fact
that he, some months ago, asked us to tell him whether or not it was possible to put bins out on
a Saturday night, having forgotten the Government statement some years ago about not putting
bins out on a Saturday night. He has even forgotten that he had forgotten about putting the bins
out on a Saturday night. But so be it. I hope he accepts that the Government is going to make the
400 statement at the time not of its choosing, at the time when we are advised is the best moment to
do so to ensure that beach users and those who live around Eastern Beach will have the
information timeously in order to be able to use the information in the way that they need to be
able to park legally.

Hon. D J Bossino: Mr Speaker, what I find somewhat surprising in the reply is that at this stage
405 of the game the hon. Member has said that he is not yet aware of the number of parking spaces
which are going to be available. If I may, simply to widen the point because the question strictly
was about Eastern Beach users, but this will impact because he has said before, in answer to two
questions, that it will impact on the first phase purchasers of Hassan Centenary Terraces, who for
410 a period of time will be using that facility until, as he has explained, the second phase is complete
and then they will have their own parking spaces in that particular development available to them.
But is he telling us now and expecting us to accept and believe that he does not yet know how
many parking spaces are going to be available? What is determining that?

Hon. Chief Minister: Mr Speaker, I am very surprised that he is surprised. He obviously has
415 never really had regard to how construction contracts work, how the lay of land can change and
how that can affect the number of parking spaces.

What the Government wants to do is not just make political points for the sake of being heard,
the Government wants to actually improve the lives of people in the area and improve the lives
420 of beach users. What we want to do, therefore, is to maximise the number of car parking spaces
available for people who use Eastern Beach, for people who live in Beach View Terraces, for people
who live in E1, for people who live in Devil's Tower Road, and of course for people who live in
Hassan Centenary Terraces or will be living there after we start the completions during the months
of July, August, September etc. In doing so, we want to ensure that the works in the area – and
425 they are ancillary works in the area ... I suppose he does go around Gibraltar and he will have seen

430 that there are pavements being completed etc. That will make more spaces available, and therefore, in order to give an accurate number ... Accuracy is everything, because if I got it wrong by one space he would be getting up saying he is surprised that I got it wrong by one space. And so, in order to do the job that we have to do, in order to ensure that we are siding with the people who use Eastern Beach, who live in Devil's Tower Road, in E1, at Beach View Terraces, at Hassan Centenary Terraces, all of that area, we are going to do what we have to do to maximise the number of spaces available, even if that means that I cannot today tell the House what the number of parking spaces available is because I am fighting for more.

435 **Mr Speaker:** Next question.

Q438/2023
Principal Auditor's reports 2016-17 and 2017-18 –
Update re tabling

Clerk: Question 438/2023. The Hon. R M Clinton.

440 **Hon. R M Clinton:** Mr Speaker, can the Government provide an update on the tabling of the Principal Auditor's reports for 2016-17 and 2017-18?

Clerk: Answer, the Hon. the Chief Minister.

445 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the Principal Auditor has informed my office that there are still a small number of amendments to be carried out on the financial statements for the year ended 31st March 2018. The Principal Auditor has further advised me that his reports on the Public Accounts of Gibraltar for the financial years 2016-17 and 2017-18 are practically finalised.

450 **Hon. R M Clinton:** Mr Speaker, I am grateful to the Chief Minister for enquiring as to the status of these reports, but as we in this House have been enquiring – certainly on this side of the House; I am sure he has, as well, on his side of the House – after these reports for some time now, and in February we were still at the adjustment stage and now we are in May and it is almost done and 'soon' ... Does the Chief Minister have a sense of what the Principal Auditor means by 'soon'? Does he expect to be able to table it at the next session of this Parliament? I hear that the Principal Auditor may be reaching the end of his term of office and he may be due to retire, and I presume that we would all in this House like to have his reports before he retires.

460 **Hon. Chief Minister:** Mr Speaker, what the hon. Gentleman is asking me to do is to crystal ball gaze. He is asking me to speculate, and an answer cannot be based on speculation if it is going to be accurate and if it is going to honour that I want to ensure I do not mislead this House. I am here as Chief Minister of Gibraltar, not as '*Rappel*' or any other soothsayer, Mr Speaker.

465 **Hon. R M Clinton:** Mr Speaker, I am not asking the Chief Minister to predict the future, (*Interjection*) otherwise I would ask him for the Euromillions numbers. All I ask is does he have a date. Has he been given any date by the Principal Auditor?

470 **Hon. Chief Minister:** Well, no, Mr Speaker, that is not what the hon. Gentleman asked me. If he had asked me whether I had been given a date, I would have said no. He asked me whether I had any idea as to what 'soon' could mean. That was to ask me to crystal ball gaze and I am not going to. I am not able or permitted to do that in the context of accuracy in this House.

Hon. R M Clinton: Mr Speaker, if these reports remain outstanding for much longer, is there anything that the Chief Minister thinks we as a House should be doing to request the Principal Auditor to expedite his work and present his reports? We have the power in this Parliament to summon people. Is it that we need to form a committee of the House and request the Principal Auditor to attend?

It is just getting to the point where it is frankly unacceptable that the last report was six years ago. We cannot in this House do our work of scrutiny, nor can the Government receive reports as to how various departments are operating without the work of the Principal Auditor's department. Does the Chief Minister have a view as to what would be the next step if these reports are not forthcoming by the next session?

Hon. Chief Minister: Mr Speaker, the Principal Auditor is constitutionally and statutorily independent, and any attempt to interfere with his independence, including his decision as to when he files his report, I think would be deprecated and should be deprecated. I have no view, therefore, as to what we should do next. I am not going to venture into speculating either as to what the potential parliamentary devices that might be used should or could be, because I believe that we should not be even appearing to interfere with the Principal Auditor's independence.

Mr Speaker: Next question.

Q439-40/2023
Historic 3% abatement –
Claims from retired public sector workers; settlements

Clerk: Question 439/2023. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise whether it has received any claims from retired public sector workers in respect of the historic 3% abatement; and, if so, for which sectors and in what number?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer with Question 440.

Clerk: Question 440/2023. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise whether it has settled any claims from retired public sector workers in respect of the historic 3% abatement; and, if so, for which sector and on what terms?

Clerk: Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, there have been a total of 84 claims from retired public sector workers in respect of the historic 3% abatement. Of these, 68 claims were from the Gibraltar Fire and Rescue Service and 16 claims, to date, from the Royal Gibraltar Police.

All 68 claims from the Gibraltar Fire and Rescue Service retirees have been settled.

Hon. R M Clinton: Mr Speaker, I am grateful to the Chief Minister for his answer. If I can start with the 68 of the fire brigade, I did ask for the terms of the settlement. Is the Chief Minister in a position to advise the House of the terms of settlement?

Hon. Chief Minister: Mr Speaker, yes, sir. With effect from 1st July 2014, Her Majesty's Government of Gibraltar agreed the reinstatement of the 3% salary abatement to Gibraltar Fire and Rescue Service and Royal Gibraltar Police officers. It was subsequently agreed to extend this arrangement only to officers who had retired from the GFRS between 1st April 2013 and 30th June 520 2014. This included four GFRS retirees whose pension awards were revised with effect from 1st July 2014. That is to say the date on which the 3% salary abatement was reinstated for serving officers. The agreement was subsequently extended to all existing GFRS pensioners and/or GFRS service widows and orphans pension scheme pensioners who were active on 1st January 2020, who were 64 in total, with their pension awards being revised as from that date. The 16 claims 525 received to date from retired officers from the Royal Gibraltar Police are currently under consideration.

Hon. R M Clinton: Mr Speaker, I am grateful to the Chief Minister for the expansion of his answer. In terms of the 16 police officer claims, what is the difference between their claim and the fire brigade claim? Is there any difference between the two? What would be the difference in settlement? 530

Hon. Chief Minister: Mr Speaker, I am not sighted on the detail of the difference, but I believe it is substantially different and that is why different treatment has been given to the settlement. 535 In one it was advised that the claims were affordable and in the other it was advised that the claims were not affordable, because of the different structure in the way that the abatement was dealt with, the period of the abatement and how it would be changed. That is the reason, and I understand that that reason has been provided to successive administrations of the Government of Gibraltar in relation to the claims made by Royal Gibraltar Police officers. 540

Hon. K Azopardi: Mr Speaker, can I just ask, on the RGP claims, the number of 16, is that a finite number? Those claims arise also from that point which he indexed on firefighters. I think he said something like they had retired from 1st July 2014. I think he said something like that. So is it also a group of people who retired from that point on, or is it a different date? And can I ask him, have there been analogous claims also from officers in the Prison Service? 545

Hon. Chief Minister: Mr Speaker, I do not have any claims from people in the Prison Service and I do not have any information with me which would tell me the answer to the hon. Gentleman's first question. 550

Mr Speaker: Next question.

Q441 and Q455-58/2023

Eastside project –

£90 million premium; Catalan Bay parking; construction of marina; location of relocated entities; commencement and completion dates of phases

Clerk: Question 441/2023. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise whether the £90 million premium 555 paid for the Eastside project is in any way refundable and/or were any extra benefits conceded to the developer to secure the premium on the last day of the financial year?

Clerk: Answer, the Hon. the Chief Minister.

560 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer with Questions 455 to 458.

Clerk: Question 455/2023. The Hon. D J Bossino.

565 **Hon. D J Bossino:** Is the loss of parking spaces as a result of the cordoning off of the area on the reclaimed land by Catalan Bay expected to be replaced in time for the busy summer period?

Clerk: Question 456/2023. The Hon. D J Bossino.

570 **Hon. D J Bossino:** Does the Government support the construction of a marina as part of the Eastside project?

Clerk: Question 457/2023. The Hon. D J Bossino.

575 **Hon. D J Bossino:** Have all the entities been reallocated from the Eastside reclamation; and, if so, where?

Clerk: Question 458/2023. The Hon. D J Bossino.

580 **Hon. D J Bossino:** Please provide details of the commencement and completion dates of the Eastside project broken down into each of its phases.

Clerk: Answer, the Hon. the Chief Minister.

585 **Hon. Chief Minister:** Mr Speaker, as you would expect in an agreement as complicated as the one for the Eastside, being one which will endure for a number of years, there are a number of circumstances whereby termination is possible by both sides. I can assure you that there were no extra benefits conceded to the developer to secure the premium on the last day of the financial year. The negotiation was led for the Government by Mr Albert Mena and he is not known to concede benefits. The termination conditions have been one of the most difficult topics to deal with since these negotiations started. These have been carefully discussed and evolved over the many months of detailed negotiation. These have been amended, in fact, during that period to adapt to the changing circumstances, for example the grant of outline planning permission. As you would expect, there are a number of circumstances that allow the developer to request a return of the premium. These include the Government not providing the leases to the land or the grant of rights to develop, planning permission not being granted by the DPC in the form that has been presently indicated, and planning permission being curtailed in a way that makes the project not viable. There are, of course, a number of more detailed provisions, but it is not in the interest of Gibraltar or this project to provide this level of detail across the floor of the House at this stage.

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600 The parking area on the reclaimed land by Catalan Bay is under the ownership and control of the Eastside developer. There is, nevertheless, an obligation on their part to provide a minimum of 250 parking spaces for general public use, with access and proximity to Catalan Bay, at all stages of the Eastside project. HMGoG will ensure that that obligation is met. The agreement over the Eastside is an extremely complex one that has taken many months of careful negotiation. The reason for this is having to cater for a transformational project that will span a number of years.
605 During the site's development and construction, the agreement will have to be flexible to cater for its impact on the area. In negotiating this agreement, both parties, the developer and Government, have therefore worked in partnership to seek to minimise that impact and cater for the fluid changes at the site as the development progresses. It must be understood that the precise order in which everything at the site will be done will necessarily evolve as and when issues present themselves. The parties have committed to work together in good faith to address these
610 issues. Prior to and until completion of the design and construction of the permanent car park

615 facility, which will provide for 500 parking spaces, TNG will, throughout all relevant stages of the development of the Eastside project, make a minimum of 250 parking spaces with access and proximity to the Eastside available for use by the general public at no cost within the Eastside area. That is exactly what was said in the press release. This number of 250 is in line with the number of parking spaces that were available previously at the site. Clearly the precise location of these spaces may need to change as parts of the site are developed and to ensure the health and safety of those using that parking, which is always our paramount concern.

620 The Eastside plot requires coastal protection measures to be built to allow the development to proceed. The developer proposes to achieve this by the construction of an arm that will protect the reclamation. HMGoG supports this, as it will deliver the necessary protection whilst at the same allowing the creation of various amenities, including a marina, within the sheltered waters behind it. Indeed, the administration represented by Members opposite had previously encouraged and supported a marina as part of the project, as is reflected in all the relevant material from the environmental statement passed at the time.

625 All entities which were present on the Eastside plot have been relocated. Some of these moved to the Brewery Crusher site, others to Coaling Island Wharf and one to the British Lines area.

The timings and phasing of the Eastside project are a matter for the developer to decide.

630 **Hon. R M Clinton:** Mr Speaker, I am grateful to the Chief Minister for his answer. I will obviously restrict my supplementaries to my own question in respect of this whole project.

635 The Chief Minister says that the agreement is complex but there is the possibility of termination by both sides. I think this is something I would like to delve a bit more into. Can the Chief Minister contextualise this in terms of timeframe? When the termination is possible by TNG, is there a timeframe within which they have that ability to terminate, or is it open ended?

640 And in terms of the £90 million premium, are there any ...? I am trying to find the right words, Mr Speaker. Are there any conditions attached to that money in terms of the Government's ability to use it? In other words, is it in any way blocked? Is it held in an escrow account by the Government or the Government's lawyers, in that the Government may not have ready access to it? What sort of conditions has the developer put on that money to protect itself, to ensure it can get that premium back should the various conditions that it sought not be met?

645 Also, Mr Speaker, if I can just add one more to this, the Government talks about *its* terminating the deal, but if it does that, would the Chief Minister say it would be entitled to keep that £90 million premium; and, if so, on what grounds?

650 **Hon. Chief Minister:** Mr Speaker, there are no conditions attached to the payment of the £90 million. The £90 million is in the Government General Account, full stop. There is no escrow, there is no control of that money by the purchaser. The money is with the Government. The purchaser, who is represented by a hard-nosed businessman who does business around the world and does not lose money, does not believe that the Government of Gibraltar is a risk if it had to pay back £90 million, and therefore there is no question of the Government having been asked even to agree to keep the £90 million in an escrow account or otherwise, other than completely in its own control in the Government General Account, and the Government has given no undertaking not to spend the money in whatever way we consider is necessary or appropriate.

655 Indeed, I think it would be contra-parliamentary for us to have done so, because parliaments do not bind their successors and our successors would have been able to spend the money in the Government General Account, because it was not in escrow, because it was not subject to an agreement to be not spent in any particular way. So the hon. Gentleman is completely wrong to suggest that there is any control over that money. I am surprised that he has thought it necessary to ask. The Government has made an announcement that it has received £90 million. We have received £90 million, not subject to any control over that £90 million. Otherwise we would have been failing in our duty of candour to the general public to have said that we had received £90 million when we might only have received a notional payment of £90 million that we could not

665 use. It is in the Government General Account available to use for any purpose, without any control
by any third party, without any undertaking by the Government not to spend every penny if we
wanted to because we thought it was appropriate or it was necessary to do so.

670 Second, Mr Speaker, in the context of timing, there is no time in the document. There are
conditions in the document. It would be very strange to have a document that talked about a time
period in respect of a potential refund. What you have are conditions set up, which if not met
would give rise to a repayment. This should also not strike the hon. Gentleman as unusual because
in the context of the Multiplex deal and the Reuben deal, my administration negotiated the
675 repayment to them of their premium when they withdrew from the Sovereign Bay deal that they
had done with the GSD administration. So again, that amount was refunded and it was refunded
I think some seven or eight years after they had paid the money. But there are conditions set out,
as there were in the deal that the GSD administration did with the Multiplex Reuben Group, and
it is logical that that should be the case. In any commercial transaction for the sale of land you
would deal with those sorts of conditions, and in most instances the conditions relate, of course,
commercially and with the Government, to being able to build the scheme that you believe you
680 are going to be able to fund with the premium that you have paid and the construction costs that
you are estimating. So, here, the sweep of the conditions relate to being able to get planning
permission not for what the Government has agreed but for the type of massing that is agreed,
even though the DPC may require that they build it in a different way, a different shape, a different
height etc., but for the massing that has been agreed with the Government as landlord. The hon.
685 Gentleman looks at me quizzically. That has been the case under every administration of the
Government of Gibraltar since the AACR. Every administration that has done a development deal
has done it on that basis, so he should not think that there is anything new or to look quizzical
about in that context.

In the context of termination by the Government, there are some circumstances where the
Government can terminate and retain the premium.

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Hon. R M Clinton: Mr Speaker, I am grateful to Chief Minister for his answer. Obviously, I will
ask but I guess the Chief Minister will say it is confidential: would he release what those conditions
are for the termination refund of the premium?

695 Secondly, he did mention Mr Mena having negotiated the deal on behalf of the Government,
and I find that a bit surprising given that I believe he also works for the same firm as TNG. I think
TNG are their clients. I would have thought the Government would use somebody independent if
they felt the need to use a third party. And also, why didn't the Government itself negotiate with
the developer? What was the need to involve Mr Mena?

700 **Hon. Chief Minister:** Mr Speaker, for the reasons I gave in my first answer, I am not going to
disclose the conditions of termination.

Second, I am surprised that the hon. Gentleman is surprised, but obviously he has not thought
through what it was that could be happening. I did not say that Mr Mena was representing the
Government as a lawyer. The Government was represented by Isola & Isola. TNG was represented
705 by Hassans. Mr Mena had been the Financial Secretary who negotiated the deal with me. Chief
Ministers do not become involved in negotiating the detail of long commercial leases. Woe betide
a Chief Minister who thought that he could lock himself up in a room for the weeks that it took to
negotiate the detail of each clause of this lease, because you would not be able to turn your
attention to any of the other issues that relate to Gibraltar. Of course you negotiate the sweep of
710 the terms and conditions. That is what I did when we announced the heads of terms. I negotiated
that with Albert Mena, with Joseph Garcia and with the representatives of the TNG group who
were not their lawyers. Then the two sets of lawyers got into the room with one representative
of TNG and one representative of the Government. Who better to be the representative of the
Government than the Financial Secretary who had been involved in doing that work at the time
715 that he was Financial Secretary, now not as Financial Secretary but not as a lawyer either, because

he was not acting as a lawyer? We had lawyers acting for us, they had lawyers acting for them. Perfectly proper, perfectly straightforward, absolutely the right way to do things. Completely the wrong way to do things to have a Minister negotiating the detail of the lease – a waste of ministerial time if you were to go down that route.

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Hon. R M Clinton: Sorry, Mr Speaker, this will be my last question on this, but – (*Interjection*) I am just going to address the last matter that has arisen. The former Financial Secretary is just that, the *former* Financial Secretary. In what capacity was he acting on behalf of the Government? Was he engaged as a consultant, an agent of some sort? You have the Financial Secretary. Surely there would have been a handover, otherwise we would be employing financial secretaries who have retired ad infinitum, if they are not capable of handing over negotiations. In what capacity was Mr Mena employed?

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Hon. Chief Minister: Mr Speaker, as an agent, and it is completely improper to suggest that simply because the current Financial Secretary was not handling that negotiation and had had a handover, he was not capable of handling the negotiation. This negotiation is hugely detailed. I do not think the hon. Gentleman has even an iota of understanding of the level of detail that a negotiation of this sort entails if he thinks that it can be handed over successfully with a memo that sets out what was discussed at the time of the heads of terms. There is a huge amount of detail. Therefore, the Government appointed Mr Mena as agent to negotiate on our behalf as our representative, with our lawyers taking instructions from him and obviously him being in direct contact with us whilst we were sitting at the table in the treaty negotiation or elsewhere.

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It just is impossible to believe that hon. Members have any understanding of what a negotiation like this entails if they think that what I am referring them to is unusual. It would simply have been to drop the ball for Gibraltar not to have done it like we have done it and not to have led to the very successful outcome that we have secured for Gibraltar, which secures a project that is going to once again bring the GDP of Gibraltar to Gibraltar, as Sir Joe has said, over a development period of 10 years and delivers the biggest premium ever paid to the people of Gibraltar for land in Gibraltar, an area of land that when they were in opposition before 1996 they used to call a rat-infested tip. Not bad, £90 million for a rat-infested tip.

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

Hon. K Azopardi: Mr Speaker, I thought my hon. colleague was asking a very simple question: was Mr Mena paid or did he do it for free?

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Hon. Chief Minister: Mr Speaker, I am afraid that is not the question that I was asked by the hon. Member, but given that is the question I am being asked now, I am very happy to answer it. Of course he was paid.

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Hon. K Azopardi: Mr Speaker, can I ask on this question, Question 441? The Chief Minister has indicated that the £90 million premium is refundable. He has indicated it is subject to conditions etc. Is there any part of the £90 million that is not refundable? Can I ask him that? And in relation to the conditions, is the building of the marina one of the conditions which would trigger the ability of TNG to seek the refund of the premium if they cannot do it?

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Hon. Chief Minister: Mr Speaker, all or part of the £90 million is refundable, depending on which part of the mechanism for refunding part of the £90 million comes into play. I do not anticipate, however, that we will ever refund a penny of the £90 million, because I do not think that there will be any failure by the Government to comply with its obligations. Neither do I think that we will seek to forfeit the lease, because I do not think there is any chance that the purchaser, PA Global Foundation, is going to fail any of its obligations under the lease.

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770 As to the reasons why any part of the £90 million might be refundable, I have indicated already that the ones I have set out are the ones I have set out. The ones I am not prepared to set out do not include anything to do with the marina.

Mr Speaker: The Hon. Damon Bossino.

775 **Hon. D J Bossino:** Mr Speaker, if I can start with the parking ... He has rattled through quite a lengthy reply because there was a bunching of questions from my friend and from me. In relation to the car park he said, I think, that there are 250 parking spaces which are going to be made available for general use, and that must include users of the beach in summer, in particular, when it becomes very busy and it is in high demand. He also said that the precise location of those parking spaces is going to be determined by the pace and manner of construction. He mentioned
780 issues such as safety, which obviously are relevant. Given that we are now at the end of May and, as I said earlier, very close to the bathing season, and there does not seem to be, at least at this stage, much sign of movement in terms of construction in that area, is he not able to say that the area which was very quickly cordoned off about two or three months ago ... whether that area in particular is going to be made available to users for this summer, or at least, if not, that that area
785 has been identified for beach users?

Hon. Chief Minister: Mr Speaker, I think that the hon. Gentleman needs to once again consider the answer that I have given. I have told him that the same number of parking spaces that were available before are going to be available now, and therefore, if those other parking spaces were
790 available before, they will be available now, otherwise they will be provided. The number will be the number. But that is no longer something the Government delivers. It is something that the purchaser of the plot delivers and they will deliver it in keeping with their obligations under the lease. There is no reason to think that they will not. There is no reason to suggest to beach users that they will not have the same number of car parking spaces available that they had last time.
795 There is no reason to create the spectre of the possibility that maybe, perhaps, they will not have exactly the same number of parking spaces available that they have now. They will.

Hon. D J Bossino: Mr Speaker, let's premise this further question on a positive note, shall we? We welcome the news that the 250 parking spaces which were lost as a result of the cordoning
800 off of that particular area will be made available, and that is something which I assume has been negotiated in pursuance of this particular public interest issue by the Government in its negotiations with the developer. All I am asking him is, given the proximity of the dates that we are talking about, with the bathing season about to start in the next two or three weeks, if I am not mistaken, whether he, as Chief Minister of Gibraltar, is able to say where those parking spaces
805 are going to be provided ... not totally in the hands of the developer, and when he may decide. Does he know now? Is he advised now – maybe he does not have that information available to him now – where those 250 parking spaces are going to be made available?

Hon. Chief Minister: Mr Speaker, he is taking it in a particular direction: 'Does he, as Chief
810 Minister of Gibraltar, know where the parkings are going to be available?' The Chief Minister, the Deputy Chief Minister of Gibraltar in the last throes of a negotiation between the United Kingdom and the European Union, which involves Gibraltar and Spain also, for a treaty about our future relationship with the European Union, not in where we are going to park to go to the beach on a Saturday this bathing season.

815 We have negotiated a deal that does, as I have told him, ensure that 250 parking spaces are going to be available by the opening of the bathing season. I believe that will be in exactly the same area where they have been for all the past years, because there is no movement on the plot. I have not checked, Mr Speaker, and I have to tell him with the very greatest of respect, and I have to tell every Catalan Bay Beach user with the greatest of respect that they pay me and the Deputy

820 Chief Minister now to seek to bring home this important treaty for Gibraltar or to stand up to those who are proposing things which might mean we cannot bring the treaty home for Gibraltar, not to be checking about where the parking spaces are. But the parking spaces will be there and we have ensured there is a contractual obligation to provide them – 250, exactly as I have set out. But really, do we need to start thinking further in this House about where they are going to be?
825 As long as they are provided in the vicinity of Catalan Bay, as I have suggested, I do not see what the hon. Gentleman is trying to get at, other than to get up and ask me another question so that people outside this place can hear his voice. I understand it is an election year, but there are more important things to think about.

830 **Hon. D J Bossino:** Mr Speaker, he is employed by the people of Gibraltar not just to negotiate what is a very important treaty for our immediate medium- and long-term future. I have told him before that we wish him the greatest of success in that endeavour, but there is a question on the Order Paper, and instead of trying to, like he does on each occasion, belittle the questions that I ask, instead of trying to cast aspersions as to why I may be asking one question or another, and
835 making reference to being very close to a general election and that I am electioneering, all he needed to say was that he does not have that information available. I think he said his gut tells him (1) that he is going to win the election and (2) that he thinks it is going to be, as I suggested in part of my supplementary question, in the area that has just been cordoned off because there has been very little movement in relation to construction. But he does not have that information –
840 and I offered that to him. He does not have that information. He can relax, he does not have it. What he should not try to do is belittle the questions, which are important for people. And I am paid to do that.

Mr Speaker, if I may move on, we have had this point made before in relation to the arm of the marina. Let's for one minute put to one side the marina. He has already stated that the
845 Government supports the construction of the marina. I put to him in a previous meeting of the House the extent of the arm of the marina, and I think he assuaged the concerns as had been relayed to us on this side of the House that the co-ordinates of the arm are such that they reach all the way to what used to be the Caleta Palace Hotel, across the horizon. In other words, that if the construction of the arm as originally envisaged by the plans as submitted by the developer go
850 ahead and are approved as they stand, they will entirely block and blot the horizon from Catalan Bay village. I am further told that the hon. Member has had meetings with the individuals concerned within the Catalan Bay residents' population that that is not going to happen, but can I ask him please whether he has that information, what co-ordinates he has in relation to the length of the arm? As things stand, from the plans as they have been submitted it seems that
855 those individuals who have those concerns may be justified in those concerns.

Hon. Chief Minister: Mr Speaker, that was a very lengthy preamble to a question, a lengthy preamble that suggests that the treaty that we are negotiating, and indeed all the other things that we are doing, are as important as parking at Catalan Bay. Of course, that is not to say that
860 parking at Catalan Bay is not unimportant, but I wager if we did a straw poll of the people of Gibraltar and we asked them whether they thought it was as important and that we should spend 15 minutes on it in this Parliament, they would probably say not, especially given that we give it sufficient importance to have negotiated and ensured that there should be 250 parking spaces, the same number of parking spaces that was before available all of the time where they were
865 before in the vicinity of Catalan Bay.

I did not mention my gut on this occasion and I did not mention electioneering. That word came out of his mouth. I was simply reflecting on what he is doing in the cold reality of the chronology of the lifetime of this Parliament. That is the reality of what he is doing. We each pursue our politics in the way that we think is appropriate, but if you want to be Chief Minister,
870 the most important thing to pursue is not car parking at Catalan Bay – let's be clear – and we all know that what he wants to be is Chief Minister.

875 The question of the marina arm is one that we must ensure is not exploited for party political
purposes. We are talking about a development that is hugely important for the socio-economic
development of Gibraltar. We are talking about the development of a new city in Gibraltar, an
Eastside city, and that has enjoyed support across the floor of the House, although we might have
supported one permutation or another, but all of the permutations supported by the GSD involve
a marina on the Eastside, all of them. So it would be a little to incur the wrath of those who say
that politicians are cynical and change their positions just for the sake of changing their positions
for the GSD now to come here to pretend that they might not be in favour of a marina at the area
880 of the Eastside. It is one thing to be in favour of a marina and it is quite another to be in favour of
any marina regardless of the damage it may do, and so for that reason I met with those who have
an objection to the marina as they say they interpreted the plans that were published. I gave them
an assurance, which I had received also from the developer, that it was utter nonsense to suggest
that the marina arm published in the plans reached across the horizon of the opening of Catalan
885 Bay to be vertical to where the Caleta Hotel had been. That assurance they have and I made that
assurance public at the time, so I am surprised that in respect of something I have already made
public I am being asked by the hon. Member. That is not to say that I have the co-ordinates here
with me, because the co-ordinates would require me to give a degree north, a degree south, a
degree east and a degree west in order to be able to say I have given the co-ordinates. I do not
890 have the co-ordinates, but I have the indication I can give him, which is probably going to mean
more to anyone than the co-ordinates. The indication is that the marina arm goes no further than
the area of where La Mamela used to be, and that I understood was satisfactory, or more
satisfactory, to residents of Catalan Bay and indeed to all residents of Gibraltar who use Catalan
Bay and who love Catalan Bay.

895 There are other issues with the marina that have to be dealt with, and the environmental
impact assessment deals with them. There are concerns of individuals in Catalan Bay, who I have
said I will meet again on this subject and I will meet again. I saw one of them on television saying
it was undemocratic – was the terminology he used – that I had not met them again because I had
said I was going to meet them again. Well, look, it is not undemocratic. It is not an appropriate
900 reference to the fact that I have not yet met them again because we have not yet had responses
in the DPC as to the issues that relate to the marina etc. I will meet them when we have those
because I am concerned that we should have a marina that applies the highest environmental
standards and does not cause some of the problems that hon. Members will know some residents
of Catalan Bay – by no measure the lion's share of them – have expressed about that potential
905 marina. Indeed, the Minister for the Environment has shared the view with those residents of
Catalan Bay that some of the things that they put are just environmentally incorrect and on some
there is an environmental difference of opinion.

But please let us not fall into the hypocrisy at a political level which will lead to politicians being
accused of cynicism, that the GSD today is going to say that they are the party that is against the
910 marina at the Eastside, when I have the documents from Sovereign Bay which provided for a
marina on the Eastside and they said that this was the best project in history. He stood for election
in 2011 defending the Sovereign Bay project, saying this was one of the great legacies of the GSD.
Here is the environmental statement. I have not pulled it from the file, it is still available online:
2005, a marina on the Eastside, GSD Government. Let's not fall into cynicism. This is what makes
915 people deprecate politicians.

Mr Speaker: I think we have now exhausted –

Hon. D J Bossino: Mr Speaker –

920 **Mr Speaker:** No, we have exhausted the topic on this particular question. Can we go to the
next –?

Hon. D J Bossino: Mr Speaker, if I may, can I ask one question on –

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Mr Speaker: I know, but the answer has been given. My judgement is that an answer has been given. We just cannot go around – (*Interjection by Hon. D J Bossino*) Well, one final, right?

Hon. D J Bossino: Very grateful. Mr Speaker, the hon. Member has stood up and has given a very long reply. Most of it, I venture to say, has been party political electioneering, (**Hon. Chief Minister:** Like yours.) and that is fine, as far as I am concerned, but then he should not criticise me for imputing that to me. This is a political Chamber, as both he and I have said in the past, and I think it is right and proper that we should express our political divergent views in this Chamber and the frustrations that people express to us on this side of the House about them on a daily basis and want to chuck them out as soon as possible. That frustration has to be portrayed and delivered here because at the end of the day this is a political Chamber.

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But can I ask him to do one thing? Can I ask him to check and put himself on enquiry about what has just come out of his mouth? Can I ask him to check, please – he may not be able to say so across the floor of the House now – that as I understand what he has said in reply, the information is that the arm, which is what the question was about by way of supplementary, does not extend across the horizon and the extent of that horizon as it affects Catalan Bay beach and village? It is very obvious from a layman's analysis of the plans as submitted by the developer at the DPC. If you draw a line from the tip of that arm all the way down, you get to where Caleta Palace used to be, which is the full extent of the beach. It is very clear and very obvious. That is one of the points of concern which would be assuaged if he were able to say why that is wrong. I know he is smiling and underlining, so I am sure he is going to come up with a killer blow, but so long as that killer blow is accurate and it assuages the concerns of those individuals who he knows have raised it with us, as they have raised it with him, then that is a good thing, we have achieved something good. So can I ask him to check that position, because that does not go to – we can mention the business because it is no longer in existence – La Mamela restaurant; it is certainly not the case. Can I ask him to confirm the position? And I would ask him, please, to provide, if not to me or not across the floor of the House, the co-ordinates to those individuals who have made that point in meetings with him and with Mr Cortes.

Hon. Chief Minister: Mr Speaker, I am smiling out of fondness for the hon. Gentleman because, for reasons he will recall better than anybody else in this House, he does take me back to the future when we go at each other hammer and tongs like this. I know that we both do it for good reason and we both enjoy it too, but it does feel like Bayside circa 1989 – and I say that with affection, not with deprecation. I am going to say the rest with deprecation.

I have already given the assurance that the hon. Gentleman is asking me to give. He has, perhaps in a slip of the tongue, accepted that it is very clear and very obvious that it gets to the Caleta Hotel area on the basis of a layman's analysis. We are not here to do laymen's analysis. Laymen are free to do laymen's analysis. We are not here to do laymen's analysis. They can put a layman's concern to us, but I am giving him the satisfaction that I have given to those laymen based on checking with the technical officers of the Government, with the planning officers of the Government and with the developer, and indeed the developer itself has checked to ensure that any plans that it proceeds with do not do what it has been suggested the plans submitted do. So I can give the hon. Gentleman the further satisfaction that not only does the Government believe that the arm does not reach across the opening of Catalan Bay, which would not be a bay if that arm were to enclose it; the developer does not believe that that is what they are going to do and they are not going to do it. That is the assurance that I can give everybody in Gibraltar from this House, that we will not box in Catalan Bay, that the name of the business that he mentioned that I mentioned, which is La Mamela, is the maximum southerly extent of the arm. Those are the assurances we have been given. That is what the DPC has indicated it will agree. That is what the developer itself is saying they want to do. But in the context of trying to understand how, when

980 *he* was defending a government record, when *he* was standing for election to an administration that was in government, *they* were announcing a development which included a 300-boat marina – that is to say more than we have proposed – with a boutique cruise liner berth and terminal. I think that would have reached Ceuta, not the Caleta Hotel. So let's be clear, because what we do not want to do is, in defending the interests of the people that we represent, create cynicism about us in the people that we represent.

Mr Speaker: Shall we move on to the next ...?

985 **Hon. D J Bossino:** I had a question on [*Inaudible*]

Mr Speaker: Okay, so what we are talking about here is that there are supplementaries to come on Questions 457 and 458 – is that what you are referring to? All right, but I would ask you, when you pose your question, to contain the extent of your preamble.

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Hon. D J Bossino: Yes, I think in relation to Question 457, Mr Speaker, I had a reply which was full in the sense that I think he said that they have all been reallocated and he has given me the details of the new destinations, so unless I am wrong in that understanding – I did not take a full note – I think the reply was full and I do not think I need to seek to extract any further information from him in relation to that.

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1000 In relation to Question 458, which was the details of the commencement and completion dates of each of the phases, the phases are set out in the plan, and I think he said – I stand to be corrected – that that is going to be totally and wholly determined by the developer. I think he is nodding his head. But is he able to expand that answer in any way? Whilst I accept what he is saying, does the Government not have an interest that certain phases should happen first? I appreciate that some of the phases are crucial for the construction of the bit in the middle, which I think is phase 4, which is where the land reclamation is going to be built, and presumably that is where the housing, the gardens and the green area are going to be constructed, but is he able to provide any further information on the details of the phasing now?

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Hon. Chief Minister: Mr Speaker, I want to be very clear. He is asking about the phasing, so perhaps if he understands how I have interpreted the question he might better agree with me in terms of what I am saying. What I am saying in respect of the phasing is in respect of the developer's development. So if they want to build the hotel first, they can decide to do that. If they want to build some of the luxury housing along the seafront first, they might decide to do that. There are deliverables and the hon. Gentleman knows what they are because they were in our press releases. Those deliverables, which are deliverables to the Government, do have to be delivered within a particular timescale. So, for example, there is affordable housing that needs to be delivered in ... That is not phasing. Those are deliverables to the Government. Those are part of what I called, I think during the course of the negotiation, I think in the course of the press releases and in the interviews, the additional considerations. So you have the £90 million, which is the cash, and then you have the additional consideration, which is the things that the developer has to do. Those are timed. Those have to be done within a particular period.

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1020 But when the hon. Gentleman asks about phasing, phasing is about how the developer delivers his development, and those are really up to the developer to a very great extent because the Government does not want to get involved in that, insofar as we do not get involved in that in any development that the Government might provide land for in exchange for a premium. We do not want people to land bank, so there are longstop dates for things to be done because that is the right way to ensure that you stimulate development, but I must say to the hon. Gentleman I do not think we are dealing with a developer that is interested in land banking or is trying to avoid actually providing the development as soon as possible. I think that we are dealing with a developer who is hungry to develop in any event.

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1030 **Hon. D J Bossino:** Mr Speaker, I was thinking, the way that the hon. Member has put it, of deliverables. I can think of two immediate public interest issues which I am sure hon. Members opposite would want to see happening sooner rather than later. One is the removal of the unsightly rubble as soon as possible, and the other one is the construction of the affordable housing. The hon. Member does refer to the press release, which I assume is the one that was issued on 18th October announcing the project, which is a very lengthy and detailed press release, but I have not been able to identify ... I have not read it in a few weeks, but I have not been able to identify from a quick read now whether those deliverables are set out in any firm way in terms of dates. Is he able to provide that information, or am I asking the question on a wrong premise?

1040 **Hon. Chief Minister:** Mr Speaker, he is asking the question on the wrong premise based on the rubble because as I have already told him, before there is any development on the Eastside the coastal protection works have to be done, and the rubble, I have told him, is going to be used as part of the coastal protection works. So the rubble goes in the preliminary phase of the development of the plot. In fact, the removal of the rubble is an essential element for the development of the plot because it is put into the caissons that create the marina arm, the coastal protection arm. So that is the first one.

1045 Second, as I have indicated to him, there are timings which are relevant to the deliverables, so he cannot be barking up the wrong tree because he is asking me the thing that I told him was actually delivered against the timetable. I do not actually have here the exact timetable, which I can share with him if he wishes to write to me or if he wishes to ask the question next time, but the provision of the affordable housing and other aspects of the deliverables need to be provided within a particular period of time.

1055 **Hon. D J Bossino:** Just one very brief ... and I think by way of assistance, although I recall the last time I used that word he threw it back at me in the reply, so I say it with some trepidation, but by way of assistance, does he agree with me that that information in terms of timings on deliverables is not available in the announcing press release that I referred to, so I would need to file ...? I think that is information which is publicly available, in fact, but if not, I will ask a question at the next session of the House.

1060 **Hon. Chief Minister:** Mr Speaker, he is as useful as a chocolate teapot, as usual, but I am happy for him to ask the question if he wants it to be set out in *Hansard* because this is an important thing. I have not got it with me at the moment.

Mr Speaker: Let's go on to the next question.

Q442/2023
UK guaranteed £500 million facility –
Whether extended

1065 **Clerk:** Question 442/2023. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise if the UK guaranteed £500 million loan facility, whose termination date is 3rd December 2023, has been extended; and, if so, under what terms?

1070 **Clerk:** Answer, the Hon. the Chief Minister.

1075 **Chief Minister (Hon. F R Picardo):** Mr Speaker, before I answer the hon. Gentleman, can I just say that my magnificent parliamentary team has provided the answer that I could not find in my papers. The TNG Global Foundation will construct the low-cost apartments within 36 months of the date of full planning permission. I hope that is helpful.

Hon. D J Bossino: *[Inaudible]* that's the position?

1080 **Hon. Chief Minister:** Yes. There may be others, but that is the one he asked me about.

Hon. D J Bossino: *[Inaudible]*

Hon. Chief Minister: Yes, that is the one he asked me about.

1085 **Hon. D J Bossino:** *[Inaudible]* yes, yes before that...

Hon. Chief Minister: Well, no, I thought you had asked me about the apartments.

Hon. D J Bossino: *[Inaudible]*

1090 **Hon. Chief Minister:** You asked me about those, too, yes.

Hon. D J Bossino: *[Inaudible]*

1095 **Hon. Chief Minister:** If you like, I suppose.

Hon. D J Bossino: *[Inaudible]*

Hon. Chief Minister: Mr Speaker –

1100 **Mr Speaker:** Yes, let's continue. Let's stop this banter.

Hon. Chief Minister: Mr Speaker, the position remains the same as my reply to Question 314/2023.

1105 **Hon. R M Clinton:** Mr Speaker, yes, his answer to Question 314/2023 was:

no update can be provided at this time. Discussions are ongoing and the House will be updated once these are finalised.

I can tell the House that discussions have progressed very well. I will, of course, update the House during my address at the Budget on the state of play ...

1110 We are now at the end of May and the clock is obviously ticking. Can the Chief Minister add anything at all to what he said – and this was back in March – as to where we are in the renegotiation of this loan? I think both parties will have recognised that this has to be negotiated, so I would have thought that as we are getting closer to December some ideas would be starting to gel and the Chief Minister would have a better idea as to what the UK's position is.

Can he answer at least one basic question, Mr Speaker, and that is: is the UK government prepared to renegotiate the loan?

1115 **Hon. Chief Minister:** Mr Speaker, I can answer that question, of course. The UK government is not renegotiating any loan. That is a completely false premise on which to base the question. There is a huge difference between a loan and a guarantee, a huge difference. If I had made that

mistake, Mr Clinton would be having my guts for garters in a way that would be rope for him for months.

1120 There is no question of the UK government renegotiating any loan, but I can tell him that I am very pleased with the progress that we have made in relation to the issues that relate to the guarantee and that I will be able to give the House a full update at the time I told him in answer to Question 314 I would give the House a full update, which is during the course of the Budget debate. During the course of the ceremonial events around the coronation, I even had the opportunity to discuss the matter very favourably with the Chancellor.

Hon. R M Clinton: Mr Speaker, just for the sake of absolute clarity, can I then take it from the Chief Minister that the UK government is prepared to renegotiate the guarantee?

1130 **Hon. Chief Minister:** Mr Speaker, I refer the hon. Gentleman to the answer I gave a few moments ago.

Mr Speaker: Next question.

Q443-44/2023
UK guaranteed £500 million facility –
Whether extended

Clerk: Question 443/2023. The Hon. R M Clinton.

1135 **Hon. R M Clinton:** Mr Speaker, can the Government advise the number of registered PAYE taxpayers as at each of the following dates, being 31st March 2020, 31st March 2021, 31st March 2022 and 31st March 2023?

1140 **Clerk:** Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer together with Question 444.

Clerk: Question 444/2023. The Hon. R M Clinton.

1145 **Hon. R M Clinton:** Mr Speaker, can the Government advise the breakdown of tax arrears as per table ITO.12 as at each of the following dates, being 31st March 2022 and 31st March 2023?

Clerk: Answer, the Hon. the Chief Minister.

1150 **Hon. Chief Minister:** Mr Speaker, regarding Question 444, table ITO.12 has now been updated on the government website. However, I now hand over a schedule with all the information requested.

Answer to Question 443/2023

The total number of registered PAYE taxpayers at each of the following dates is as follows:

Date	No of taxpayers
31 March 2020	38,354
31 March 2021	39,012
31 March 2022	36,848
31 March 2023	37,924

Answer to Question 444/2023

Breakdown of Tax Arrears as at 31 March 2022

	£ million
Individuals	5.5
Self-Employed	1.8
Companies	8.7
PAYE	7.2
TOTAL	23.2

Breakdown of Tax Arrears as at 31 March 2023

	£ million
Individuals	6.2
Self-Employed	2.4
Companies	6.1
PAYE	8.3
TOTAL	23.0

1155 **Hon. R M Clinton:** Mr Speaker, I am grateful to the Chief Minister for providing a schedule. It does make life a lot easier this side of the House.

1160 The last numbers I found on the website were for 31st March 2021, and at that point the total arrears of tax was £23.6 million. In 2022 we see it was £23.2 million, and now in 2023 it is £23 million. That is not a huge movement in numbers and I am just surprised at the size of the PAYE arrears number. I would have thought that amount is deducted from employees and should be paid over quite promptly to the Government. Does the Chief Minister have any view on the management of this arrears number and why we should have such a large PAYE arrears number?

1165 **Hon. Chief Minister:** Mr Speaker, I am very happy with the management of the arrears because I think the people who are managing our arrears at the Central Arrears Unit are doing an excellent job – a Central Arrears Unit, as the hon. Gentleman knows, which was disbanded by the GSD when they were elected and was reinstated by the GSLP Liberals when we were elected. That is why the arrears have kept coming down. What we inherited was a much higher amount of arrears. The arrears are coming down year on year, and if the hon. Gentleman looks at the total amount ... he has accepted that it is lower this year than it was last year overall.

1170 Of course the numbers change, but you cannot simply say that the numbers are higher, because you do not have the proportions of taxpayers, for example. In the context of individuals, if the hon. Gentleman relates Answer 443 to Answer 444, he will see that the number of individuals in PAYE employment for 2022 was 36,800, with an arrears figure of £5.5 million. If he looks for the answer to why that figure may be up £0.7 million, from £5.5 million to £6.2 million, in 2023, he might find the answer in the fact that the number of individuals employed for PAYE purposes is up over a thousand, 37,900. So 36,800 people had an arrears figure of £5.5 million and 37.9 million people have an arrears figure of £6.2 million. The growth in the arrears is much smaller than the growth in the number of individuals employed, so more individuals employed as a proportion are keeping to their obligation to pay – or, indeed, employers, because it is the employer that pays the PAYE – and that analysis holds good also in respect of ... well, in fact, we do not have the number to do it for self-employed individuals. But in relation to companies, the arrears in respect of corporate taxation is down £2.6 million. It was £8.7 million in 2022; it is £6.1 million in 2023.

1185 So my thanks go to the people managing this areas because I think they are doing a good job. Of course, nobody should be in arrears. In some circumstances people fall into arrears for reasons that we might all say are understandable but unacceptable, and in most instances people fall into arrears for reasons that are just unacceptable, and that is why we thought it was right to reinstate

1190 the Central Arrears division that they had disbanded and why I think they are doing a very good job, and indeed why the Tax Office itself is doing a very good job in ensuring that arrears stay as low as they can stay.

Hon. R M Clinton: Mr Speaker, I am grateful to the Chief Minister for his analysis.

1195 If I can go back to Question 443, which he has kindly given to us in a schedule, has the Chief Minister been given any kind of analysis as to the reasons for the movements in those numbers in terms of the increase and decrease over the various years, obviously from 39 to 36.8 and up to 37.9? I imagine COVID would have something to do with it at the beginning, between ... I would have thought it would have been earlier perhaps than these numbers suggest in 2020, but I am just asking does he have any analysis as to the reasons for the movements in the numbers of taxpayers?

1200 **Hon. Chief Minister:** Mr Speaker, not only do I have it, he has it. He has it in the Employment Survey report for those years, which will tell him exactly what those numbers represent.

1205 I will tell him what my own analysis of what those numbers represents is, namely that after 31st March 2020, a lot of people who are unregistered registered themselves because they wanted to receive BEAT, and a lot of companies that had unregistered labour registered that labour because they wanted those people to receive BEAT. That is the reality. And then it comes down because then you come into the post-COVID period, where people are actually starting to rationalise etc. within the confines of the rules that we, together, put in place to ensure that there were not mass redundancies of people. And then that starts to creep up as the general recovery from COVID happens, which is the number that we now have, which is the 37,900 figure, which is very close to the figure as it was in the pre-COVID period in March 2020. I think that speaks to a good recovery. It speaks to some quite disgraceful behaviour by people who were unregistered and registered themselves simply for the collection of BEAT and suggests to me that there may still be some people out there who are unregistered, doing the work that they used to do on an unregistered basis before BEAT became necessary.

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Mr Speaker: Next question.

Q445/2023
Spanish tax haven blacklist –
Update re removal

Clerk: Question 445/2023. The Hon. R M Clinton.

1220 **Hon. R M Clinton:** Mr Speaker, can the Government provide an update as to Gibraltar's removal from Spain's tax haven blacklist?

Clerk: Answer, the Hon. the Chief Minister.

1225 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the Government, in collaboration with the United Kingdom government, is currently in discussions with officials in Spain on the mechanics for the removal of Gibraltar from the Spanish blacklist, which is now agreed.

1230 **Hon. R M Clinton:** Mr Speaker, if I can refer the Chief Minister back to his answer to my Question 315 – and he did mention about timing – he said, and I quote:

Should the process not progress within a reasonable timescale, we will, more in sorrow than in anger, withdraw from the application of the treaty.

Is it in the Chief Minister's view – we are now at least two months past, from March – that we are still within a reasonable timescale?

Hon. Chief Minister: Obviously, Mr Speaker, otherwise I would have said so.

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Hon. R M Clinton: And can he share with the House a view as to when he would consider that reasonable timescale has expired?

Hon. Chief Minister: Yes, Mr Speaker, when I announce that we consider it has expired. The work that is being done is to determine with Spanish officials how the Spanish legislative process will deliver the result. It is a different legislative process to ours.

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

Hon. K Azopardi: Mr Speaker, can I just ask about the original answer that he gave? I think he said that there had been discussions which had progressed well, focusing on the mechanics for the removal of Gibraltar's inclusion on the Spanish tax list, and he then used the phrase 'which is now agreed'. Is he referring to a recent agreement in respect of the mechanics? Is that a recent development?

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Hon. Chief Minister: No, Mr Speaker, I am referring to the removal from the blacklist because the question is questioning whether there is an update. I just want to confirm that it is agreed that we are being removed from the blacklist, that the question is the mechanics for that process to take effect. I did not want to leave that in the air because I did not want hon. Members to think that there was a possibility that we might not be removed.

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Hon. K Azopardi: Mr Speaker, our removal from the blacklist we had understood was agreed as part of the Tax Treaty, so this is not a new agreement, this is a reference to the agreement initially, pursuant to the Tax Treaty, that there would be our removal. There has been no recent agreement which puts any kind of difference or nuance on the historic agreement. At the moment, the only update then, for clarification, is as to the mechanics of the removal. Is that what he is saying?

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Hon. Chief Minister: No, Mr Speaker, and as I have said before and he may not recall, when we announced the issue of the Tax Treaty we said that we would be removed after two years as long as there was agreed compliance by Gibraltar with the terms of the Tax Treaty. It is agreed that Gibraltar has complied and therefore it is agreed that Gibraltar will be removed from the blacklist, and the question is what are the mechanics for that to be delivered in the Spanish legislative process, which is different to ours. It is not by notice in the Gazette, as we would do it, it is actually the amendment of a primary piece of legislation, as I understand it, which is done in a particular way.

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Hon. K Azopardi: So is it that the mechanics have now been agreed? Is that what he is talking about?

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Hon. Chief Minister: The mechanics is what they are discussing. Mechanics is not susceptible to agreement. It is discussion about how it is going to happen, the Spanish legislative process etc.

1280 **Hon. K Azopardi:** Mr Speaker, while I appreciate the update, is it not the fact that we are not
much further down the road, other than there have been discussions? The document at the time
talked about our removal within two years of the entry into force. The two years of entry into
force was in March. We are now past the point of the two years of entry into force, so that has
not happened as envisaged. We are simply trying to probe the state of play, and it strikes us – and
perhaps he can clarify – that really all he is saying is that we are discussing the mechanics, but
1285 there is no end in sight at the moment, at least not an obvious one.

Hon. Chief Minister: Yes, Mr Speaker, there is an end in sight and within two years we secured
the agreement that we would be removed because we had complied with the provisions of the
Tax Treaty. That process has begun and that process will culminate within a reasonable period.
1290 And if it does not, we should all put *'el grito en el cielo'* and withdraw from the application of the
Tax Treaty.

So we are very satisfied that we are seeing the delivery of the other side of the obligation here.
If it were to go on for an extra few weeks or months but is in the process of happening and is
legitimately in the process of happening, is not in the process of being delayed, it would be foolish
1295 to have that prize, which is the removal from that blacklist, with all that it implies, put in jeopardy,
because it will be hugely important for Gibraltar.

I would urge the hon. Gentleman to think with his Gibraltar hat on, because if he were sitting
where I am sitting he would be doing exactly the same thing, not seeking to put a finger in the
wood and twist it, which will have no benefit for Gibraltar or its people.
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Hon. K Azopardi: Mr Speaker, I am not seeking to put anything on any wound, and I always try,
I think, when I ask my questions, to put my Gibraltar hat on.

He has just said in his answer that within two years they have managed to secure the
agreement of Spain to remove us from the blacklist, but that is not what the document says. What
was supposed to have been agreed in 2019 already was that Spain would remove Gibraltar within
1305 two years of its entry into force. That is what it says: from the unilateral declaration by the
Government of Spain on delisting for this purpose and within two years of its entry into force,
Spain will adopt the appropriate measures. So the agreement was already there. That is what we
were all told. They did not have to secure anything within the two years. The two years are now
1310 up. All we are asking for is clarification on where we are. And when he says there is an end in sight,
well, there is no obvious end in sight if we still do not have a date and we are past the two years.
That is all we are saying – and this is not asking the question with a Gibraltar hat on. I do not see
that.

1315 **Hon. Chief Minister:** Mr Speaker, obviously I do not see it that way, otherwise I would not have
put it to him as I did.

Mr Speaker: Next question.

Q446-48/2023

Public sector employment –

Vacancies in GDC, Civil Service, Government agencies and authorities

1320 **Clerk:** Question 446/2023. The Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, how many jobs have been advertised within the GDC in 2023?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer with Questions 447 and 448.

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Clerk: Question 447/2023. The Hon. D A Feetham.

Hon. D A Feetham: How many vacancies are there within the Civil Service?

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Clerk: Question 448/2023. The Hon. D A Feetham.

Hon. D A Feetham: How many vacancies are there, as at the date the question is posed, within government agencies and authorities, identifying the agency and authority?

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Clerk: Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, a total of four positions have been advertised within the GDC since 1st January 2023 to date.

There are a total of 187 vacant posts within the Civil Service as at 11th May 2023.

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The number of vacant posts within government agencies and authorities is as follows: at the BCA, one; at the Care Agency, 42; at the Care Agency Drug and Alcohol Rehabilitation Services, four; at ERS, seven; at GEA, 31; at GHA, 123; at Gibraltar Port Authority, three; at Gibraltar Sports and Leisure Authority, six; and at the Housing Works Agency, two.

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Mr Speaker: Next question.

Q451/2023

Government press releases – Deletion of archive

Clerk: Question 451/2023. The Hon. D J Bossino.

Hon. D J Bossino: Why has the Government deleted its archive of press releases issued by it from before 2020?

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Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, the Government has not deleted its archive of press releases issued before 2020. As a result of the migration of the government website to a new internal platform, press releases were only kept visible for a period of three years. This has now been corrected and press releases are available online going back to 2014.

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Hon. D J Bossino: That was a temporary ... I was going to say glitch, but it is not really a glitch. It is just a temporary effect of the migration that he talks about. I ask him to confirm whether that understanding is correct.

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And secondly, by way of supplementary, why do the press releases only go from 2014, given that the hon. Gentlemen had been on that side of the House since 2011, and presumably they did so because of the implementation of their own policy?

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Hon. Chief Minister: Mr Speaker, yes, I think the migration took place in phases and some of the data moved later. That is why, for a period, it was not available.

Second, I think there was a wholesale change in 2014, and so on our website you have up to 2014 and I think on another website you find all the ones that predate that before there was the

1370 wholesale IT-style change as to hosting of data, but that older data still lives in some other place and it is searchable and you can find it. For example, we quickly found the press release from 2005 that related to the Eastside marina that the GSD backed.

Mr Speaker: Next question.

Q452/2023
Coronation celebrations –
Why low key

1375 **Clerk:** Question 452/2023. The Hon. D J Bossino.

Hon. D J Bossino: Why were the celebrations in Gibraltar for the King's coronation so low key?

Clerk: Answer, the Hon. the Chief Minister.

1380 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the Government does not agree with the hon. Gentleman's view that the celebrations in Gibraltar for the King's coronation were, in any way, low key. In fact, the following took place.

1385 An impressive coronation parade took place involving the three services led by the massed bands of the Royal Gibraltar Regiment together with members of the regiment, the Gibraltar Sea Scouts Pipe Band and the Band and Drums Association. Additionally, all of Gibraltar's essential services were involved. Indeed, I should say I believe it is the first time we have seen that sort of parade with the three services in Gibraltar – really a seminal moment of parade for His Majesty the King.

1390 Three cheers were called by His Excellency the Governor in Convent Place, exactly where King Charles had been proclaimed King in Gibraltar on 11th September.

Every single school in Gibraltar celebrated the coronation on 4th May, with visits by His Excellency the Governor, myself and Minister Cortes.

1395 A special commemorative 10p coin was handed to every single student in Gibraltar to ensure the occasion was properly marked – indeed, as the Treaty of Utrecht suggests, in perpetuity because people will have their coins forever.

Main Street was decorated – indeed, dare I say it, decked out – with bunting and Union Jack flags.

Large screens were erected in Casemates Square for the public to watch and listen to the coronation.

1400 His Excellency and I proudly attended the Coronation in London marking the representation of the Government and people of Gibraltar for the first time ever at a coronation of a British monarch and King of Gibraltar.

1405 **Hon. D J Bossino:** We will agree to disagree. I have known the hon. Gentleman long enough ... and he seems to be a shadow of his former self, not just in relation to his weight, because when I read his press release, which was issued back in January – I think at the time we already knew when the coronation was going to be held – he said the Gibraltar Government 'is planning a celebration fit for a king'. Given the hon. Gentleman is one for a party, and given his GMFs and all the rest of it, I expected something similar, but I suppose – and this is perhaps the political point to make – the real reason why it was, in our view, lacklustre, despite him trying to spin it in a different way, is because the Government simply has no money. Can I ask him to comment in relation to the things I have just said?

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1415 **Hon. Chief Minister:** Mr Speaker, I am surprised that my physical appearance is the thing that
the hon. Gentleman wants to start his question with. I assume that he does because he is doing it
in a way that is designed to be favourable rather than unfavourable. I will take the compliment. In
fact, I am two thirds of my former self, having lost one third of my body weight, and I am very
pleased to say that I am being closely followed by the Minister for the Environment, who is finally
fulfilling his pledge, which he made when Minister for Health, to lead a healthier lifestyle and lose
1420 weight. I would encourage other members of my team to do likewise, *(Interjection)* and indeed
everyone beyond this place.

The hon. Gentleman seems to have missed the guidance from the Palace and what the King
himself asked. What the Government did was tailor what we did in keeping with the guidance
from the Palace. In some areas in the United Kingdom, people organised some street parties. We
1425 sought advice on organising a street party here. We were going to organise a street party involving
children. The advice we had was that it was unsafe to do and that children should celebrate in
their schools, so the children celebrated in their schools and not in the streets because that was
the specific advice that we had.

On the GMFs, I am not surprised to hear him make reference to them because he and I enjoyed
1430 many GMFs. Indeed, Mr Feetham enjoyed many GMFs and ... Well, Mr Feetham did not quite
enjoy them – Mr Feetham turned up with his usual scowl – but Mr Bossino, as the photographic
evidence shows, turned up to stick his snout in the trough every time. We used to laugh about
that phrase. That is the only reason I have used it. I did not mean it in a negative style, only because
we have laughed about it together. *(Interjection)*

1435 Of course expense is an issue. Expense has to be an issue in everything that we do, and we
have to make sure that we look after the pennies so the pounds look after themselves. That is
how we have run Gibraltar in the past 12 years when there is – *(Interjection)* The hon. Gentleman
laughs because we spend more money. We spend more money on elderly residential services, we
spend more money on residential care services, we spend more money on our schools, we spend
1440 more money in our learning support assistants, we spend more money on our civil servants. We
spend more money. They complain we spend more money, but then they are never prepared to
say which money we should not spend, because they never want to annoy the learning support
assistants who would have to be dismissed if we adopted their austerity, all of the people who
would be disappointed if we were to lower their salaries in keeping with their positions.

1445 The Opposition also has to take into consideration and the hon. Gentleman has to remember
that it was a long weekend, and on the coronation, on the long weekend, the numbers of people
in Gibraltar might not have been the same as they were on the 4th when we organised the events
that we organised, when we organised the parade etc.

So in keeping with the directions from the King, we organised a party fit for this King, who I
1450 think is doing a magnificent job, is a visionary when it comes to the environment and has
demonstrated that for one reason he has been the best prepared person to take this role because
already he is doing Gibraltar and the rest of his kingdoms and domains proud.

1455 **Hon. DJ Bossino:** No, sir, my lifting of a finger is because I have only asked one supplementary.
Mr Speaker, as I said in relation to my first supplementary, we agree to disagree. I think an
opportunity was lost. There are many British expats up and down the coast. I think it could have
been, indeed, a touristic opportunity to have made more of the celebrations, but it was not to be
and it certainly was not, in our view, fit for a king, as the hon. Gentleman himself announced back
in January, but he is prone to hyperbole and that is it.

1460 He talks about bunting and other things. Can I ask him what the total cost of the rather
lacklustre celebrations was?

1465 **Hon. Chief Minister:** Mr Speaker, it really is quite remarkable for the hon. Gentleman to fly in
the face of the guidance that came from the Palace as to how these events should be organised,
which should not be ostentatious, which should be in keeping with the sign of the times.

1470 In the United Kingdom, there was concern that the cost involved there for the official events, which of course ran into the millions of pounds, should run into the lower millions of pounds because the King had so directed. So when you say 'fit for a king', you have to follow the King's advice. It is quite something to organise for a king something which a king has not asked you to do and in fact has asked you to avoid doing. Perhaps that is a demonstration of the loyalty of this side of the House.

1475 I do not have the figure with me as to the cost of the bunting etc., but if the hon. Gentleman asks, I am sure it can be provided. If he asks for it at the next House, it can be provided then, or if he wishes to write to me, I can provide it in writing.

Mr Speaker: Next question.

Q453-54/2023
Runway crossing –
Tourist transport access; fee payable to MoD

Clerk: Question 453/2023. The Hon. D J Bossino.

1480 **Hon. D J Bossino:** Has consideration been given to allowing special access for tourist transportation across the runway?

Clerk: Answer, the Hon. the Chief Minister.

1485 **Chief Minister (Hon. F R Picardo):** I will answer with Question 454.

Clerk: Question 454/2023. The Hon. D J Bossino.

1490 **Hon. D J Bossino:** Please state what the amount of the fee payable by the Gibraltar Government to the MoD in respect of the agreement to cross the runway is.

Clerk: Answer the Hon. the Chief Minister.

1495 **Hon. Chief Minister:** Mr Speaker, no consideration can be given by the Government for any special access to cross the runway, as the Government does not control the runway.

Additionally, payments of the fee payable by the Government to the MoD in respect of the agreement have started this year. However, we are not at liberty to give this information before the Budget debate later this year because it is a cost that starts this year, so we cannot debate it across the floor of the House yet.

1500 **Hon. D J Bossino:** I accept the answer in relation to the fee that the Government is paying the MoD for the occasional use that has to be now made – well, no, it was announced at the beginning – for crossing the runway.

1505 But in relation to the answer to the first question on the Order Paper, yes, it is correct that the MoD runs the runway – it is their runway – but surely the Government can make representations, as, indeed, it has done in relation to the arrangement that it has reached in connection with the crossing of that runway, to deal with this issue. The reason why we are asking that question is because it was witnessed by some of us, and others have reported to us that ... We have seen coaches full of tourists in one of those traffic jams, about two or three weeks ago, and they were just stuck there like the rest of the traffic. It just did not give a good impression of Gibraltar, so we just thought of asking the question and posing the question to the Government to see whether it

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would consider giving a special dispensation to that type of transport, so that the visitor experience to this place is as least disagreeable as possible on those occasions when there is a traffic jam.

1515 **Hon. Chief Minister:** Mr Speaker, the visitor experience is the same as when it was the runway that used to close because the traffic was backed up and the runway closed and the coaches were in the traffic jam on the runway. Now the traffic jam might be on the way to the tunnel instead of on the runway, but it is the same visitor experience, it does not change, because they are the same roads with the same capacity.

1520 The position I have set out already to the hon. Gentleman, at least in other meetings of the House, him or Mr Phillips, is that the MoD will not agree to have public service vehicles – and these would be foreign public service vehicles that the hon. Gentleman is referring to – crossing the runway. They will only agree to bicycles and scooters crossing the runway, not otherwise mechanised vehicles crossing the runway unless there is an emergency and the runway has to be
1525 reopened because the tunnel has to be closed; not closed for a moment, closed because of a fire, unable to reopen etc. That is the position taken by the Military Aviation Authority (MAA). They consider that is the safest way of ensuring the integrity of the runway and the absence of foreign objects on the runway.

1530 So it is not a question of desire or persuasion, it is a question of health and safety. Are we prepared, in order to have Spanish coaches crossing the runway, to risk – and that assessment of risk is not one we are able to make for ourselves, but subject to the MAA's decision as to risk ... when there is an alternative? Remember that we have always crossed the runway, but when there is an alternative the balance of risk changes, and it has changed.

1535 The decision makers and the risk assessors are the MAA. We have sought that they should change their position. They have come back to us saying that they will not. I have told him that I have said in this House before within three months that we had sought that public service vehicles should be able to cross the runway – it is the same question, but this one is asking that foreign public service vehicles should be able to cross the runway, and the answer is the same one because it is about public service vehicles.

1540 Mr Speaker, on the first point, as I have told him, we cannot debate it now but he has the information. It is in the Book; it is just that we cannot debate it.

Mr Speaker: Next question.

Q459-60/2023

Hassan Centenary Terraces, Bob Peliza Mews and Chatham Views – Expected delivery dates for apartments; construction costs

1545 **Clerk:** Question 459/2023. The Hon. D J Bossino.

Hon. D J Bossino: Please state what are the current expected delivery dates for the apartments at Hassan Centenary Terraces, Bob Peliza Mews and Chatham Views?

1550 **Clerk:** Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): I will answer with Question 460, Mr Speaker.

Clerk: Question 460/2023. The Hon. K Azopardi.

1555 **Hon. K Azopardi:** Mr Speaker, how do the awarded construction costs of the Bob Peliza Mews and Chatham Views developments compare with the original projected construction costs of each development or original tendered sum, if different?

Clerk: Answer, the Hon. the Chief Minister.

1560 **Hon. Chief Minister:** Mr Speaker, the first phase of Hassan Centenary Terraces is due to be completed towards the end of July 2023. The second phase is programmed for completion in May 2025. Chatham Views is due to be completed in November 2025. The first phase of Bob Peliza Mews is due for completion in June 2025 and the second phase in May 2026, subject to AquaGib Ltd's relocation being completed in accordance with the required handover date.

1565 No final awards of tenders were made and so there is no original tendered sum to compare with. The projected construction cost is not an accurate comparator to an awarded construction cost.

1570 **Hon. K Azopardi:** Mr Speaker, I hear the caveat he places that the original projected construction cost is not a comparator, but I have actually asked for what the original construction cost was, so does he have that information? That was my question. I was not asking him for his opinion as to whether it is an adequate comparator; I was making the comparison and I just wanted to have that information.

1575 **Hon. Chief Minister:** No, Mr Speaker, that was not the question. The question was *how* do the awarded construction costs compare with the original projected construction cost of each development. He did not ask what was the original projected construction cost, he asked how they compared, and that is why the answer is that they cannot compare because a projected construction cost is what you think it might cost. You then negotiate with a preferred tenderer. The price will go up or down; invariably it will go up considerably. To compare that original projected cost, which is not the negotiated cost with a final tenderer, with the final cost agreed today with a final tenderer is to compare apples with sweet potatoes. It does not make any sense, and that is what his question was. He did not say, 'What is the original projected construction cost?' He said, 'What is the comparison?'

1580 **Hon. K Azopardi:** Mr Speaker, I think anyone reading this question would understand that I was asking what the original projected construction costs were. Does he have them with him? Does he have the original projected construction cost of the development?

1590 **Hon. Chief Minister:** No, Mr Speaker.

Hon. K Azopardi: Mr Speaker, if he is saying it was a different question, I will ask him next time. He is saying it is a different question – is that right?

1595 **Hon. Chief Minister:** I am very clear, Mr Speaker, that it is a different question, because the question is how do the awarded construction costs compare with the original projected construction costs, which is asking for a difference. It is asking for a percentage; it is not asking what is the original projected construction cost. If he wants to ask me that question, he can ask me that question and we will provide the answer, of course, at the next meeting of the House. It will be a different question. He would not need any leave because it would be a completely different question.

1600 **Hon. K Azopardi:** I will ask him that question more specifically, if we are stuck on that nuance. The point is that presumably when the purchase prices were fixed and they went out to the market

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and people bought, it must have been against some kind of projection, and he will agree with me it was against some kind of projection, presumably.

1610 **Hon. Chief Minister:** A projection, Mr Speaker, but not an awarded construction price – a projection that also envisaged that the final construction price would be higher than the estimate that is usually made as to what construction costs would be. To try and compare that now to the actually negotiated, finally agreed, signed price is comparing apples with sweet potatoes, but if he wants to ask me what the projected cost is, we will have it, I am sure, and we will be able to provide it. We do not think that it is rational to compare it to today's final construction price.
1615 *[Inaudible]*

Mr Speaker: There is no need for that, Chief Minister.
The Hon. Damon Bossino.

1620 **Hon. D J Bossino:** Mr Speaker, as a supplementary to Question 459 he has given us dates in respect of each of the individual phases for each of the individual developments mentioned. Are those firm dates? The reason why I ask this is because it is only in relation to the second phase of Bob Peliza Mews. I have put an 'M' – I do not know whether he said March or May; I think it was
1625 May 2026. He said that that is dependent on the AquaGib reallocation issue that needs to be addressed. So can I ask him that by way of first supplementary? Are these all firm dates subject to the second phase of Bob Peliza Mews, which is dependent on this issue?

Hon. Chief Minister: Yes, Mr Speaker, those are firm dates, but the AquaGib relocation is subject to a required handover date. I also do not envisage that that will be delayed because I
1630 think that that has now been set in stone as well, so I am very clear that these are committed dates that will be delivered dates.

Hon. D J Bossino: Is he able to provide further information in relation to the AquaGib point as to when the facilities there are going to be reallocated? I draw comfort from the fact that he has
1635 said that this date is pretty much firm, but the reality is that in his first answer he qualified that slightly because of this issue. Is he able to provide any further information as to when that is likely to be resolved?

Hon. Chief Minister: It is resolved, Mr Speaker. It is just a question of it happening. It is
1640 resolved, it is in the process of being done and then demolition etc.

Mr Speaker: Next question.

Q461/2023
Sir William Jackson Grove –
Extension of leases

Clerk: Question 461/2023. The Hon. K Azopardi.

1645 **Mr Speaker:** The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, what is the Government's policy or intention in respect of the possible extension of leases at Sir William Jackson Grove?

1650 **Clerk:** Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, there is no policy at present and no representations have been received from the management company for any extensions.

1655 **Hon. K Azopardi:** Mr Speaker, is the Government prepared to consider representations on the issue? They may not have received representations from the management committee, but I have certainly had discussions with a few people who have been asking me about that, and I have said, 'Well, I do not know what the position is, so I will ask the Government,' hence the question. So it seems to be at least bubbling under with some people. It may not have reached the management committee.

1660 **Hon. Chief Minister:** Well, Mr Speaker, they must be very specific concerns because, as the hon. Gentleman knows, people tend to go to an opposition after they have not had a positive reply from a government, but the Government does not have a record of having had any representations made whatsoever here. And of course the management company would be relevant because, as I recall, in respect of these leases I think that the subleases are for a day less than the head lease and it is the management company that holds the head lease, so there would have to be an extension of the head lease to the management company so that the management company could then provide the extensions of the subleases. There is no other way of doing it. The Government is open to those possibilities. There is no question of us not being open to those possibilities. We have done it in other areas, and therefore it would not require a policy change. It would require an approach from the management company or companies of the affordable estates, each or any of them, and the Government would be happy to take the advice of its land property agents as to valuation of an extension in order to be able to provide them with such extensions – coextensive extensions for the head lease and the subleases.

1675 **Mr Speaker:** Next question.

Q462/2023
Small Boats Marina –
Sale of berths

Clerk: Question 462/2023. The Hon. the Leader of the Opposition.

1680 **Hon. K Azopardi:** Mr Speaker, does the Government intend on selling berths at the Small Boats Marina?

Clerk: Answer, the Hon. the Chief Minister.

1685 **Chief Minister (Hon. F R Picardo):** Yes, Mr Speaker, I can confirm it is the intention to offer the berths at the Small Boats Marina for sale on the terms outlined in my previous Budget speech of 2021.

1690 **Hon. K Azopardi:** Mr Speaker, is that policy going to be in relation to ...? I cannot recall offhand what he said in July 2021. I do try to follow what he says slavishly, but not every single line and comma of his speeches, believe me, however much I try.

1695 Obviously the births there are mostly rented. I am not sure to what extent anybody has taken up that historic offer, or indeed whether the mechanics for that offer have been put in place. Can I ask him: has that policy that he announced back in 2021 been taken to fruition so that people are buying already, or is this something that still needs to be put in place so that people can take up that offer?

Hon. Chief Minister: Mr Speaker, I am not impressed – it was only 120 pages in 2021, so he should know it off by heart.

1700 The issues here are not insurmountable, but it has required the recasting of the type of lease/licence that would be given – sorry, the lease that would be given, rather than the licence that is presently awarded. We have been in discussion with the management company of the Small Boats Marina and with the land property agents of the Government to set out how to ensure this is done in a way that is orderly.

1705 Of course, the advantage to people is that at the moment they can sell their vessel but they cannot sell their berth. If they want to sell their vessel and the person who buys it does not have a berth, then the person has to put the vessel in a commercial marina or sail it to Spain if that is their preference. By buying your berth, you are in a position to be able to sell your boat and your berth when the time comes, subject to the usual caveats as to ensuring that the purchaser is a bona fide purchaser for good value and a desirable person. So those are the issues that are being worked out. We have to ensure that there is no question of riparian rights being passed when you create a lease over water access rights to and from the land and in a way that provides documentation that banks can accept for making lending facilities available, which is one of the things that we have been told by those who wish to buy, that it has to be an acceptable lease for banks. We have had a lot of interest expressed and we are being urged to pursue the policy by those who have urged the interest, and we want to pursue the policy. It is just a question of finalising those technical details.

1715 I refer the hon. Gentleman, for ease of reference, to paragraphs 1246-64 of my magnificent 2021 Budget speech.

Hon. K Azopardi: Mr Speaker, and there I was thinking that it was in paragraph 935, but there you go.

1720 Can I ask him, have the discussions reached the stage where, on advice from Government's property agents, the prices have been able to be set for the berths? And are they all the same, or are they all different depending on size? Can he perhaps tell us a bit about that?

1725 And once that policy is there, what happens when berths become available? I also understand there is a massively long waiting list. When a berth becomes available, will it be available for rent to someone on the waiting list? You can envisage the situation, if the waiting list is as long as it has been suggested to me – hundreds of people – and people buy, then you are simply creating a logjam where the people are not then on a waiting list for available berths but really will need to buy berths. It creates a market in berths, doesn't it?

1730 **Hon. Chief Minister:** I entirely agree with the hon. Gentleman, which is the reason why we stopped the policy of the sale of the post-war housing, which the hon. Members had introduced when in government, which depleted the housing stock of the Government, and for that reason, in respect of housing, we were not prepared to do it. Berths are different. Berths are more of a luxury; housing is a necessity. For that reason we thought it was appropriate to seek to recover some of the costs that the taxpayer had invested in the Small Boats Marina in this way, but of course in the knowledge that we were providing, in the marina on the Eastside, which has previously always been supported by the GSD, an additional 200 berths – I forget the number, whatever the number was – which were going to be provided also for the list of people who are awaiting berths. But any new berth that becomes available – that is to say if somebody does not buy and gives up the rental – will go to those on the waiting list for rentals. I am conscious that that list increased when we had delivered the 700 berths that would have annihilated the 700 waiting list that there was at the time. So it is a waiting list that arose thereafter. It is a waiting list that will largely be dealt with by the berths that are being developed on the Eastside marina, which the Government has backed on the terms that I have set out and hon. Members opposite have always backed and the terms that I have set out already, and it will be a way of dealing with that waiting list also.

1750 **Hon. K Azopardi:** Yes, of course we have historically backed a marina on the Eastside, although I think the issue is not whether we backed it or not, but the issue is whether the current marina proposal has a detrimental effect on Catalan Bay, and I think that is an important nuance as well. When we are talking to each other on these issues – and he said it is important not to create disrespect in the political classes – I think it is important also to be respectful of those nuances, because those nuances are important. We have always made the point. Not going away from the point that of course we supported a marina on the Eastside on a sustainable development basis, 1755 but also our concern today is whether that marina, because of the extension of the arm that my learned friend has talked about, will have a detrimental effect. That is a matter for further discussion on this question.

1760 I asked him specifically on this issue whether the Government had been able to land on the setting of prices, and I was wondering whether he had a bit more information on that.

1765 **Hon. Chief Minister:** Mr Speaker, yes, I do appreciate the nuance that he brings to the debate on the marina, and I would just remind him that the marina that they backed – and I think he was in government at the time that Sovereign Bay was announced; certainly Mr Bossino was defending Sovereign Bay in the General Election of 2011 – was for a bigger marina with more berths and with a cruise liner terminal, with an arm that was longer. Oh, yes, any layman’s analysis will show that it was a much longer arm. *(Interjection)* Sorry? *(Interjection)* Well, because at that time I was a layman. *(Interjection)* No, now I have ministerial responsibility, but at that time I was a layman. *(Interjection)* As far as I am concerned, the marina they backed was a bigger marina with a much greater environmental effect, putting cruise ships on the Eastside by Catalan Bay. A cruise ship on its own, one of the modern ones, would cover the area from the Caleta Hotel to Eastern Beach. 1770 From the Caleta Hotel to Eastern Beach you could not get away from it. That is why they needed a bigger roundabout at Eastern Beach.

1775 Mr Speaker, we have been given advice on what the cost of the berths should be, and ranges, and we have yet to make a final determination. We will make an announcement when the lease provision has been agreed and when the final prices have been fixed.

Mr Speaker: Next question.

Q463/2023
Midtown development –
Update re tender for residential top floor

Clerk: Question 463/2023. The Hon. the Leader of the Opposition.

1780 **Hon. K Azopardi:** Mr Speaker, can the Government provide an update as to the adjudication of the tender in respect of the residential development on the top floor of the Midtown development?

1785 **Clerk:** Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, the tender has not been awarded and the Government is reconsidering its options in this respect.

1790 **Hon. K Azopardi:** Reconsidering to the point of withdrawing the ability of awarding a tender in respect of that property? And, if so, can I ask why?

Hon. Chief Minister: Yes, Mr Speaker, including that possibility, based on what we have seen of the tenders submitted.

1795 **Hon. K Azopardi:** Mr Speaker, obviously he has seen the tenders and I have not, but what was
put out in the notice of the expressions of interest almost a year ago, 10 months ago, was for a
residential development on the rooftop of Midtown. I think we have asked before. They said they
had a few tenders they were considering. I think the Hon. Deputy Chief Minister answered that
question at that stage. A development of that type which was subject to the expressions of
1800 interest would presumably be subject to the payment of a premium which would go to
government coffers and the taxpayer would be richer. I am not sure I understand what the policy
reason behind not doing it is. Is there perhaps an explanation that he can give?

Hon. Chief Minister: Mr Speaker, I am advised by the Deputy Chief Minister that it is about the
1805 nature of the developments and the size of the premium which might make the consideration be
that the taxpayer, for that amount of money, would not be interested in seeing the use of the
plot – if we can call it that, even though it is in the air – in that way. So it may be something that
does not proceed now and we put it out for tender again in a number of years to see whether the
consideration proposed then is higher. It may be us in government, it may be somebody else. We
1810 are not yet decided to do that, but we are considering even that possibility.

Hon. K Azopardi: If the issue is that you are not happy with the level of premium, it is not an
issue that you can negotiate with the highest bidder or anything like that? That is not something
that you are looking at?

1815 **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, one of the options the Government
has is to go back to the highest bidder and seek to renegotiate the premium or to change the
massing or the size or scale of the development, but as things stand at the moment the
Government is not satisfied, really, with any of the submissions that have been made.

1820 **Mr Speaker:** Next question.

Q464/2023
Residence and ID cards –
People residing on boats

Clerk: Question 464/2023. The Hon. the Leader of the Opposition.

1825 **Hon. K Azopardi:** Mr Speaker, has Government stopped issuing residence or ID cards to people
who reside on boats; and, if so, why?

Clerk: Answer, the Hon. the Chief Minister.

1830 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the Register of Occupation Act 2021 requires a
person in occupation of a private residential property in Gibraltar to register on the Register of
Property Occupation themselves and all other occupants living in the property, whether this is
owned, rented or licensed by them. Persons residing on seafaring vessels are unable to register,
given that these are movable properties and not residential property. The Civil Status and
Registration Office is, therefore, unable to issue civilian registration cards and permits of residence

1835 to persons residing on seafaring vessels, given that they are unable to comply with the provisions
of the Register of Occupation Act 2021.

Hon. K Azopardi: Can I ask, if that is an issue that has emerged following the Register of
Occupation Act, is that something that the Government is going to look to amend, that legislation?
1840 Hitherto, people have been receiving residence cards with an address of a boat. I do not know if
he has seen them, but I have seen several where people have ID cards with a particular boat, and
those people are perhaps living on a boat, working in Gibraltar, paying Income Tax and Social
Insurance. Their children might be at school. It is affecting their health and education access rights.
Their inability to renew their residence cards is affecting all those issues, so will the Government
1845 consider a practical way forward for those points?

Hon. Chief Minister: Mr Speaker, the hon. Gentleman might correct me if I am wrong, if he
remembers the position, but I believe actually that under his administration people were not able
to register from yachts. We introduced an element of flexibility at one stage, I think as a result of
1850 some of the difficulties we had at the Frontier at one time.

Our concern now is that we do not have an accurate handle on people actually being resident
or not resident in Gibraltar. This is important. It is important from the point of view of ensuring
that people who are taking health and education provision in Gibraltar are entitled to that health
and education provision, they are properly registered here and properly resident here. A number
1855 of instances have been brought to our attention, actually, of people abusing the flexibility that we
had provided for registration on boats, and in fact the position is not entirely, therefore, only as
the hon. Gentleman has provided.

Of course, all rules catch out innocent parties too, and there are people who no doubt
genuinely are living on a vessel in Gibraltar. This has been their home for some time. They are
1860 registered there and they are complying with all the proper formalities and they have no intention
of using the fact that they are resident on a boat for the purposes of avoiding any of their
obligations. So the Government is considering this. We have looked at it in some detail. We are
awaiting a policy paper from CSRO on the subject, which may require some input from our land
property agents because of the register point. But at the moment we have had to take this
1865 decision in order to ensure that we are dealing with the concerns that we had as to abuse and as
to failure to comply.

So he can rest assured that we are considering what potential instances of injustice may be
occurring, to try and find a way of resolving those, perhaps with a higher standard of compliance
in some respects that might enable us to have a better control over those who are resident on a
1870 particular vessel or not.

Hon. K Azopardi: Mr Speaker, I am grateful for that. Can I just urge him ... he will understand
that perhaps that review can be done with some expedition. Yes, of course, I agree with him. Of
course the Government should have a handle on who lives in Gibraltar and there should be no
1875 abuse around the edge, but certainly the people who have come to see me – and I have had a few
people raise the issue with me ... Those situations that I have encountered are of people who are
actually working in Gibraltar, who have children at school, who are paying Income Tax, who are
paying Social Insurance. To that extent, if those people are innocently falling within these
situations and their ID cards, their residence cards, have expired or are expiring, they need
1880 practical ways and solutions found soon. Sometimes bureaucracy understandably reviews issues
but does not move fast enough for those people who have deadlines and expiries. He will
understand that point, so can I urge him to ask officials to do that as soon as possible?

Hon. Chief Minister: To the extent that he is urging me to do that which I have already said I
1885 am doing, I shall consider myself urged. And if he does not have a supplementary, can I suggest

that we now recess the House for 15 minutes, Mr Speaker, because I know you have been in the Chair since three o'clock, and so have others?

Mr Speaker: The House will now recess until five past six.

The House recessed at 5.50 p.m. and resumed at 6.06 p.m.

Q465-66/2023
45-55 and 90 Devil's Tower Road –
Premium

1890 **Clerk:** Question 464/2023. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, what premium has been paid or agreed to be paid in respect of the development at 45-55 Devil's Tower Road?

1895 **Clerk:** Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer with Question 466.

1900 **Clerk:** Question 466/2023. The Hon. the Leader of the Opposition.

Hon. K Azopardi: What premium has been paid or agreed to be paid in respect of the development at 90 Devil's Tower Road?

1905 **Clerk:** Answer, the Hon. the Chief Minister.

Hon. Chief Minister: Mr Speaker, the developer has not yet paid any premium to the Government in respect of 45-55 Devil's Tower Road. Details of the premium paid will be published once the developer obtains the relevant planning approvals, which will determine the final premium payable, and pays the said premium.

1910 The Government has not yet agreed any premium with the developers of the proposed development at 90 Devil's Tower Road.

1915 **Hon. K Azopardi:** Mr Speaker, can I just ask in relation to both, but a slightly different question, if I may? The answer to Question 465 implies that there is an agreed canvas, if I can put it that way, for the payment of a premium, but that depends on the planning permission granted – so if it is 10 floors or 20 floors, for example, I guess. The answer to Question 466 suggests there has not yet been an agreed canvas. Is that the right distinction?

1920 **Hon. Chief Minister:** Yes, Mr Speaker, that is absolutely right, and in fact I can tell the hon. Gentleman when I checked, much in the same vein as he has checked with me, I was informed that on 90 there had been an enquiry from the owner of the plot and a preliminary discussion with LPS, but nothing has yet been agreed or proposed, not even depending on heights.

Q467-70/2023

Victoria Keys –

**Size, shape and cost of proposed reclamation and by whom costs to May 2023 paid;
contractual negotiations with developers**

Clerk: Question 467/2023. The Hon. the Leader of the Opposition.

1925 **Hon. K Azopardi:** Mr Speaker, will the size and shape of the proposed reclamation for the proposed Victoria Keys site be changing from that announced in 2019?

Clerk: Answer, the Hon. the Chief Minister.

1930 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer with Questions 469 to 470.

Clerk: Question 468/2023. The Hon. the Leader of the Opposition.

1935 **Hon. K Azopardi:** Has the Government finalised its contractual negotiations with the developers of the Victoria Keys site, and can it provide an update to the House in respect of such matters and the proposed development?

Clerk: Question 469/2023. The Hon. the Leader of the Opposition.

1940 **Hon. K Azopardi:** What is the updated estimated cost of the Victoria Keys reclamation?

Clerk: Question 470/2023. The Hon. the Leader of the Opposition.

1945 **Hon. K Azopardi:** What are the costs of the Victoria Keys reclamation to 10th May 2023, and who has paid that cost?

Clerk: Answer, the Hon. the Chief Minister.

1950 **Hon. Chief Minister:** Mr Speaker, the Government has not finalised its contractual negotiations with the developers of the Victoria Keys site, albeit it continues in active discussions with those developers. It is a good thing we did not conclude those discussions, as they have allowed the Government much flexibility in managing the varied pressures of dealing with the Eastside rubble and thereby minimising the costs, disruption and environmental damage of moving this from the Eastside. We have a responsibility to manage these things carefully. The Government has therefore rightly focused on its negotiations over the Eastside site, as this is the logical order to progress matters given the opportunities that we sought and which presented themselves. As you are aware, Mr Speaker, the negotiations over the Eastside, which formed part of the discussion of these same questions back in October 2022, have now been successfully concluded.

1955
1960
1965 The original Victoria Keys reclamation, as hon. Members will recall, was in part to be achieved using the rubble deposited on the Eastside. As I have previously told the House, this was part of the genesis of this project. This was nonetheless, of course, not without its complexity and environmental disruption. But this was before we managed to secure a heads of agreement over the Eastside. What the Government has successfully done is negotiate for that fill, or rubble, to be used on the Eastside itself, meaning that the developer will use that rubble to create the coastal protection arm to protect the land on the Eastside, which is something we debated in the context of an earlier question. So it is now no longer necessary for this rubble to be transported by either our busy roads or via barge to create the Victoria Keys site, or for that matter exported from Gibraltar. A certain amount of that rubble needed to be moved quickly to make way for Hassan Centenary Terraces, and pending finalisation of either agreement this is what has been used to fill

1970 the area in front of Coaling Island. This was the most efficient way to accommodate that work, bearing in mind any delays in doing this would have disrupted Hassan Centenary Terraces' second phase construction process and increased costs for that development and, of course, therefore, the taxpayer.

1975 Discussions with the developers of Victoria Keys can really now progress in earnest. These will involve consideration of matters such as size and shape of the reclamation, taking into account the part of that site already reclaimed. It will also envisage discussion on how we might jointly develop this site in a way whereby reclamation is as cost efficient as possible by using this to deal with current and future rubble from construction which can no longer be deposited on the Eastside. Indeed, account will also need to be taken of information received from the MoD as to
1980 the impact the shape of the site may have on the use of the Z berth due to the explosives safeguarding arcs etc. The shape will, therefore, likely or necessarily need to change from that originally anticipated in 2019 in the artist's impressions. With all these factors to work through it is therefore not possible to quantify at this point the estimated cost of the Victoria Keys reclamation.

1985 The reclamation currently carried out as at 10th May 2023 in front of Coaling Island has been paid for by the Government. They were the minimum necessary to progress Hassan Centenary Terraces phase 2. The cost of this amounts to approximately £6.59 million.

1990 Finally, Mr Speaker, I should add that if we were unable to find agreeable terms with the consortium that we are negotiating with on Victoria Keys, the Government will continue to reclaim land in that area on its own account and will develop the area solely for the benefit of – and therefore, of course, at the cost of – the taxpayer.

Hon. K Azopardi: Mr Speaker, grateful for that updated information, and of course a lot of the preface to that answer came in the shape of explaining the correlation between the Eastside development and this site because of the idea that rubble was going to be used here but now it is going to stay at the Eastside, and so on and so forth. That is right in terms of what is happening now, but of course when you wind the clock back to 2019 the hon. Member will recall there was quite a glossy announcement with the projected development, which everyone will have seen. It was, indeed, in a couple of pages of their 2019 manifesto. People would have been driven to
2000 believe that the negotiations had concluded at least, but we have established that they have not. While I understand the impact of the Eastside rubble not being available and so on, is he suggesting that really we have gone back to square one on the negotiations in terms of the aspirations of the parties? He will remember that there are videos out there where you can see the idea of this. I cannot remember what it was called, but you can see the buildings on these
2005 glossy videos. Are they now discussing something as if that has been airbrushed away and it is a different development?

Hon. Chief Minister: No, Mr Speaker, not airbrushed away. I have explained that the purpose of Victoria Keys was principally to move the Eastside rubble, and the purpose of the deal with the consortium was to get them to move the Eastside rubble. He will remember the details I gave of what the original deal was going to be, and he will remember the concerns there were about the environmental cost of moving the rubble from the Eastside to the western side, which we believed could be ameliorated by using a sea route and a road route, principally overnight to not have the sort of disruption that you would have had during the day. Of course, that is the most sustainable way of doing it if you have to do it, if you have to move the rubble from the Eastside. If you do not
2015 have to move the rubble from the Eastside, then you are in a different ballpark.

The hon. Gentleman would say to me why is he dealing with this group of developers who in his earlier questions he used to approach in quite a deprecatory fashion, if he no longer needs them to move the rubble from the Eastside without there being a cost to the taxpayer, because
2020 what we achieved was that the rubble was moved from the Eastside without the taxpayer being put to cost. It was actually the consortium of developers who were put to cost, with the taxpayer

2025 providing a small slice of the equity and a loan being given from, I seem to recall, the Savings Bank, which was then repaid with interest and made good sense for the Savings Bank and made good sense for the taxpayer because there was no cost to the taxpayer. But I forget the details. The details were all set out in this House in *Hansard*. Whatever I said at the time was correct, and my recollection is simply my way of paraphrasing that, no doubt incorrectly.

2030 But now that there does not need to be a move of the rubble on the Eastside, the question is how we should approach this from the point of view of the taxpayer. We should approach this from the point of view of achieving the best possible deal for the taxpayer. We have already moved the rubble that had to be moved for Hassan Centenary phase 2 at a cost of £6.6 million. We have rubble that people want to give us because they cannot put it anywhere else, and that rubble can be used to reclaim and therefore create land. We will be developing as close to the shape as possible of Victoria Keys as was originally the case, but we do have an MoD issue, so the shape may have to change. So the videos that the hon. Member saw are likely to become a reality but in a slightly different configuration. Perhaps they have moved. In fact, a lot of what is in the area that may have to change shape was not the area of construction, it was more of the leisure area. Indeed, the shape may not change because one of the things that we are also considering is reclaiming that shape, even though at present it may not be possible to use the land that is reclaimed because of the explosive arc from the Z berth. But of course if you reclaim today at a particular price, in a hundred years' time you may be able to use that area because the explosive arc may be different, or there may not be an explosive arc because things may have changed so dramatically, as warfare is changing so dramatically, and then you will have land available which has cost you 2023 reclamation rates and not 2123 reclamation rates. That is what I call a vision, to be reclaiming today for use in a hundred years' time.

2045 All of those things have to be factored into the equation because we have got the water and we have got the rubble, so even though we cannot build on it today it may make sense to go down the road of constructing. It is almost like Mr Feetham the visionary did on the Eastside, on the western side, where the reclamation took 20 or 30 years to be used up by buildings because you have got different factors moving. In the old days, that was where the ammunition was and you could not use it because of the ammunition. The curvature of Europa Point is not because of any design factor, it is the curvature of the ammunition. So all of those factors are in play, and in trying to do the best by the taxpayer – something which the hon. Gentleman will recall he seemed to be accusing us we were not doing when he was asking us questions about the original arrangements that we had entered into – I think he will agree that these are the right factors to put into the balance in order to deliver the garden city by the sea that Victoria Keys is going to be when it is delivered. But of course it is also true that as we were all celebrating yesterday ... the GHA made such a great contribution to ... everything stopped dead in March 2020, so all the negotiations stopped dead. That gave an opportunity for TNG Foundation to come in. That created the opportunity on the Eastside. That meant we could do the Eastside. That meant we do not need to move the rubble. So all of this is entwined and you have got to follow the twine in order to be able to find the right deal for the taxpayer and do right by the taxpayer, which is what we are doing in respect of this proposal.

2065 **Hon. K Azopardi:** I am grateful. Garden city – that is the one I could not remember. Yes, I had forgotten what it was called. There is no garden and no city, of course, but there you go.

2070 Would it be fair to say, given all of that explanation, that in fact the state of the negotiations that Government is involved in with the relevant parties is such that, given what he has said, we will either have the development done ... to the other end of the scale, where the development will not be done at all and, as he says, the Government is going to end up perhaps reclaiming for future development itself? So we are in that wide range of options – is that right?

Hon. Chief Minister: Mr Speaker, it is obvious, if you see the site from the top of the Rock, that there is not yet a garden city there, but it is also true that there is now another massive

2075 reclamation delivered by the GSLP Liberals in government already taking shape. It is taking shape
a little slower than it was taking shape, but we are committed to delivering the essence of the
project, the garden city by the sea. We think it is a good thing. It is part of the development of the
western side of Gibraltar at the same time as we are developing the eastern side of Gibraltar with
the development of the eastern city in Gibraltar and its associated amenities, which we have been
discussing earlier. The way that we have combined that, for the reasons I have explained, I think
2080 is in the interest of the taxpayer. We think we are delivering in the right way, in the right timing,
given the exigencies we have had, and I put it to him that if he had had the privilege of being
elected Chief Minister in October 2019, knowing him as I do, despite the fact I respect that he is
fulfilling the role of inquisitor in chief as Leader of the Opposition, he would have made the same
decisions I have made in good faith as Chief Minister and would be in the same position I am in,
2085 which I think is the right position to be in, because that is what he would have done. He would
have made decisions in good faith in the interests of the taxpayer to deliver the right results for
Gibraltar.

Hon. K Azopardi: Can I ask, given the state of play – which is as wide as I have said it is, which
2090 is from basically developing as the garden city as was projected to perhaps a completely different
scheme or none at all – how close in the discussions is the Government, does it feel? Has he got a
feel for that? It made the announcement in 2019. It has now had some time to continue the
negotiations, so how close is it for some kind of outcome on these issues?

2095 **Hon. Chief Minister:** Mr Speaker, sometimes, I say to the hon. Gentleman with respect, it is a
bit like talking to a wall. He wants to put the point and it does not matter what I say in the
supplementary answer.

I have told him that we had to stop in 2020 because of COVID. I have told him that the Tuan
opportunity came up. I told him in my first answer that we decided to pursue the Tuan opportunity
2100 because it gave us a chance of selling the rubble on the Eastside and not having to move the rubble
on the Eastside, save for the bit that needed to move quickly for Hassan Centenary Terraces. That
has taken until we made the announcement that we had completed the Eastside, something on
which they have quizzed us today because we have made the final announcement by the end of
the financial year. So we are not further forward for that reason, which, if he were sitting where I
2105 am sitting, would have been considered by him, I have no doubt, a good reason not to pursue the
negotiation because there was a better outcome available for the taxpayer than the one that had
been envisaged, because the facts had changed – a *novus actus interveniens*, as we say in the law,
a new act that intervenes in the facts, and because of that *novus actus*, we have pursued a
different path, which leads us to a slightly different conclusion on the rubble on the Eastside but
2110 does, nonetheless, enable us to deliver on the reclamation that is Victoria Keys and the
development which is the garden city by the sea, which is Victoria Keys.

If I say that I believe we are two months away from doing a deal with these potential developers
or I say we are a year away, what do I do? I have said this to the hon. Gentleman when he has
asked me the same questions in relation to the treaty. I put myself in the hands of the party sitting
2115 opposite me in the negotiation because the minute I do that, I start a clock ticking against me.
Given that the hon. Members have asked me this question in relation to the treaty and in relation
to this negotiation now, I urge them not to be setting out timetables for concluding negotiations
should they ever be involved in a meaningful negotiation, whether in government or
commercially, because by doing that you put yourself at the mercy of your negotiating opponent
2120 For that reason, Mr Speaker, I do not want to provide a timeframe.

Mr Speaker: The Hon. Roy Clinton.

2125 **Hon. R M Clinton:** Thank you, Mr Speaker. If I may ask the Chief Minister two questions. The
first one: in the press announcement of April 2019 it was envisaged that 60,000 m² of new land

would be produced by way of reclamation. Would the Chief Minister have with him how much has been reclaimed to date in terms of square meterage? And in terms of a change of shape, what would be the new square meterage that is envisaged?

2130 And then my second question is given that the Government is effectively undertaking this reclamation, would it not be in the best interests of the taxpayer to put out the site to tender?

Hon. Chief Minister: Mr Speaker, in relation to the second question, yes, that is the point I made. That is exactly the point I made. I said the taxpayer could do it on its own but at the taxpayer's own costs – *(Interjection)* No, at the taxpayer's own costs and then be able to sell land which is more valuable. The taxpayer has never permitted a third party to reclaim land. Only we 2135 reclaim land. That is why when I explained how the deal was structured I said that we would be doing a deal with this consortium for them to do the reclamation for the Government. So Van Oord has dealt with reclamations for the Government. The Victoria Keys Consortium was going to reclaim land for the Government. Only the Government reclaims land, and then the Government 2140 puts out land to tender. And so that is exactly what I said in the context of my first answer, that if we were going to find that we were going to be doing the reclamation ourselves with rubble that is given to us for nothing because it is a problem in the hands of those who own the rubble, then we end up with reclaimed land ourselves, which we can then exploit ourselves. We exploit it ourselves by building stuff we want for ourselves or by putting the plots out to tender.

2145 So the hon. Gentleman and I are in potential violent agreement about that – *potential violent agreement* because there are other factors to be taken into consideration. The total amount of the reclamation potentially envisaged is another 100,000m². That is to say the Eastside development again on the western side. That is the total extent of square metres. I cannot tell him how much we have got today. *'Engaña el'* plot, as you might say in Spanish, because it extends 2150 in different shapes in different ways and is potentially very interesting for the taxpayer, and I think that includes the existing Coaling Island as well.

Mr Speaker: Next question.

2155 **Hon. Chief Minister:** *[Inaudible]* does not belong to the Government because the GSD administration entered into a pre-lease agreement with the people who are part of the consortium that we are talking to, because they have arguments about riparian rights or not riparian rights.

2160 **Mr Speaker:** Next question.

Q471-72/2023

Former Deputy Governor Nick Pyle – Provision of services to Government

Clerk: Question 471/2023. The Hon. the Leader of the Opposition.

2165 **Hon. K Azopardi:** Mr Speaker, has the Government, GDC or any other government-owned entity directly or indirectly appointed, engaged, contracted, employed or otherwise sought the services or advice of former Deputy Governor Nick Pyle; and, if so, in respect of what issue and for what salary, fee or remuneration and/or at what cost?

Clerk: Answer, the Hon. the Chief Minister.

2170 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question with Question 472.

Clerk: Question 472/2023. The Hon. the Leader of the Opposition.

2175 **Hon. K Azopardi:** Is the former Deputy Governor, Nick Pyle, advising the Government or any government-owned entity, or is he engaged in any work for the Government or any government-owned entity directly or indirectly or for the benefit of the Government; and, if so, can the Government describe the work he is doing?

Clerk: Answer, the Hon. the Chief Minister.

2180 **Hon. Chief Minister:** Mr Speaker, yes, sir, Mr Pyle has been engaged by the Chief Secretary to advise on Civil Service training and reform given his exceptional experience as a senior diplomat for His Majesty's Government. Mr Pyle has agreed a fee of £80 per hour for his work for the Chief Secretary in this respect.

2185 **Hon. K Azopardi:** Mr Speaker, can I ask when the engagement started, what is the period of the engagement and what is the cost to date?

Hon. Chief Minister: He can, but I do not have it, Mr Speaker.

2190 **Hon. K Azopardi:** Mr Speaker, how did this come about, this this engagement of the former Deputy Governor?

2195 **Hon. Chief Minister:** Simply, Mr Speaker, because I think Mr Pyle indicated he was staying in the area, and therefore he is doing this and other jobs in the area.

Hon. K Azopardi: I see. And does he think it is appropriate that Mr Pyle, who is one of the key personae in the McGrail inquiry, as is he and indeed the former Commissioner of Police ... for the Government to offer the Deputy Governor a job during that inquiry?

2200 **Hon. Chief Minister:** Yes, Mr Speaker, although I have no doubt that the hon. Gentleman will use this to cast aspersions on me and on Mr Pyle, as he has done before in respect of other matters relating to the inquiry, all totally unfairly but that is a matter entirely for him.

2205 Surprisingly, I still think it is right for the Attorney General to continue to be employed and paid by the Government although he is a core participant, I think it is entirely proper for me to continue to be paid for the work that I do for the Government although I am a core participant, I think it is entirely proper for all of the other core participants, including the current Commissioner of Police, to draw a salary from the Government of Gibraltar even though we are core participants in the context of the inquiry.

2210 The assumption, I assume, behind the question is that somehow a fee would be paid in return for improper behaviour in the context of the inquiry, which must be the only way that the Leader of the Opposition is framing his question, which is to impute the integrity of Mr Pyle, the Chief Secretary and everybody else in the context of this process.

2215 **Hon. K Azopardi:** Mr Speaker, it is a question of perception. Does he not see the difference between the Attorney General, or anybody else that he has given an example of, and someone who was not actually employed by the Government? The Attorney General is employed by the Government. This person is not employed by the Government. He is core to the inquiry, he was core to the situation that arose, and yet the Government has offered him a job while the inquiry is pending. Does he not see the difference between that and an Attorney General who actually
2220 was an employee?

Hon. Chief Minister: Mr Speaker, does the hon. Gentleman genuinely believe that a senior civil servant – whether he is a UK civil servant or a Gibraltar civil servant, a senior civil servant – who has become a core participant in an inquiry established under statute can be coerced or bought, as he is suggesting, to give evidence in respect of that inquiry, which would be different if he had not been employed, in respect of matters that happened three years ago, most of which are set out in writing in email, on WhatsApp? What is the issue for that man to provide his expertise to the Chief Secretary? Is the allegation that he will tell a different version of the truth of what happened three years ago if he is employed by the Government to do a job that he can do for the benefit of the Gibraltar taxpayer and for the benefit of the Gibraltar public service, and that if he were not so employed he would give a different version of the truth? My God, there is a different standard of integrity that the hon. Gentleman applies to third parties than the one he would be expecting applied to him, because I do not believe that it is possible to even perceive that one can buy the evidence, the version or the truth from someone in this situation. But never mind. The Leader of the Opposition can allege it, not because it matters, not because there is any grain of truth in it, but just because by planting the seed of doubt he seeks to grow a plant of alleged disrepute against the Government on any issue. Disgraceful, Mr Speaker.

Hon. K Azopardi: Mr Speaker, it is not disgraceful what I am saying, it is that it does not look good. The perception is there. (*Interjection*)

How appropriate is it in the context of a very delicate inquiry, where issues that affect democratic integrity or the constitutional institutions? Those are the allegations – not allegations made by me, but the allegations being thrown about. How appropriate is it for the perception of that inquiry for the Government to be offering a job to a core participant who was not an employee? That is the issue. Can he not see that?

Hon. Chief Minister: Mr Speaker, it is utter nonsense. There are issues of democratic integrity of institutions. That is utter nonsense. There is not one shred of evidence put in the public domain or not put in the public domain that can be used to sustain such a fanciful notion. It is possible for, as Mr Bossino said before, lay people to say whatever they like. It is possible in the streets to rumour monger with whatever anybody would like to rumour monger. God knows in the past weeks I have had to put up with enough rumour mongering. But when it comes to the issue of the integrity of the institutions of Gibraltar, we are playing with our democracy. When there is no such scintilla of evidence, we permit stories to rise that might suggest that our democracy is at risk because somebody took early retirement?

Mr Speaker, I said that we would hold an inquiry into this because it was called for by the person who is the subject of the inquiry, and I said we will ensure that the inquiry is able to get to the truth, the whole truth and nothing but the truth. When the truth is out, people will see that those who have talked about the democratic integrity of the institutions of Gibraltar being at risk are no more than jokers who deserve no credibility whatsoever, who have failed Gibraltar by raising spectres that will be seen to have been no more than utter ghosts. The people of Gibraltar will then judge, because already I hope that ... Let's just say – as they say nebulously when they want to cast aspersions without having evidence – perceptions may already be changing.

Mr Speaker: Next question.

Q473-74/2023
Public service employment of former police officers –
Number and salary arrangements

Clerk: Question 473/2023. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, how many former police officers have been employed by Government or by wholly owned government entities within the public service since June 2020?

2270 **Clerk:** Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer with Question 474.

2275 **Clerk:** Question 474/2023. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Do former police officers employed by Government or by wholly owned government entities within the public service since June 2020 retain their former salaries, or are they paid salaries pegged within the point scale of their new posts?

2280 **Clerk:** Answer, the Hon. the Leader of the Opposition. Answer the Hon. the Chief Minister.

Hon. Chief Minister: Yes, Leaders of the Opposition do not answer questions, ever.

2285 Mr Speaker, a total of 13 former police officers have been transferred from the RGP to other areas of Government or to wholly owned government entities within the public service since June 2020.

2290 Police officers who transfer in such manner and no longer discharge a Royal Gibraltar Police enforcement role as a result of injury sustained during their course of duties retain their former salaries on a personal-to-holder basis. Police officers who transfer in such manner and no longer discharge a Royal Gibraltar Police enforcement role as a result of any other matter not related to an injury sustained during their course of duties take on the salary pertaining to the new role identified within the public service. Police officers protected within the whistleblowing rules fall within the relevant provisions of section 45L of the Employment Act. This section specifically applies to officers of the RGP and extends the protection to the right not to be unfairly dismissed.

2295 **Hon. K Azopardi:** In relation to that last bit I think he is making the distinction that if you are injured you retain your salary; if it is not an injury, you go into a new post, so you get a different salary. For example, if you were to accept a post as EO in the GDC or something, you would get that salary if you are not injured. If you had been injured, personal to holder you would keep your police salary. But then he went on to say whistleblowers have the protection. But what do
2300 whistleblowers get? Do they retain their salary?

Hon. Chief Minister: Whistleblowing is no detriment, Mr Speaker. That is what the law provides.

2305 **Hon. K Azopardi:** I see, so anyone who is a whistleblower would be transferred, say, or put in a different department, in a different post, but would retain their salary. But also, would they retain their allowances and any other issue?

2310 **Hon. Chief Minister:** I do not know the answer to that. I think the law says no detriment. I do not know whether that includes allowances or not.

Q475/2023
Treaty re future relationship with EU –
Whether prepared

Clerk: Question 475/2023. The Hon. the Leader of the Opposition.

Hon. K Azopardi: Mr Speaker, has a draft treaty with the EU for a future relationship with Gibraltar been prepared?

2315 **Clerk:** Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, no, sir. The treaty remains under active negotiation.

2320 **Hon. K Azopardi:** That is what I am trying to understand. When he says no, the treaty remains under active negotiation, the negotiation is then about principles without the benefit of an actual text of a draft treaty being exchanged between the parties – is that correct?

Hon. Chief Minister: That is correct.

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Hon. K Azopardi: Mr Speaker, would it be fair to say that if, for example, an agreement were to emerge, there would then be a necessary period of time that could extend to some months, I suppose, for the drafting of a treaty?

2330 **Hon. Chief Minister:** Perhaps not months, Mr Speaker, because there are, if I may put it this way, relatively pro forma parts of what is being discussed, and if you accept one principle it is one type of clause, if you accept another principle it is another type of clause. There are a lot of small state agreements. There are other agreements, which relate to parts of the single market and Schengen etc., which have a shape already, and it is a question of how they are made bespoke. It is not a question of taking the pen and drafting a bespoke treaty. It would be more the recitals that would be the ones that would have to be spun up based on the agreement of principles, and then you would be looking at just the editing almost of the text that would become the substantive part of the treaty. The parties are drafting for themselves and there will be different versions of drafts to be put on the table when the time comes to do agreed versions, but there are not any versions that have been exchanged as versions that can be deemed to be considered agreed drafts or anything like that.

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Hon. K Azopardi: With that explanation in mind, he will agree with me that when I say that the devil is in the detail when you have agreed principles and you have all got your little pro formas, but you then announce an agreement, there is a cobbling together of text, and that is where there can be lots of granular issues that arise from that. Does he agree with that?

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Can I ask him, in terms of that process and given the indications that have been made publicly about parties being close to a possible agreement, is their thinking on what would happen if an agreement is announced ...? Is an agreement going to be announced in terms of 'we have reached agreement on principles', or is it that there would be an agreement of the principles but there would then be drafting of this text and there would not be an announcement until that text is reached? I am just trying to tease out ... and if he cannot give that information, then he can say.

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Hon. Chief Minister: There is no agreement in that respect yet, either.

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Hon. K Azopardi: But am I right in understanding that we are at the principles stage? That is where we are. When people – say, for example, the Spanish foreign minister or indeed other ministers – have commented on being close to an agreement, we are talking about the principles, we are not talking about the text?

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Hon. Chief Minister: Yes, principles and the text of principles, but not the text of treaty.

2365 **Hon. K Azopardi:** Mr Speaker, can I just ask when he says yes to the principles, they are working on some key principles that would hopefully be released to the public and based on those principles? So you would have a principles mark 2 agreement, I guess, because you had the New Year's Eve agreement, but that was between different parties, obviously, and you would now have an EU-UK set of principles against which there would then be a drafting process towards a treaty – is that right?

2370 **Hon. Chief Minister:** Mr Speaker, the gap between those may be very narrow and therefore I do not want to commit to one happening without the other because they may both happen at the same time. It may be possible for both to happen at the same time because although the devil is in the detail, because there is a lot of pro forma work here, there may be fewer devils in the detail and some of those devils may be easier to tame than they have been in the past. Or, indeed, it
2375 it may be impossible to agree to the text because of devils in detail, even though you have agreed principles. All of that is at large, none of that is yet agreed, so the chronology of how this emerges is not yet agreed. It is there to be felt, but not yet sufficiently clear to be agreed, although the principles are getting much closer. I have described it to some as ... Those of us who are old enough to remember watching analogue television ... This process started with two televisions showing
2380 two different channels. We are now at a stage where there is one channel on one television with a little bit of double image, and those of us who have videos might remember the tracking button at the bottom, which helped us to get rid of double image, or the way of manhandling the antenna, and we are now very close to being able to say we have a perfect image. And then the next analogy I would make is that we would see the 4K image once we have got the treaty text.

Adjournment

2385 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I move that the House should now adjourn until tomorrow at 2.30 in the afternoon, when we shall continue dealing with questions for the Minister for the Environment and Education. But before that, it is my intention to suspend Standing Orders to take the motion and the Bill first and then continue with questions to adjourn *sine die*.

2390 **Mr Speaker:** I now propose a question, which is that this House do now adjourn to Friday, 26th May at 2.30.

I now put the question, which is that this House do now adjourn to Friday, 26th May at 2.30. Those in favour? (**Members:** Aye.) Those against? Passed.

This House will now adjourn to Friday, 26th May at 2.30.

The House adjourned at 6.48 p.m.