



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.30 a.m. – 12.02 p.m.

Gibraltar, Monday, 13th October 2025

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The Gibraltar Parliament

The Parliament met at 10.30 a.m.

[MADAM SPEAKER: Hon. Judge K Ramagge GMH *in the Chair*]

[ACTING CLERK TO THE PARLIAMENT: K Balban Esq *in attendance*]

Order of the Day

Standing Order 7(1) suspended to proceed with a Government Statement

5 **Acting Clerk:** Meeting of Parliament, Monday the 13th of October 2025. Suspension of Standing Orders. The Hon. the Chief Minister

Chief Minister (Hon. F R Picardo): Madam Speaker, the sad news will have reached all Members of the House that Admiral of the Fleet Sir Ben Bathurst, the father of His Excellency the Governor Lieutenant General, also Sir Ben Bathurst, passed away peacefully in his sleep in
10 Gibraltar yesterday at the Convent. Our flags are at half-mast today as a result.

 At this sad time, I have passed our collective condolences as a people to His Excellency the Governor. I know our thoughts will be with the Bathurst family at this time. The Admiral of the Fleet had been here for a short break and was at the Ceremony of the Keys on Thursday evening.

 I am told by His Excellency that the Admiral of the Fleet often commented to his family how
15 many times he had been to Gibraltar, in almost every job he did in the Royal Navy, and how much of a feature in his life the Rock was. As a mark of respect to the last Admiral of the Fleet, except for His Majesty the King himself, and as a mark of respect to His Excellency the Governor and his family, I propose that the House should hold a minute's silence as we commence the proceedings today.

20 **Madam Speaker:** Before we do so, did the Hon. the Leader of the Opposition want to speak?

Hon. Dr K Azopardi: Yes, with your indulgence, Madam Speaker, and given the sad news, and before we take the minute silence, may I associate myself with the comments of the Chief Minister from Members of this side of the House. The sad passing of the very illustrious Admiral of the Fleet, of course, is a very sad moment for his family, indeed for Gibraltar, and we also pass our
25 condolences, as we already have, to His Excellency the Governor and all the family.

Madam Speaker: Yes, from my part, my condolences also to His Excellency and his family. The loss of a parent at any age is a painful blow, and I hope that the memories of good times past will be a source of comfort to him going forward. We will now have a minute silence.

Acting Clerk: Communications from the Chair.

30 **Madam Speaker:** No, I understand that the Hon. the Chief Minister had a statement he wanted to make. Yes.

Hon. Chief Minister: Madam Speaker, I beg to move Standing Order 7(3) to suspend Standing Order 7(1) in order to proceed with a Government statement.

Madam Speaker: Those in favour? (**Members:** Aye). Those against? Carried.

35 **Hon. Chief Minister:** Madam Speaker, as the House is in session, I have asked your leave to make an announcement here, which the Government considers to be a hugely important one. Since the inception of the post of Gibraltar Representative in London, it has been a direct appointment by the Chief Minister. I have been very grateful for the opportunity to appoint a number of individuals to the role in the time that I have been in post.

40 Most recently, the post was discharged for 10 years by Mr Dominique Searle. His tenure could not have been more challenging, and I have thanked and thank him again for the work that he did in that time. Dominique ended his work just before the summer break but continues to support us as we transition to new leadership in London.

I am now delighted to announce my new appointee to the post, who I know will enjoy the support of the whole House and the whole community. I am very pleased to announce that I today designate Jonathan Scott, until now of GBC, to be Gibraltar's UK Representative and Head of Gibraltar House in London. Jonathan has informed the Acting Chief Executive of GBC some days ago when his discussions with the Chief Secretary on terms and conditions were substantially finalised.

50 This morning, he has informed all of his long-standing colleagues at GBC. Having spent almost 20 years at Gibraltar Broadcasting Corporation, the last 12 as a senior journalist in the newsroom, Jonathan has a deep understanding of Gibraltar's community and its political relationship with the United Kingdom. These are the qualities we are looking for in sending a person to London who can be the voice of the Government and the people of Gibraltar before Westminster, Whitehall and the Diplomatic Core in London.

Many will recognise Jonathan as the foundational face and voice, indeed now the face because radio is not just over the airwaves to be heard but also to be watched, of Gibraltar today, GBC's flagship radio on TV news and current affairs programme. More generally, he has been at the heart of the public broadcaster's coverage of the biggest news stories affecting Gibraltar in recent years, including General Election coverage, the Brexit and Abortion Referenda, the Covid pandemic and the treaty announcement in Brussels. Before Gibraltar today, Jonathan was the face of Viewpoint for many years also.

60 He has calmly and responsibly helped the community understand what is happening, earning a reputation for fairness across the political divide, which I suppose, Madam Speaker, is code for getting under the skin of all sides equally and without distinction, fear or favour. In setting out to appoint a UK representative, I have been looking for someone who enjoys respect across the political divide in Gibraltar and who will similarly be able to engender respect across the political divide in Westminster. Someone who can build relationships with British Members of the Parliament and of the House of Lords, who can help me continue to nurture and then perhaps most importantly transition and hand over the relationship with the British Government, in particular the Foreign Office.

Someone who can get along with people from all Overseas Territories and who can build trust and friendships with ambassadors of all other nations represented in London. In these modern times, I was also looking for someone who can communicate our message using modern technology, and that was no easy search. For that reason, we have had a short interregnum between Mr Searle stepping down and this designation.

75 I believe I found the right person in Jonathan, given that he is a talented communicator whose work for GBC has made him someone the community and the Government respects and trusts. I am confident he will bring great value to this role, continuing to serve the people of Gibraltar with sensitivity, creativity and energy. Madam Speaker, we have never been closer to the UK.

80 Both Governments worked hand in glove to deliver the Treaty Agreement with the EU in June. As we build on that relationship further still, the work of our London office will remain as

important as ever. Appointing Jonathan to the role will help me to ensure that the person representing my position in London genuinely understands the big and small key aspects of the politics we want to see implemented as part of the relationship.

This is therefore, in great measure, a seminal moment. We are about to finalise the text of a Treaty for consideration by the Cabinet, and thereafter, if the Government approves it, this Parliament. The ratification of the Treaty in the UK, at the request of this Parliament, should we so request, and the implementation of the Treaty, if it is ratified, will require us to work more closely than ever with King Charles Street and ministerial and official colleagues in London.

That work will be the key aspect of Jonathan's role, as well as the communication of all aspects of that to our many supporters and few detractors in the UK Parliament. I therefore thank Jonathan for taking up this role. It will not be easy.

But Gibraltar grows when Gibraltarians stretch themselves and step out of their comfort zones to serve our nation. I have no doubt that staying at GBC would be easier than moving to London for Jonathan. Jonathan will take up the post in coming weeks and will spend his time between London and Gibraltar, where his family will continue to reside.

So, I also want to thank his family for the changes that they will endure as a result. I, perhaps more than most, together with all Members of the Government, appreciate how serving Gibraltar affects those around us, and I am therefore sure I speak for all Government Members of this House in that respect. Madam Speaker, I have no doubt that the appointment of Jonathan is an excellent one, although I am also clear that I am undressing one saint in order to dress another, as we would say colloquially in Spanish.

So, I know our gain is GBC's loss, and we will of course all want to see the national broadcaster fill Jonathan's shoes properly, however hard that will be. Madam Speaker, additionally, today I am pleased to say that Tyrone Duarte, who has done a magnificent job in the time that he has been Deputy Head of Gibraltar House and Acting Head since Mr Searle retired, will now also step up to take a new and more executive role in our office in London. Ironically, Madam Speaker, overnight Tyrone Duarte has been hosting the Gibraltar Government's reception at the Scottish National Party's conference in Scotland and has been holding talks with the First Minister of Scotland.

Madam Speaker, Tyrone Duarte will become Executive Director of Gibraltar House and Head of Geostrategic Advice. In that role, he will continue to advise me, the Deputy Chief Minister, Ministers, the Chief Secretary and other Senior Officials, and not least of which will be the UK and Brussels representatives. Tyrone is also well known in London on the Westminster diplomatic and FCDO circuit.

His highly distinguished military career is a testament in itself to Gibraltarian's loyalty to the Crown and speaks for itself, gaining him credibility and respect amongst all he deals with, especially those with a background in the armed forces. I thank Tyrone for his dedication and support in the most difficult moments of the past fraught decade. That has always been as much personal as it has been political and professional.

I look forward to continuing working with him and with Jonathan in the period that I will remain as Chief Minister before the next General Election.

Hon. Dr K Azopardi: Madam Speaker, with your leave, can I just say three things on the statement. First of all, may I thank the Chief Minister for giving me advanced notice of the statement which he has just made. I wanted to thank Dominique Searle, at least for Members on this side of the House, associating myself with some of the remarks that the Chief Minister has made for Dominique Searle's work for Gibraltar over the last 10 years. When I read the line, I could hardly believe it had been 10 years already. I have to say I had to read it again.

I think I inscribed WOW next to the line because of the passage of time. Secondly, Gibraltar and GBC lose a consummate journalist and professional at GBC. But while it will be GBC's loss, I hope it will be Gibraltar's gain.

Certainly, on this side of the House, we see Jonathan Scott as a very dedicated professional, someone who has for many years proven his worth at GBC and a very intelligent and capable

individual. I hope he will fulfil his role in an excellent way for the Government of Gibraltar in this important time and indeed going forward. On Tyrone Duarte, may I also say that we look forward to seeing his new role develop and wish him all the best in his role.

I am not sure that I took from the statement precise timings of when these roles would take place. So, I am not sure the Chief Minister can indicate when the roles will in fact happen.

Hon. Chief Minister: Madam Speaker, I am grateful for the hon. Gentleman's remarks about the appointment we are making of Jonathan Scott and the work being done by Tyrone Duarte. Indeed, a decade is a very, very, very long time in politics. A decade and a half is particularly long.

But in terms of the appointment, I've said designate because Jonathan Scott is giving notice to GBC. There are, of course, important periods to be worked out there. After today's announcement, of course, it is very likely he is not going to be taking a frontline role and interviewing him or me, I am sure.

But there will be mechanics that have to be worked out. The Chief Secretary and Mr. Scott have already been able to hammer out, I think, most if not all of the terms of the contract. And I would therefore expect that we will see Mr. Scott taking up the role as soon as possible in coming weeks. With Mr. Duarte, I expect the change of role to be sooner than that. It is just a question of finalising slight changes to the job description.

COMMUNICATIONS FROM THE CHAIR

Madam Speaker: All right. Before I invite the Hon. the Chief Minister to continue with the debate, I just wanted to say a short few words. This session of Parliament commenced on Tuesday, the 23rd of September with a suspension of Standing Orders to allow for a motion to be moved.

As of today's date, Parliament continues to deal with that motion. On Thursday, the 2nd of October, the Opposition issued a press release commenting on the debate. The story was carried by GBC News on the same date and by the Chronicle on Friday, the 3rd of October.

Let me begin by saying clearly that it is not improper for the Opposition to issue press releases during a parliamentary debate. That said, any press releases must be done responsibly and in a way which does not interfere with the integrity of the debate. There is one particular aspect of what the Hon. the Leader of the Opposition has said and has been reported as saying that gives me cause for concern.

In their press release, the GSD called for a proper debate on the Principal Auditor's report and stated that *in no other sophisticated Parliament would this manipulation of the calendar be possible*. On the same date, GBC carried a story in which it reported that *Mr Azopardi accuses the Government of manipulating the parliamentary calendar* and that, according to Mr Azopardi, *no other mature Parliament would allow this*. I have discussed this with the Hon. the Leader of the Opposition, who assures me that he has been misquoted by GBC and that is not what he said.

I accept the Hon. the Leader of the Opposition's word unequivocally and would respectfully remind GBC of the importance of quoting accurately in their reports. Returning to the press release, calls for a proper debate on the grounds that this debate is one-sided gives the impression that Parliament is allowing a debate which is improper. That is not so.

As all hon. Members know, every debate starts with the mover speaking on the motion they are presenting. Parliament allows them the time they require to speak on it. That is the stage we are at in this debate.

When the mover has finished, the Opposition, normally beginning with the Leader of the Opposition, if the mover has been the Chief Minister, will reply. They will have as long as they require to make their reply. Thereafter, any other hon. Member from either side who wishes to speak may do so.

To imply that Parliament is not allowing a proper debate or that the debate is one-sided because we have only heard from its mover is incorrect and casts improper aspersions on Parliament. Comments that in no other sophisticated Parliament would manipulation of the calendar be possible may give an erroneous impression. The parliamentary calendar has always been set by the Leader of the House to accord with Government business.

As Members well know, Parliament does not set the calendar. hon. Members may advocate parliamentary reform but may not imply that Parliament does not conduct its business properly. In the lively political arena, criticism of the other side is permissible, but criticism of the conduct of Parliament is not.

I do not ignore that these comments were made outside Parliament, but if made by Members of this Parliament, all Members owe a duty to uphold the integrity of Parliament. Imputations which may impact upon the integrity of Parliament derogate from the legislature and must be avoided.

We will now proceed with the motion. The Hon. the Leader of the Opposition. Sorry, The Hon. Chief Minister.

GOVERNMENT MOTIONS

Hon. Chief Minister: Thank you, Madam Speaker. I was not going to fall for that one and I will not be doing that job again. I will hang on to the record of being the person who did it for the shortest period in our history.

Madam Speaker, before I turn to where I was on the motion, I feel, without knowing that you were going to make this ruling, I feel it is important for me to comment on things which have been said outside of this place since we last met to consider the issue of the motion. Those are two separate matters which have happened in that interregnum. That is, first of all, the statement which has been issued by Members opposite, which is what you have dealt with in the context of your ruling.

Second, remarks made outside of this House by Members of the Commission on Parliamentary Reform, which we call the Canepa Commission for shorthand, about the question of a Public Accounts Committee being established. Those were comments which were made to the National Broadcaster also. Madam Speaker, I will start with the statement issued by the party of Members opposite.

Madam Speaker, the statement that was issued by the GSD said that we were using the report as a pretext to say that the GSLP will pass a law to constrain the Auditor from commenting on certain issues. The quote there is:

As a pretext to say that the GSLP will pass a law to constrain the Auditor from commenting on certain issues.

It goes on to say:

That this is a self-serving lack of transparency and covering of tracks on speed. It is also just a further attempt to gag future criticism, and people are entitled to wonder why the GSLP are so nervous.

That is what the hon. Members opposite have said in a public statement outside of this place. Needless to say, Madam Speaker, the first thing that I have to reply to is that hon. Members opposite seem to have forgotten that this is a GSLP Liberal Government.

Having lost four Elections to us on the trot, one would have thought that they knew who they were losing to. But it helps to show the public, Madam Speaker, how unprepared they are, that they cannot even get right in their press releases the name of the parties that they have been facing since 1999 when Joseph Garcia was first Elected as part of the By-Election. And indeed,

Madam Speaker, on substance, the reality is that hon. Members opposite have done exactly, exactly as I predicted when we were last in Parliament and I said that we would amend our law.

It is not a good thing in politics to be predictable, Madam Speaker, in certain respects. Because if your enemy can predict exactly what you are going to do, it means one thing in local politics, it means a hell of a lot more in international politics. A hell of a lot more.

Madam Speaker, as I told the House when I last addressed it in respect of the amendment that we are committed to bringing, it would be one to equate the law of Gibraltar on public audit practise with the law of the United Kingdom on public audit practise, at least in relation to explicit references to non-opining on matters of policy. In fact, as I already said, that is already the law in Gibraltar as a matter of common law. We do not need to change the law.

That is the position in common law. But, given that it appears that the position in common law has not been sufficiently clear, we will have to do as the United Kingdom has done, not Eleutheria, a notional country that might not be committed to principles of transparency, but the United Kingdom. And all we would be doing is making Gibraltar law exactly the same as the UK law in that respect, which is ironically exactly the same model that the former Principal Auditor and author of the report has been asking us to pursue.

That is the modernisation. But of course, when I say it, what happens? When I say that we are going to change our law to the modern UK standard in a particular respect, Members opposite, exactly as I predicted they would, lash out at us and clearly without thinking, which is hugely dangerous in politics not to think your steps and your positions through, they accuse us, and this is another quote:

of a self-serving lack of transparency and covering of tracks on speed, and of a further attempt to gag future criticism.

Madam Speaker, I guess that is what they think of modernisation, and that is what they think of the UK law. I have already read on a number of occasions the 1983 UK statute and the standards that apply.

I am not going to read them again. That is what I said we were going to do in Gibraltar, apply the UK standards. What do they tell us?

That that is an attempt to gag future criticism. When they have also told us that they support the former Principal Auditor's call for us to modernise our law, and he has asked us to make that law. It is just nonsensical Madam Speaker, and the nonsense now is not in the report, the nonsense is in the statement that hon. Members made after the last session of the House.

Because that criticism cannot be serious Madam Speaker, if what we are proposing is moving on this particular issue to the UK standard, which is in any event our implicit common law standard. And if a lay person got that wrong Madam Speaker, or believes such an argument, well so be it. But for one of his Majesty's Council for Gibraltar to advance this argument is frankly facile.

It is impossible to reconcile with logic. But if that were not enough, the Leader of the Opposition is reported to have said:

The GSLP Government has presided over waste and abuse.

Again, not the GSLP Liberal Government, the GSLP Government has presided over waste and abuse.

I guess he is still trying to win the 1996 General Election, which is the only one that he was able to win apart from 2000, when he was part of a team that was facing the GSLP and not the GSLP Liberals. Well Madam Speaker, perhaps from a first reading of the report, hon. Members might want to talk about waste and abuse, but is he seriously going to ignore all the work that we have done and I've reported to this House, to rein in waste and abuse like on Gibraltar Industrial Cleaners? Which I've already talked about in this House at question time, and I've talked about during the budget, and I've talked about in the context of this debate.

Is he really going to act like the author of the report has done in some respects, and turn a Nelsonian blind eye to all the actions that we have taken to reverse that? And then Madam Speaker, in his statement to talk about alleged favouritism and cronyism, which clearly is a reference to matters on ex-gratia payments, the Hon. Leader of the Opposition has shown, actually he is not interested in hearing the explanations I am advancing to the House. He is not.

He thinks the debate is taking too long, because he is not interested in it, because he does not want to hear what we have to say. He is, Madam Speaker, casting himself in his press release, as a prosecutor who wants the jury only to listen to the indictment, and not consider the defence. And it is remarkable, Madam Speaker, that he is joined, or rather, not that he is joined, that he is joining, because he is really no leader, Madam Speaker.

He is joining many other lawyers who make public comment on political matters in that respect. They all seem to want the public only to listen to the political charges laid against us in the report. Full stop.

They are not interested in any balanced assessment by the public, once all of the facts are in the public domain. That is why the report is manna from heaven for them, because it is a detailed, however fatally flawed, indictment on which they wish to build all of their arguments. But like all castles built on sand, they will be shown to have been built on anything but the strongest foundations.

Indeed, the hon. Member's opposite statement goes on to say that we are trashing the Auditor. Trashing the Auditor. Well, in fact, Madam Speaker, it is quite something to hear that we are trashing anyone, or anything, simply because we are meticulously putting our arguments and countering those which have been trespassed against us.

What is unfair, Madam Speaker, and is not in the style of the Gibraltarian, is to suggest that it is acceptable for individuals, Senior Civil Servants, politicians and others, to have their reputations trashed based on erroneous facts. And that that should be it. And what is doubly unfair is that when one stands up to say, hang on, these facts are wrong.

Lawyers, Madam Speaker, those who should be defending the principles of natural justice, are the first ones to say, let us not listen to the defence. Let us just run with the indictment. Let us convict upon the indictment.

It is remarkable to read such nonsense coming from the Hon. Leader of the Opposition, Madam Speaker. Let alone others who pretend to be all about the rule of law. Those who pretend to be all about natural justice and defending the underdog, when all they ever wanted to do over the summer months was to have an Inquisition-style lynching of the Government, Senior Civil Servants and some individuals.

But what a way to try to win power, Madam Speaker. And even that does not work. So, it does not seem to work for him.

And then, Madam Speaker, in the same statement one has to endure a reference to grandiose motorcades as a veiled attempt to take a swipe at all Chief Ministers, theirs included, because we took four used cars to take us to the *Mancomunidad* event. That is what it was. There were no new cars -Four used cars.

Well, Madam Speaker, that was just the Leader of the Opposition putting into his press release on the motion a reference to his tweet on the subject matter of our conveyance to the *Mancomunidad* event. He said it would not happen if he were Chief Minister.

Well, I think that is probably right, Madam Speaker. First of all, because he was not and will not be Chief Minister and certainly will not be to celebrate the *Mancomunidad's* 40th anniversary. That has already happened.

And I bet my bottom dollar he will not be Chief Minister when they celebrate the 50th. But if he were to become Chief Minister, what would he do? What would he do?

Again, he has not thought through what he is going to say. He is seen something on Facebook which seems to be popular, and he wants to get on it and ride that. He would not use the Government fleet to convey the former Chief Ministers.

Because all of these cars that he is referring to, Madam Speaker, are in the Government fleet. Would he leave the cars in the Government fleet and rent other cars? Would he buy other cars just to go to the *Mancomunidad*?

340 Or Madam Speaker, perhaps because it might, in his mind, be slightly cheaper, he'd get us all a radio taxi from the Linea. Is that what he would propose? Or, on the bus, as they seem to be suggesting, they take us on the *Portillo* from Gibraltar to the *Mancomunidad* event.

That is Kieth Azopardi's Gibraltar. That is what their press release on the subject of this motion, Madam Speaker, brought into play. That that would be how they would act.

345 To convey Chief Ministers without security and without support to a *Mancomunidad* event. What a good thing that it would not happen under him as Chief Minister because he is not Chief Minister.

Madam Speaker: I urge the Chief Minister to talk on the motion and not on the GSD statements because otherwise we are going to be here far too long. Could I urge the Hon. Chief Minister to speak on the motion?

Hon. Chief Minister: I will move on in a moment. I might just appeal the House one fact, which goes to the question of cost.

Although, of course, in their public statement, hon. Members mixed the motion with this issue too. The number plates for that motorcade cost £1.

355 I will show you the receipt if you like. The printing of the number plate cost £35.

So, three vehicles cost £36, Madam Speaker. One number plate, £1, and the printing of the number plate, £35, Madam Speaker. That is what all the fuss is about.

That is what all the fuss is about. And Madam Speaker, finally on that point, if I can finish there, all I would say to the hon. Gentleman is that he has to remember that the only one of us in this Chamber who voted to move from a Honda Civic G1 to a Jaguar Sovereign XJ extended long wheelbase was him, when he was in Government. And he voted the money to go to a longer and bigger G1.

360 So, so much for it will not happen if I am Chief Minister. Madam Speaker, what hon. Members' statements continue to say about the motion is that we are taking... that they do not like this mechanism that we are pursuing that you have reminded the House is perfectly proper.

And what is it that they do not like about the way that we are dealing with this motion? That we are taking our time to meticulously and respectfully and in keeping with Parliamentary Rules of Address properly challenge the things that are improperly and erroneously said about us. That is what they do not like.

370 Because I suppose what they do not want is for us to counter all the things that have been said about us. That is the only way that the Hon. Leader of the Opposition can justify saying that there is evidence of conflicts of interest in public contracts and payments. Obviously, only by ignoring everything that we have said about Wildlife Limited, which is the contract in question in that respect.

375 Or challenging it, which he might do when he replies. And if he challenges it, Madam Speaker, well, I would be very interested to see what the challenge is. How he suggests that the things that we have told the House about it being a not-for-profit company with all of the money being ploughed back into the gardens, how that gives rise to a conflict of interest.

380 And they call that, Madam Speaker, they call this debate a one-sided, slow, drip-fed monologue. Well, what is in that case fair about the report in the parts that we have shown and will show are just a one-sided monologue by the author of the report, which ignores the arguments put to him and did not give time for arguments to be replied to when he sent requests for information late. And what about the reporting of the report in the media, which was done by the press, and we make absolutely no complaint about this, Madam Speaker, in a slow, drip-fed way.

385 Because that is how journalists and bloggers do their job. It is a huge report. They could not report it on one day.

These matters are complex. It is right that the issues in the report should be drawn out, the media pick them out individually and report them individually. And that individual reporting of items was done over different days, over many weeks, spanning a couple of months in the hot summer months.

There is nothing wrong with that. Every bit of the unfair, as we see it, poison in the report was reported over a lengthy period of time. Poison, Madam Speaker.

P-O-I You got it, no? Why poison, Madam Speaker?

Because when things are set out contrary to the facts given to an Auditor, when an Auditor writes on the day before he finishes and says, please can I have a reply, and then in his report 24 hours later says, it is scandalous I have not had a reply to my 8-page letter sent after the close of business on the last day I was there, it is impossible to interpret it objectively in any different way. So, highlight the word and keep it for your reply. And in any event, Madam Speaker, if we are now slowly replying in the same way that the media reported to ensure meticulous breakdown and understanding of the reality, what is wrong with that?

Other than, of course, hon. Members not wanting people to hear the meticulous reply. It is not as if the debate is getting in the way of any urgent Parliamentary Business. First of all, we can suspend standing orders if we have to.

Second, hon. Members from the GSD are not seriously going to tell us that we should have more meetings for questions. Because they used to have one meeting a year in some years. Two.

Three at the most. And they've already had many more than that. So why is it unfair for us to give the public chapter and verse of our defence as methodically and meticulously as the biased, erroneous, ultra-vires indictment against us, which is this report, was drip-fed to the public against us?

Of course, the fact is that this has become a very uncomfortable motion for hon. Members opposite. Because what was, in their view at least, a very clear and damning indictment is being seen slowly, perhaps, not to be as clear-cut. But what I can assure the Hon. Leader of the Opposition of is that the Government intends to continue taking this motion in this way until we have dealt with all relevant issues.

And that we will do so even if that means that hon. Members have to be here instead of at their desks doing their other day jobs. Because they were elected by the people to be here, and if they do not want to be here, they can resign their seats. Because we all stand for Election to be Members of the Parliament.

And it is very strange indeed to hear them complain that we are asking them to come to Parliament too much. Well, Madam Speaker, that is what they are elected to do, to come to Parliament. So, one would have thought that they want to come to Parliament.

Except, of course, it appears that they just want to come to Parliament to hear their own voices, not to hear anybody else's. That is not what Parliament is about. What they are uncomfortable with is that we are turning the jaundiced view around, Madam Speaker.

What they are uncomfortable with is that their attempts to manipulate the public narrative are being turned on their head. And what they can see is that they no longer have the hope of dominating the press and selling the public a one-sided view of things, as they did in the summer, when they tried to do maximum damage using the jaundiced instrument that is the report. But Madam Speaker, the most remarkable part of the statement from hon. Members opposite was the reference to them setting out their own explanations to people.

Because we were told that when they do, in the context of this debate, the public will see even more clearly how much of a nonsense the last few days have been. And the Hon. Leader of the Opposition is reaffirming himself in that position. In other words, the explanations that they will give to people.

Well, that is frankly incredible, Madam Speaker. It is absolutely incredible. Because this motion is not about them.

I am replying to their statement now. But this motion is not about them. What explanations are they called upon to give us?

440 What part of the report have they written that they need to explain? This is not their report.
Or is it, Madam Speaker?

What explanations, therefore, are they going to give if they are not the authors of the report? They might give interpretations, but they cannot give explanations. The Government can give explanations because the report talks about things the Government has done or not done, given
445 or not given to the author of the report.

But how can the Opposition give explanations about the report? It is absolutely remarkable. That is in their statement.

Or is it that the Leader of the Opposition, when he writes statements about things happening in this House, does not think through the words that he is using? Because as one of His Majesty's
450 Councillors for Gibraltar, what we all do is think about the words that we use. No, I will not give way.

I am not misleading Parliament. I will not give way, Madam Speaker. How are they, how are Members of the Opposition, going to give an explanation of how you were written to at quarter past eight in the evening on the Saturday before the former Principal Auditor ended at midnight
455 in his role and explain that it was proper to say that he has not received a reply to that letter?

How are the Opposition going to explain that the Head of the Department of the Environment received a communication, an eight-page communication, I think from memory, at quarter past four after the close of business on the last working day of the former Principal Auditor and that the report says that it is terrible that he did not have a reply to? How are the Opposition going to
460 reply or explain that? How can explanations be forthcoming from the Opposition about a report that they have not authored?

They can give interpretations, of course. Everyone can give interpretations, but not explanations. Madam Speaker, that would suggest, their words would suggest, an element of collusion with the author of the report, which I am not alleging, but I am asking about as a result
465 of the hon. Gentleman's public statement about provision of explanations.

So, the hon. Gentleman's public statements give rise to more questions than they answer. Anyway, it is remarkable that a Leader of the Opposition, in a sophisticated Parliament like this one, in a sophisticated democratic society like Gibraltar, and there are few societies as democratically sophisticated as Gibraltar, because here, everybody understands everything,
470 should think that he can get away with saying that he is going to provide explanations about the report. And then Madam Speaker, the National Broadcaster also sought statements from members of the Commission on Parliamentary Reform, the Canepa Commission, about their views on the Public Accounts Committee.

I have spoken to the Chairman of that review, former Chief Minister Adolfo Canepa, last week,
475 and he confirms to me that he remains of the view that he set out in that Commission. Not surprisingly, Madam Speaker, given that he is a person who, alongside the Father of the House, I think is the only qualified person to tell us about what happens when there is a Public Accounts Committee. He was a Minister when there was one, but surprisingly, GBC do not appear to have called Mr Canepa to ask him his views about a Public Accounts Committee and whether he has
480 changed his views, although I have.

GBC have reached out to two members of the Commission, who I think, ironically, had already commented on social media, and asked them for their views. Ironically, those two individuals who gave their comments are the two members of the Commission who had never been elected to this Parliament, despite many efforts to be elected. But we do have the updated views, therefore,
485 of Mr Gomez and Mr Vasquez KC.

Mr Gomez is quoted by GBC as saying that he had, and this is a quote:

That had he imagined then the Government would so brazenly use networks of opaque companies to keep hundreds of millions of pounds out of the purview of Parliament, he would not only have insisted a Public Accounts Committee
490 be formed, but it should be empowered to subpoena Ministers to attend and provide full disclosure on oath.

This is really quite a remarkable quote, Madam Speaker. You see, the network of companies is no more opaque now than it was in 2011. In fact, now, the accounts of all the companies are published when before they were not.

495 Additionally, it was always our position that we would continue to use Government companies. We have never pretended on being elected that we would stop using Government companies for anything. It was only ever Members opposite that pretended in 1996 that they would undo what they had called the web of companies, only to instead increase the number of companies in the web, and pass laws requiring them to publish accounts and not publish accounts.

500 So, Mr Gomez's view appears to be at odds with everything that was said and has actually happened since 2011. But the thing that is even more surprising is that Mr Gomez is referring to the spending of millions of pounds without at least wanting to highlight that more than one million has been spent on him and his firm in that time. In fact...

505 **Madam Speaker:** I am going to have to interrupt the Hon. Chief Minister and ask him to speak to the question because we are deviating.

Hon. Chief Minister: I am, Madam Speaker. I am speaking to the question of the Public Accounts Committee. I referred the Parliament when I was introducing the issue of the Public Accounts Committee to the findings of the Canepa Commission on Parliamentary Reform and I quoted what Mr Gomez, Mr Vasquez and the rest had said.

510 They have now said that they no longer hold that position. That is why I have to, on the record, deal with what they have said. Otherwise, the record would be incomplete.

 I would crave your indulgence Madam Speaker and to set all this in context. Madam Speaker, until we had the Referendum on Abortion at the beginning of the McGrail Inquiry, Mr Gomez often acted for the Government. That had not been the case under the former Administration when the
515 Hon. Leader of the Opposition was a Minister.

 In that period Charles Gomez's legal fees excluding legal aid charges which come from the Consolidated Fund are as follows: In the year we were Elected we were only in Government for a quarter of the financial year. In Financial Year 2011-2012, £5,000; In Financial Year 2012-2013, £19,134; In Financial Year 2013-2014, £62,125; In Financial Year 2014-2015, £68,904; In Financial
520 Year 2015-2016, £292,860; In Financial Year 2016-2017, £35,635; In Financial Year 2017-2018, £98,446; and in Financial Year 2018-2019, £9,046.

 Madam Speaker, that is a total between Financial Years 2011-2012 to 2018-2019 of £591,150. And since then, in monies paid in respect of the McGrail Inquiry, not for the fees of external counsel but for the account of Gomez and Co for their work, £607,585.

525 Those are the figures I have from the Treasury, Madam Speaker. Roughly £1.2 million for the legal work done for the Government until 2018-2019 and the Enquiry since then. Not bad, Madam Speaker, for somebody's firm who says that we are wasting taxpayers' money and that we should take an oath to explain where the money is going. Which is what he told GBC. Well, Madam Speaker, well I swear by Almighty God that the information I've given is the information I've been
530 given by the Treasury.

 If some of the sums are disbursements, I do not have that information. He might have them. But that shows, Madam Speaker, that Mr Gomez is hardly one of those who can say that he has seen this Government spend money but has not been the recipient of it himself.

535 He does not appear to think that we are profligate in our spending when we are spending it on him. But Gibraltar's a small place. We all know each other, Madam Speaker.

 We all know that after the Abortion Referendum, Mr Gomez broke with us ideologically and that he now hates everything that we do. But that is fine. That is what democracy is absolutely all about.

540 But what hypocrisy is all about is about saying someone is spending too much in the wrong way and forgetting to mention that some of what is being spent is being spent on you. I now await the howls that will come and the claims of how much of an opaque dictator I am for having the temerity to refer to the House these facts which are already published on the Government

website. But turning now to Mr Vasquez KC, and how he has changed his position, I have to say I take a different view.

545 Mr Vasquez has enjoyed, Madam Speaker, my fulsome support since the days that he set out to become Leader of the Bar, despite not being one of Her Majesty's Council at the time. He is contrary and consistent in his criticism of everything, in particular our system of Government and Parliament. I have no issue with him taking his positions, his blogs, or anything.

550 That is what democracy is about. I may strongly disagree with him on some and strongly agree with him on others. I obviously disagree with some of his current political positions, not least about me.

555 But Robert has been consistent in taking positions on democratic governance. And he is as consistent on that, Madam Speaker, as he is sometimes on changing his mind, which he is honest and transparent about. And in his statement of change of position he has given credence to himself because he says that under the GSLP Liberals he at least knows who the parties in Government are, quite unlike hon. Members opposite.

And this is a quote:

560 Secret Government continues with companies being used to hide public finances.

When he says that he is acknowledging that the thing he is criticising as secret is continuing. That is to say, it was also the position under the GSD.

So, he is not criticising us for doing something, he is criticising us for continuing to do something. We do not originate it. But at least his position is consistent.

565 Although he does not say that at least we have filed and published the accounts of the companies. And of course, Madam Speaker, as many will know, Mr Vasquez had a bad turn last week. He is now out of hospital, and I wish him very well from his illness so that he can continue to blog out at his heart's content mostly unfairly at us, but never mind.

570 Madam Speaker, moving now on to the next question that I was going to address on the motion and having dealt with those two things that happened outside of the House. I want to return more directly to what I was dealing with before the adjournment. To recap, when I started my address on the motion, I set out the constitutional provisions that apply to the appointment, remuneration and functions of the Auditor.

575 I then went through the relevant constitutional, statutory and case law applicable to the holder of that important post in his report. I then reviewed the relevant rules of professional standards applicable to Auditors in general and to Public Auditors in particular. And then I went on to deal with issues relating to the savings bank, etc.

580 Then, with all of the other matters I have dealt with, moving to starting to deal with the issue of ex-gratia payments, which is where I am now. Madam Speaker, the first thing that I will have to do in dealing with this aspect of this matter is to explain what ex-gratia means, obviously. Because it would appear that the author of the report does not understand that.

585 The literal definition of ex-gratia is as a matter of or out of grace or as a favour. It comes from the Latin where ex means from, and gratia means grace or favour. In legal and financial context, an ex-gratia payment is one made voluntarily without legal obligation and without admitting liability.

590 In common use, the dictionary definition of ex-gratia payment is a sum of money given by a government, company or institution to someone who has suffered loss or harm, not because they are legally entitled to it, but as a gesture of goodwill. That is the mechanism by which lawyers advise that claims should be settled, even in cases where you might be found liable for something. So, even if you are likely to be condemned tomorrow in the court that you did do something, if you do a deal today to pay, you do it on the basis that you do not admit liability and you pay ex-gratia.

Because otherwise, if you were paying on the basis of liability, you would not be paying ex-gratia. Now, the reason why I've had to go through that, Madam Speaker, is because when you

595 look at the report, it appears that that is not understood as a basic concept. Indeed, in relation to one particular ex-gratia payment, the suggestion in the report is explicitly that the case should have proceeded to court, based on the author's analysis of the claim form.

Really, something quite remarkable. Not least, Madam Speaker, because the author of the report is not legally qualified, and it is not clear he is taken legal advice before purporting to give legal advice to the Government in the report. Which I think, Madam Speaker, under the old law, would be an offence.

But before I turn to analyse any of the individual ex-gratia payments cited in the report, I want to say one thing. I fully understand why so many in our community might have felt personally affronted by some of the payments referred to in the report. In fact, if what the report had set out was accurate and complete, I might have agreed with how some people felt.

But the affront that has been felt by many arises directly from the manner in which the report has been presenting such data. I am unable to judge whether this was a deliberate or careless failure. Both or either are just as bad reasons for the failure to present information fully and properly.

Because for all of the reasons I will now take the House through, the report is incomplete and therefore entirely misleading in its presentation in relation to the ex-gratia payments. And that is why it was a jaundiced view that creates impressions and reaches conclusions that are entirely unfair and erroneous. The report invites the reader, which is to say, the citizen or the Member of Parliament to reach conclusions which are equally unfair and erroneous about the Government's funding of these payments and about the recipients of the payments.

Indeed, Madam Speaker, in its review of the ex-gratia payments in respect to the Public Service, the report is highly critical of all amounts set out. It notes that a total of £11.08 million in ex-gratia payments were made during the six-year period of 2018 to 2024. Of these payments, 91.2% were in relation to settlements, compensation and damages, of which pension related payments were £5.52 million, representing 49.8% of all ex-gratia payments made, followed by employment related payments of £1.65 million and personal settlements of £1.95 million. The report states that this level of ex-gratia payments is too high. In this respect, the author states as follows, and this is I think at 5.2 or so:

I consider the level of ex-gratia payments made during the six-year period April 2018 to March 2024, amounting to £11.08 million and £2.17 million paid from April 2024 to May 2025 to be excessive and in many cases unwarranted.

But actually, Madam Speaker, if you break it down, it amounts to £1.9 million a year, which does not appear to be excessive. If you look at the figure for 2011-2012, in fact, Madam Speaker, if you remove the £3.61 million of the Gibtelecom settlement, which is not criticised by the author, the figure goes down to £8.2 million over the six financial years, which is £1.36 million a year. Again, in a service that costs approximately £650 million a year, that is a modest dispute resolution sum across the board.

You are spending £650 million a year, and of that £650 million, £1.36 million is settlements. Settlements of damages claims, settlements of pensions claim, severance agreements, etc. But of course, the report does not break it down in this way.

The report just wants the headline figure of £11.8 million over six years. And then the report goes on as follows, and this is a quote:

In the absence of justifiable explanations, of which there are many, it is my opinion that there was no obligation for Government to pay most of the ex-gratia payments highlighted. In particular, the voluntary separation agreements and severance termination payments paid to retiring officers, which can effectively be considered golden handshakes.

The author of the report seems to be against golden handshakes, but not against his, I assume. Of course, Madam Speaker, there are perfectly justifiable explanations and details behind all of the payments, all of them, so it is wrong to start by saying in the absence of justifiable

explanations, because there are for each of them. And the idea that there was no obligation for the Government to pay the ex-gratia payments highlighted is remarkable.

650 Of course there was not. That is why there are ex-gratia payments. If there is a judgement in court and you pay £500,000, that is not an ex-gratia payment, that is a payment under an order of the court.

If you settle and you pay £260,000 before you get to court, you save a quarter of a million, but you pay it excretion without an obligation to pay it in court. That is why I've had to do the analysis, 655 because it is remarkable to read in an Auditor's report that there was no obligation to make the excretion payments. Of course, it is a non sequitur to say that.

If there was an obligation to pay the sums, it comes under a completely different head. But of course, the sum would be higher, because if you take these claims to court, when you've got £11.08 million, you might end up paying £20 million over the period. And the legal fees by the 660 way. So, the Government estimate is that we have actually saved upwards of 25% on all of the amounts that we have paid ex-gratia. Upwards of 25%.

Although, in fact, and I will come to it in great detail, a one payment of £260,000 to which massive amounts of opprobrium and prejudice were put in the report. We were advised that we would potentially have had to pay much more than 25% more if the matter proceeded to a 665 successful outcome in court for the claimant. So, the shock and scandal that we paid £260,000 plus £19,000 in legal fees without obligation, should be tempered by the fact that by doing so we did not have to pay nearly £400,000 or £500,000 or more.

But I will come to that case, and I will go penny by penny through the claim there, showing how wrong and illegally flawed the analysis set out in the report of that case is. And then the 670 report says this.

Without a written Government-wide policy on these types of payments, and on ex-gratia payments as a whole, I consider Government's decision to award these payments to have been unrestricted and uncontrolled.

675 That is as untrue, Madam Speaker, as it is wrong. There is nothing unrestricted or uncontrolled about it. In fact, as I've told the House, £3.65 million is paid under a manifesto commitment of the 11.08 million, 3.65 million is paid under a manifesto commitment. We went to an Election and won, on more than one occasion, because it took us time to do it, to get a mandate to settle the Gibtelecom pensions claim. So how is that evidence of anything being unrestricted or 680 uncontrolled? The author of the report might not like it, but that is the democratic mandate that we have.

And in any event, how can something be unrestricted or uncontrolled when it is subject to the control of this House? I've gone back and done the exercise that perhaps the author of the report should have done. In 2018-2019, the words ex-gratia are not mentioned in the Hansard, because 685 they did not ask in the Committee Stage of Third Reading.

In Financial Year 2019-2020, my friend now left this House, Mr Trevor Hammond, the Hon. Trevor Hammond at the time, asked us about this question of having just a £1,000 line in. Because the one thing that the Auditor says is it is uncontrolled and unrestrained because you just have a 690 £1,000 line in:

I believe that this will be facilitated to a certain extent by the departure to allocate an Approved Budget sum at the beginning of the Financial Year with only a token sum of £1,000 as the estimated expenditure in ex-gratia payments for the year.

695 He says it is uncontrolled because of that. But does the Principal Auditor, the former Principal Auditor as author of the report not check what is said in this House? Because in 2019-2020, we are asked by Mr Hammond, Mr Chairman, in the Committee Stage and Third Reading of the Appropriation Bill, the Committee Stage, with Mr Farrell in the Chair,

700 Mr Chairman, based on the principle just described, I presume it has not been applied to line 14, where we have consistently seen actual or forecast payments of over half a million pounds, and yet only a nominal figure resides in the estimates column of £1,000.

That is the ex-gratia line. And I reply,

705 Yes, Mr Chairman, it has been applied. It has been applied also to the one above, contract officers, where you will see that figure goes from 95 to 89 and then down to 41.

710 Because the principle of an ex-gratia payment is that although you may see that you have consistently been paying about half a million, the very principle of an ex-gratia payment should suggest that you do not know what you are going to have to make it. And therefore, what we have decided is that as a matter of principle that has to be led by things that may happen and not be led by the idea that just because we have had half a million of ex-gratia payments, more or less in the past we should allow the line to be infected in that way.

715 And hon. Members can read the rest of what we discussed in the Hansard, which explains why we were going with a £1,000 Head for ex-gratia.

In Financial Year 2019-2021, they did not ask anything about ex-gratia. In July 2022, they did not ask about ex-gratia. Those are the payments that the Auditor is complaining about.

720 They had them before them in this house. They looked at them in the line, and they did not ask about them. On the 18th of July 2023, at the Committee Stage again, the Hon. Mr Azopardi says,

725 Mr Chairman, can I also ask you on 22, I am not sure if this is in order, but the Chief Minister will say if he has the information, can you give us a bit more information on the outturn for 22-23 on ex-gratia payments, the general nature of those payments?

And I say,

730 Mr Chairman, those total nine ex-gratia payments of different amounts. They are all of them potential claims which have been settled.

The Chairman then says, because the Hon. Leader of the Opposition, who is so scandalised now, was very relaxed about the whole thing,

735 Head 2, Number 6 Convent Place, Subheads 1 and 2 Stand part of the Bill.

On the 9th of July 2024, the Hon. Leader of the Opposition raises the issue again in the Committee Stage.

740 Yes, and then can I also ask, Madam Chair, on subhead 21 of 2 ex-gratia payments, £235,000, what that payment was in the nature of, is that a collective head for small payments or is it one payment on a particular issue?

And I say, Madam Speaker, confusing you for Madam Chair, as I should have.

745 Again, this is all the ex-gratia payments that are done in respect of ex-gratia payments proper, so to speak, and there is a list of all those ex-gratia payments. Again, Madam Speaker, I cannot share that across the floor of the House, because these are ex-gratia payments subject to proceedings in some instances, but I have no difficulty with sharing a list confidentially with the hon. Gentleman.

And then he says nothing else, and then you say,

750 Head 2, Stands part of the Bill.

And on the 8th of July of this year, Madam Speaker, before the publication of the report, Miss Ladislaus says,

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Madam Chair, on page 50 of the Hansard, I am at Subhead 2, we go down to the total, £3.61 million was the Forecast Outturn this year. The estimate for last year was £3.2 million, it is £410,000 over this year. For what reason have we gone back down to the estimate of £3.2 million?

760 And Mr Bruzon, the Hon. Mr Bruzon says,

Madam Chair, the outturn includes ex-gratia payments for people retiring.

And then you say,

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Head 51, Stands part of the Bill.

No further questions.

So, there is a debate, there is a check. What is uncontrolled? What is unrestrained?

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But how is it peculiar that we have a £1,000 Head? How do we know what opportunities there will be to settle claims? And hon. Members will just have read, this is GHA, it is not Government, but we will just have read that there was a statement about a settlement in a recent case with a judgement at £10 million.

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Madam Speaker, how do you put in an estimates line that potential viability? People just need to understand this and what the former Auditor has said and how frankly implausible it is. This was not a claim against the Government, against the GHA, but you would see it in the GHA line.

If you receive a claim and the claimant is claiming £15 million for example or £20 million for example and you are denying liability, do you put in your ex-gratia line which suggests you would settle £10 million or £15 million? You have to put zero. But you know you might settle because if

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the opportunity comes to settle you will settle.
So, you put £1,000 so you have the ability to pay it. And these days as the hon. Gentleman knows because the Hon. Leader of the Opposition is threatening or suing the Government for clients on a number of occasions we live in a litigious society in a litigious world. There is lots of claims against the Government.

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And some may or may not be settled this year. So, do we open a line and look at all of the potential liabilities and say we will settle them all at 50% and this is what the line should be? Or do we say £1,000?

Subject to the control of Senior Officers in the Government legal advice and the control of the Parliament which is what we have. What is it that the former Principal Auditor is suggesting in his report? It is nonsensical.

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Madam Speaker, then the report goes on to say that the former Principal Auditor the author of the report has not received information. And he said this:

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I must also highlight the enormous difficulties, obstacles and delays I have encountered during the course of this review in obtaining information and documentary evidence from the Chief Secretary from the GDC Secretary and from the Director of Personnel and Development although invariably there are at times slight delays in obtaining information necessary for an audit.

On this occasion it has been especially noticeable particularly because in the end much of the information requested has not been provided to me. I have to say that it is totally unacceptable that I have had to wait for many weeks and sometimes months in some cases for information which was required for this audit study which in many instances has not been submitted to me.

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By the way many of which do not relate to the years 2018-2019 as we all know. And then he goes on:

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This is particularly the case in regard to information requested from the Office of the Chief Secretary I never received a response for requests in respect of 11 distinct excretion payment queries and other requests made to the GDC Secretary as well.

810 I will provide the House with a breakdown to demonstrate that that is not just wrong it is unfair and untrue and that those replies have been given. I do not know what explanations the Leader of the Opposition will have for that remark once I have shown that it is untrue and wrong but given that he has told the whole of Gibraltar and is going to provide us with explanations we will see how he explains that.

815 But it is so unfair Madam Speaker and such a poisoned reference to the Chief Secretary and the GDC Secretary to refer to their cooperation with the Auditor in that way that I want to affirm the confidence the Government has in those two magnificent Public Servants and indeed given that reference in the report the House will find it remarkable indeed to read the words of the author of the report when he thanks them for bending over backwards always to help him. I will
820 bring evidence of that in direct messages between the author and those two individuals who he then goes on to criticise in the report but before I do that, which I will not do today, I just want to look at the contradiction between the reference at 6.6.4 in the same publication where the author thanks the very same Chief Secretary for their cooperation assistance and courtesy to him. It is frankly Madam Speaker schizophrenic to read what I've just told you is at 6.6.4.

825 With this, it is relevant to note that when ignoring my request for information or delaying the submission of data, these Public Officers are acting unconstitutionally against the law.

That is what he says, and then two paragraphs later he thanks them for always cooperating
830 with him. So, Madam Speaker, we roundly reject those unfair and improper criticisms of those two Senior Civil Servants and Public Servants.

Now, getting into the detail of the discretionary nature of these payments Madam Speaker by their very nature, ex-gratia payments have to be discretionary financial statements made without admitting legal liability and without any legal or contractual obligation. Ex-gratia payments are
835 used for those purposes by businesses up and down the land to resolve claims where formal litigation is undesirable. They offer a pragmatic and flexible mechanism to address grievances without having to get to court.

And trying to find a solution which is not based on the rigid formula of going through a claim form and giving the answer that the court would give after many days of litigation and much more costs, and much more risk to the defendant, Madam Speaker. That is what is the question here, that you get out of the risk of losing in court. So, when the Government decides to make an ex-gratia payment, it does so because it is obtained legal advice from the relevant legal expert, and that expert has advised us to settle to avoid uncertainty inherent in litigation and to avoid costs.

In other words, Madam Speaker, when the Government decides to make an ex-gratia payment,
845 it is because it would risk a greater financial burden if it did not make the payment. And indeed, it should be plainly obvious that in the Government's view early retirements and settlements reduce exposure to costly Employment Tribunals, disputes or long-drawn-out pensions litigation. A framework, I should also note, exists in the UK, Wales, Australia and the US to address hardship or litigation risks, and Madam Speaker, the Government will be looking at whether we can put out
850 such a framework here.

What is important is that the public should have confidence that the public policy reasons underlying the ex-gratia payments are always there, and they constitute a legitimate public finance tool. And of course, as leading counsel advising the Government has astutely advised, whether or not to make an ex-gratia payment and determine the amount of an ex-gratia payment has to be, par excellence, a matter of policy for the Government and no one else. Secondly,
855 Madam Speaker, while ex-gratia payments are not governed by a formal policy other than the common-sense principle of avoiding higher costs in a judgement or legal costs, such payments are typically approved at the highest level of Government by myself, the Chief Secretary and the Financial Secretary and usually, Madam Speaker, by all three of us together.

860 I would have thought that this centralised sign-off provides a degree of oversight and accountability that demonstrates that we are ensuring that decisions are not made without senior

scrutiny. They are not uncontrolled, and they are not unrestricted. Although I am happy to accept in this House, Madam Speaker, that this does not replace the need for a potential structured framework, but it does mitigate concerns about unchecked discretion and reinforces that these payments are not made lightly.

But you have to wonder, Madam Speaker, what would the structured framework that is being proposed say? I suppose it is a one-pager that says pay less by agreement if you can avoid paying more in court or in an Industrial Tribunal or in a claim by Unions. Settle for less if you can achieve that.

Avoid paying more legal costs if you can avoid it. Pay the employee to retire if you do not replace him and you therefore save monies going forward. It is pretty basic stuff.

It is what we have done in each of the cases. And moreover, Madam Speaker, as I will also demonstrate in great detail, the payments are not politically motivated in any way. There are examples of payments involving individuals aligned with the current Opposition, including ex-Ministers of the current Opposition.

They've received ex-gratia payments in the right circumstances because we are politicians, but we are human too. We have interactions with different parts of the Government, which can get things wrong. And we have claims.

And when claims are legitimate, it is right they should be settled without making someone go to court and incur further cost. And indeed, one of the things that the Hon. Leader of the Opposition will certainly understand, people might not understand, is that when you go to court, you also have to be ready to invest not just time and money, but a lot of emotion in it too. Because you are going to spend a lot of time preparing witness statements, going through things that have happened, going through documentation, that will not just add a huge amount of cost, a huge amount of cost, but it will add a whole lot of angst to parties too, both sides.

Because the Government will be defending what it has done, the claimant will be justifying what they have done, etc. And in some instances, where somebody is a card-carrying member of the GSD and they have a proper claim, what we have not done is say, you are on the other side, you are from the other tribe, you go through court, you take three years. We will appeal all the way to the Privy Council and make you go through hell and try and stop you from getting the money.

No, if the advice we have is that they have a claim, we have settled it, as we should, without asking to see what party political card they have, because that is not what Government is about, although that is the picture that the report tries to paint of us. And it is the picture that hon. Members have tried to paint for us, of us, in the way that they have interpreted the report outside of here. But we have done the opposite.

I wonder if they would have done the same. But we have acted properly, Madam Speaker, as our prayer every time we start suggests. Acting honourably on behalf of all of the people that we represent, whatever political card they carry.

So, if we have had to settle with somebody who is not aligned to any political party, does not even watch television news or read the Gibraltar Chronicle, we have settled with that party. If we have settled with a party that has been well known to be associated to hon. Members opposite, we have settled with that party. And if we have settled with an individual who is well known to be associated with us, we have settled with that individual looking at every penny making sure that nobody can make an allegation which has any substance to it, that we have settled with that person because they are a card-carrying member of our party in any particular amount.

That is the reality. But I will go through every penny of that settlement, Madam Speaker, to demonstrate it now. Madam Speaker but talking about the structure which the report says we should have, I've asked my officials to see whether it is possible to create such a written structure for ex-gratia payments, and we will of course consider the possibility of having that structure in place.

Another issue that is hugely important on ex-gratia payments Madam Speaker, that has been completely lost in the past three months in Gibraltar, and lost potentially forever now, and this is

a huge loss which the author of the report is solely responsible for, is confidentiality. Confidentiality is hugely important in the settlement of disputes Madam Speaker. Ex-gratia payments are by definition case specific; they are discretionary as we have said, and public disclosure of amounts can lead to copycat claims or to vitiating parts of an agreement.

It can create huge unfairness in particular in a small society. And it can create problems of manufactured claims, etc. So, privacy, confidentiality is an important part of how you deal with the settlement of claims.

Of course, now the report has been drafted in such a manner that it would be impossible not to identify who at least two of the individuals who are mentioned in this ex-gratia part are. And indeed, everybody knows who they are. Although I am not going to mention their names here.

But when you name one person by his rank and there is only one person holding that rank or you name another person in such a way that the national broadcaster can put a photograph of that person on their reports. You have completely vitiated the principle of confidentiality in settlements. And the pressures that you can create for those individuals are really, I have to say inhuman.

Improper. Unbefitting a report of this House. And we must never underestimate the damage that has been done to two individuals in particular by the improper way that this report has been fashioned to make them identifiable.

I think Madam Speaker that aspect of it together with the risk of the FATF blacklisting is what I would call the two most unforgivable aspects of the way that this report has been compiled. The consequences of which will echo for years to come on the lives of those individuals unfairly and improperly and in the way that Governments of whatever political complexion can do settlements going forward. And the confidence that people will have on the Government's ability to keep to confidentiality provisions.

Look at how careful I have been Madam Speaker in all the references I have made since we came under attack, and we had to defend ourselves about the identity of the person who was on the GSD Ministerial benches. No one can point to anything I have said that gives away who of the many people who have been GSD Ministers would be the one identifiable. And yet in what I think is a cardinal failure the report makes two individuals identifiable, and it makes them identifiable and then points at them for the sin of having been associated with us politically in the past.

We are no scarlet letter Madam Speaker. Red might be our colour but people are entitled to associate with us under the constitution. They are entitled to stand for Election with us.

They are entitled to support us and they are also entitled to have us or them deal with claims properly, objectively and fairly and settle them if they are proper claims without being held up for public approval and having their financial business spread across the front pages and the news reports. So, Madam Speaker I think there has been a huge disregard for the important principle of confidentiality there. Madam Speaker generally it must be understood, and I've done the exercise already that what we have delivered through these ex-gratia payments is a saving.

So, the thing to affirm is that if it is scandalous that we have paid £11.08 million over 6 years of which £3.65 million was Gibtelecom, £8 million was settlements over 6 years well it would have been even more scandalous to see us pay £20 million. We have settled two cases where we have had to pay in respect of the GHA, the numbers are much higher they do not appear here but how can anybody think that the Government brings these claims about, we do not ask for these claims, but we settle them to avoid higher liabilities. So finally, Madam Speaker to do a detailed qualitative analysis on the Principal Auditor's report it is important to look at once again at different principles that apply that we have not dealt with but in the concept of ex-gratia payments.

There is in the United Kingdom HM Treasury guidance on managing public money a 2025 update of which recognises that ex-gratia schemes arise where out of court settlements or other payments go beyond statutory cover, legal liability or administrative rules. So, this is not something that we have invented, it is the position in the UK and in other places. And this expressly

965 includes payments made to meet hardship caused by official failure or delay and out of court settlements made to avoid legal action or grounds of official inadequacy.

Further and crucially Madam Speaker, courts recognise that settlements, even where ex-gratia can be legitimate tools of Government management. Government's power to agree ex-gratia settlements is a discretionary function, not a fixed entitlement. Whereas the exercise of discretion
970 by Government must not be arbitrary it can be wide if subject to high level law.

In Padfield v Minister of Agriculture in 1969 the House of Lords held that discretion must be exercised to promote the policy of the statute but courts respect Ministerial discretion where policy choices are involved which is what we were doing here. This principle was reinforced in Council of Civil Service Unions v Minister for the Civil Service, the GCHQ case which you will be
975 familiar with which remains a foundational authority of the scope of judicial review. The House of Lords held that prerogative powers and by analogy discretionary settlement authority are reviewable only on the limited grounds of illegality or irrationality that is to say whether there is unreasonableness or procedural impropriety none of which is alleged in respect of any of the payments we have made.

Lord Diplock's tripartite classification of review makes clear that absent these faults courts will not substitute their judgement for that of the executive, and neither can an Auditor. Although the present matter is not a judicial review the analogy holds the former Principal Auditor as author of the report has no mandate or authority to substitute his personal judgement for that of the executive. Unless an ex-gratia payment decision is shown to be unlawful, made in bad faith or so
985 unreasonable that no reasonable authority would approve it intervention in the report is inappropriate and risks exceeding the constitutional and statutory remit of a Principal Auditor.

Importantly a mere general assertion that a category of payments is unwarranted does not come close to establishing unlawfulness. Under whether there be principles a decision can only be struck down if it is so unreasonable that no reasonable authority could ever have come to it
990 and that is not the case in respect of any of this.

Adjournment

Chief Minister: Madam Speaker having said all that there are two payments which I have referred to which are the ones which have become identifiable which are so detailed and
995 impugned in the report that it is important for me to actually go through the detail to show that these were properly made absolutely properly made and that is what I will do Madam Speaker and in making the remarks that I have made Madam Speaker I am relying once again on the advice that the Government has from leading council in respect of this matter which we have taken to heart to be able to do the analysis Madam Speaker of the two payments I am going to ask that the
1000 House should now adjourn to Wednesday at 10.30 a.m.

Madam Speaker: I now propose the question which is that this House do now adjourn to Wednesday at 10.30 a.m. I now put the question which is that this House do now adjourn to Wednesday at 10.30 a.m. Those in favour? (**Members:** Aye). Those against? Passed.

1005 This House will now adjourn to Wednesday at 10.30 a.m.

The House adjourned at 12.02 p.m.