



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 5.02 p.m. – 8.41 p.m.

Gibraltar, Monday, 1st December 2025

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The Gibraltar Parliament

The Parliament met at 5.02 p.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

GOVERNMENT MOTION

5 **Madam Speaker:** If anybody gets too warm, raise your hand, because I have just felt the warmth in the Chamber, so I do not want anyone falling asleep because of the temperature. The ambient temperature.

Does any other hon. Member wish to speak on the amendment? Yes, the Hon. Mr Sacarello.

10 **Hon. C Sacarello:** Thank you, Madam Speaker. Madam Speaker, our Opposition to this motion is not merely a matter of party politics, but one of staunch defence of our democratic institutions.

Our modern Gibraltar has been built on strong institutions, with which we have nurtured public trust. This trust has been gained through assuring the public that Government remains steadfast in its view that transparency and institutional independence remain pillars of our democracy. In recent times, particularly the last three months, where Parliament has been converted into a quasi-kangaroo court, exclusively and extremely purposefully by the Government, the independence of one such institution, the Office of the Principal Auditor, is being brought into question by the Government elected to defend it and so they risk undermining public trust in our democracy even further.

I note how the Chief Minister has flip-flopped on whether to reject the report or not. Following advice he received, he has decided to acknowledge the parts that sit favourably and conveniently, to firmly reject and rewrite the parts he just does not like. It is tantamount to receiving a lousy school report and then rewriting it to look brilliant before handing it over to his parents.

25 The Chief Minister has clearly enjoyed his time re-enacting a courtroom-like drama in the Chamber over the last three months, enlisting the services of an expensive London silk. But the reality is that the Chief Minister is nose-blind to the public uproar the publication of the Principal Auditor's report caused to the sentiment behind the uproar, and to the public desire for the acknowledgement of the Government's errors. The public has already made up its mind.

30 The recent GBC polls reflect this. Over 80% of the 1,000 people polled say that their vote would be very or somewhat influenced by its findings. There has been no contrition, no apology, and no detailed plan made out on how they will remedy all of the mistakes made.

The public will sadly be left waiting. It is what they have come, to expect - *Aquí no pasa nada*. Instead, the Government has unilaterally decided to spend thousands of pounds of taxpayers' money - the amount to date has not yet been disclosed, and perhaps it should have been better directed towards a halfway House - on creating their own kangaroo court. The Chief Minister, in a slip of the tongue, one assumes, even stated, as I have told the court. A court where the content

of the correspondence and the instruction between the Government and their KC has not been fully disclosed, where the defendant has no right of reply, and where he was not offered the equivocal funds and resources for a fair defence. But they miss the point entirely, Madam Speaker, the public is seeking contrition and solutions, not more lawyers, respectively. For decades, since 1971, the Principal Auditor's Office has been one of Gibraltar's proudest democratic safeguards. Its purpose is not political theatre, but accountability.

For years, successive Governments celebrated this independence. On more than one occasion, the Chief Minister himself publicly praised the Principal Auditor and his office. In only April this year, he declared that and I quote:

The Office of the Principal Auditor must be protected from party politics. He must be free to say and not say what he wants, when he wants.

Those are his words, not mine. Only days later, welcoming the new Principal Auditor, the Chief Minister said:

His Government looked forward to working with him to continue improving value for money and transparency in the use of public funds.

Again, his words, not mine. And yet today, the same Chief Minister seeks to discredit the very Office he once championed, accusing it of incompetence, bias and a failure of objectivity. This is not just inconsistency, it is dangerous.

Chief Minister has often waxed lyrical about transparency, but the veracity of his claim merits further discussion to reveal the reality behind the rhetoric. A very recent Government press release, on 25 April 2025, states clearly that political pressure on the Principal Auditor is unacceptable. It reaffirms that the Principal Auditor should not be coerced into echoing any Party's interpretations, underscoring the importance of independence.

It reads:

The Principal Auditor is not an instrument of any political Party, nor should he be subject to commentary designed to pressure or coerce him.

And I assume, Madam Speaker, that this extends to the Chief Minister himself, who has recently referred to the views expressed by the Principal Auditor's office, rather unkindly, as poison and jaundiced. Also, the Hon. Sir Joe Bossano this morning called it a farce of an audit and insanity.

The press release continues:

HMGOG continues to uphold the full independence of the office of the Principal Auditor and will always respect his right to function without interference, pressure or politicisation.

Well, I ask you, Madam Speaker, what is this motion, if not explicitly interference, pressure and politicisation? Their own words.

The amended motion condemns the competence of the Office of the Principal Auditor, its very independence, and accuses it of completely compromising its accuracy and reliability. Madam Speaker, we have known that the Party opposite does not like any form of criticism, so when faced with a substantial amount of it, a public uproar no less, it has chosen, in response, to interfere, to pressurise and to politicise the Office of the Principal Auditor, as is plainly evident in today's motion. On page 73 of the GSLP Liberals 2023 manifesto, there lies a questionable claim of having got the job done on transparency, which could have read, we have done a job on transparency and democracy, given their failure to publish numerous years of the Principal Auditor's reports in advance of the Election.

It goes on to read:

Building upon this foundation, we will continue to develop comprehensive information strategies to empower our citizens with a better insight into Government operations, particularly in terms of budget allocation and public service enhancements.

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Perhaps there followed a caveat that was somehow redacted out of the manifesto, that read, unless transparency depicts us in a bad light, or if we disagree, or if we do not like it. In a Parliamentary session held on Thursday 20th May 2021 in lines 336 & 337 of Hansard, in response to the question about delays in tabling of the Principal Auditor's report, the Hon. Chief Minister said,

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Mr Speaker, I would not wish to do anything, anything, that might be seen as interference with the independence of the Principal Auditor.

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A promise once made, now lying in tatters, as they ruthlessly undermine the accuracy and reliability of the report in question, and call for most of it to be rejected in this amended motion. So why the complete U-turn on this position now, Madam Speaker? This motion does not seek to remedy a couple of minor inaccuracies, which might be acceptable.

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No, it goes much further than that. It seeks to undermine and discredit the very independence of the Principal Auditor's office, that the Chief Minister once purportedly stood by so resolutely. Are his principles, like the proverbial house built on sand, doomed to failure as soon as they are stress tested?

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The Chief Minister has spoken, often endlessly, about transparency. Yet at the same time, Civil Servants are made to sign agreements, binding them to silence about the inner workings of Government. Speak out and you risk being punished, move to another department. Businesses fear losing contracts if they voice any form of criticism publicly. This climate of fear runs counter to every principle of open democracy.

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In a society where public servants feel gagged, where private citizens fear reprisal, true oversight becomes impossible. Institutions wither. And without strong institutions, democracy itself erodes.

The Government's we do transparency best trope is in reality nothing more than smoke and mirrors. A sham. Pie in the sky.

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The erosion of democracy is not just a Gibraltar story. Around the world we see the same pattern of democracy under attack. Internationally, as The Economist has observed, the public's faith in institutions is faltering. Leaders question judges, attack journalists, undermine watchdogs. From Eastern Europe to Latin America and beyond, democracies slip into autocracy, not with a bang, but with a slow corrosion, a creeping normalisation of silencing independent voices. That is the path we risk walking if we condemn our own Principal Auditor for simply doing his job.

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The world is looking on, observing our progress as a young democracy. Do not underestimate the damage caused by the McGrail enquiry, the recent findings of the Principal Auditor's report, and now this saga, which seeks to recklessly pillory a Civil Servant and his Office, one of the cornerstones of our democracy. Be under no illusion, our international reputation has been hit hard by these events.

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The very least Government could do is acknowledge these flaws laid out in the report and set mechanisms in place to prevent further repetition. Instead, it has chosen to add fuel to the flames, to destroy the evidence, to rewrite history through its own lens. Contrary to the Father of the House's view, that scrutiny of this kind conducted by the Office of the Principal Auditor is harmful for our international reputation. It is in fact the very desecration of our institutions by Government that inflicts harm on Gibraltar's reputation. Meanwhile, potential foreign investors are warded off by such actions, and at a time when Gibraltar should be enjoying the fruits of the forthcoming treaty, Government is throwing obstacles in its path, restricting growth and constraining prosperity.

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Government has criticised some of the Principal Auditor's recommendations on good governance as echoing Opposition policy, such as the establishment of a Public Accounts

145 Committee. But that coinciding of views is precisely because good governance transcends party-politics and seeks to protect the public, not because it carries favour or bias. He must be free to say and not say what he wants, when he wants - the Chief Minister's words.

Across the Commonwealth, countries large and small have created fiscal watchdogs to keep governments honest. Countries like Malta, Cyprus, micro-states like the Cayman Islands, Turks and Caicos, St Kitts and Nevis all have Public Accounts Committees, or equivalents, often chaired by a
150 Member of the Opposition. If they can embrace oversight, why cannot Gibraltar? What does the Government have to hide?

Hon. Ministers, Each of you faces a choice today, or when we vote. To vote for this amended motion is to declare that loyalty to an outgoing, purportedly outgoing Chief Minister is more
155 important than the independence of Gibraltar's institutions.

There is no rowing back from such a vote. To do so is in effect to unquestionably state that you are willing to trade in democracy for political convenience. You have an opportunity to demonstrate true strength of character in voting against this amended motion. History will remember this moment, and so will the people of Gibraltar.

No report is perfect. The Principal Auditor's report may contain minor errors, typographical slips, or small factual inconsistencies. These should be corrected and debated, but they are not grounds to dismiss the bulk of the report, to besmirch the importance of the Office, and in doing so to undermine the very democracy that we depend on to freely thrive. The public has a right to know how their money is spent. The public has a right to know how a Refuse Collector Supervisor
160 could be paid more than a Chief Minister.

Transparency demands scrutiny, not suppression. And so, the real question before us is a simple one. Do we still believe in the independence of our institutions? Do we still believe that checks and balances matter?

Gibraltar has always stood proud as a beacon of democracy and fairness. We have always stood
170 for free speech, for accountability, for the courage to speak truth to power. This vote is about whether we continue to stand for those things, or whether we will let fear define us.

Madam Speaker, Barack Obama once spoke about the arc of history bending towards justice. But only if people of good will pull it there. (*Interjection by the Hon. Chief Minister*) And he repeated it too.

175 Today we are those people. Today we must pull towards justice. Let us reject this motion. Let us reaffirm that Gibraltar's institutions, entrenched in our Constitution, are stronger than any one Government or any one leader. Let us say to every Civil Servant, every business owner, and every citizen, your democracy is safe.

Your voice is safe. Your future is safe. And I say directly to Cabinet Ministers on the Government
180 bench across the way, this is your moment to put Gibraltar first.

To put its Constitution, its checks and balances, its democratic processes, before party-politics. Dig deep into your souls. Find the strength of character to defend the Office of the Principal Auditor you once praised and reject this motion today. To protect the democracy, we will all depend on tomorrow. To do anything less would be to betray the very principles on which our
185 modern Gibraltar was built.

Thank you.

Madam Speaker: Any other hon. Member wishes to speak? Yes, the Hon. Mr Feetham.

190 **Minister for Justice, Trade and Industry (Hon. N Feetham):** Madam Speaker, I have patiently listened to all the contributions of the hon. Members opposite, even when I was unfortunately ill, I think the week before last, and I listened to Mr Clinton's contribution from bed, in order to make sure that at least I understood what the arguments were. I have also taken notes of some of the things that were said by the hon. Members opposite. I think I probably was not in the same motion
195 debate as they were, Madam Speaker.

I have got to be honest, and I am just going to quote from a number of statements that were made by the hon. Members opposite, where they said that the, from the Government benches, or at least from the contributions that were made at the time, so I think they were specifically singling out the Chief Minister. They said, and I took a note when it was said, the Chief Minister presumably was acting aggressively. Madam Speaker, aggressively? I think the Chief Minister was actually quite restrained, to be honest with you. If you want a lesson on how to, if you want a lesson on how to act aggressively, and there is a debate to be had about whether or not it is aggressive in political terms, well I was in Westminster when the Budget was delivered, and I listened to the Chancellor of the Exchequer's speech, and then I listened to the Leader of the Opposition's response to the Chancellor. My goodness, if anybody could be accused of being aggressive, perhaps you could use, you could say that in that instance, the political temper was increased considerably, but I will make no value judgement as to whether she was right or she was not right, but I think you might forgive me for saying that I would have used quite similar language myself. To the language that was used by the Leader of the Opposition in the UK.

They have also said, Madam Speaker, that the debate has been weaponised against the Principal Auditor. Where do we carry out this debate? If not in this Chamber, where should we debate? A report which was prepared by the Principal Auditor as an Officer of this Parliament, which is filed in this Chamber, and must be debated in this Chamber. Well, he might not like the criticism, but that does not make the criticism as one that is weaponised against him, Madam Speaker.

Hon. Members have also said that this is a Constitutional outrage. We should not be here. Well, if we do not debate this here, where do we debate this? What do you do? We call a GBC debate and we debate it in GBC? This is the right place, Madam Speaker, where the Principal Auditor's report needs to be debated and its argument tested.

There are and there must be constitutional boundaries. Those are the words that the Leader of the Opposition has used. But surely, Madam Speaker, this also includes the Principal Auditor. The Principal Auditor himself also has Constitutional boundaries. Or is it only that the Members on this side of the House are bound by Constitutional boundaries, but nobody else is? And certainly not the Principal Auditor.

It is an abuse of the Constitution, the Leader of the Opposition said. It is entirely unacceptable. It is a character assassination of the Principal Auditor. What character assassination of the Principal Auditor, when all that the Government is doing is calling out material inaccuracies and misstatements by the Principal Auditor?

So, what is it, what is it, Madam Speaker, that makes it so offensive to the Members opposite?

I mean, if it had been highly offensive and therefore inappropriate, I would have expected that Madam Speaker would have called the House to order. That is another comment that I would make, Madam Speaker but as an Officer of Parliament, it is absolutely the correct thing to do for us to debate the Principal Auditor's report here, whether the hon. Members like it or not.

They have made many statements outside this House, Madam Speaker and then the the Hon. Chief Minister comes to this House and forensically tears the report apart. But they do not like that. Of course, the Hon. Chief Minister, it is quite proper for the Hon. Chief Minister to be subjected to all sorts of criticism. But when the Hon. Chief Minister gets up forensically to examine the Principal Auditor's report, that is a constitutional challenge, Madam Speaker.

I would also say, Madam Speaker, that I am sure that we all bring our experience and skills to this Parliament. I have heard the Leader of the Opposition articulate his arguments, and he is used very legal arguments, which I think, to be honest and fair, has not been understood by the majority of the people of Gibraltar. I have heard also, Madam Speaker, the Hon. Roy Clinton and his articulated arguments, I think probably with more relevance in terms of the experience that he brings to bear as a former auditor, and therefore the experience that he brings to bear to this debate.

I mean, I was a financial services professional for 31 years, Madam Speaker. I also Chaired leading financial institutions as a Board chairman, and I took my responsibilities very seriously,

Madam Speaker. I was also in other financial institutions. I was also the chair of the Audit Committee and the Compliance Committee. So, I think I bring, at least in the area of compliance and audit, more than 20 years' experience, Madam Speaker.

And the Hon. Mr. Clinton did explain the difference between the statutory auditor and the internal auditor, the internal audit function. He explained that I do not want to labour the point that when it comes to a statutory auditor, an external auditor with responsibility for the statutory accounts, that is the principal responsibility that a statutory auditor has. Then institutions rightly also, in many cases, particularly those that are highly regulated, which are the ones that I am used to dealing with professionally, those institutions also have an internal audit function, Madam Speaker. And over my professional career, I think I must have at least reviewed and read and been the subject of interaction at board level, at committee, audit or compliance committee level, with over 100 audit reports. So, I am actually used to seeing audit reports. That was my professional life over many years, Madam Speaker.

And I struggled with this. I struggled with the tone of this report. I struggled with the enormity of the factual inaccuracies here in this report. And indeed, I struggled with some of the legal inaccuracies reflected in this report as well, Madam Speaker.

I would also say, Madam Speaker, that in my interactions with the external auditor, and sometimes even with the internal auditor of companies, there was continuous interaction with the senior management team and certainly the statutory or external auditor throughout the audit period and it was also taken for granted, Madam Speaker, that when, at the very least, even with the top auditors, the top audit firms internationally, you would expect, Madam Speaker, that the Lead Partner of the audit firm would at the very least, as a minimum, be engaged with the board, the Board Chairman, the Chairman of the audit or Compliance Committee, and also continuously with the senior management team, but at the very least at board level, you would expect the Lead Partner of the audit firm to be involved in the opening of the audit. So your lead partner turns up in the first meeting that sets the tone for the rest of the audit process.

And as a bare minimum, you would expect the lead partner of the audit firm to also be involved in the closing meeting between the external auditor and also the financial or regulated financial institution, Madam Speaker. And I would like you to hold that information if you can, because I am going to ask the question at some stage, how regularly did the Principal Auditor, Mr. Sacramento, actually meet with some of the departments which he so radically criticises, or, in the context of information which I think has been pre-approved by the Chief Minister, and I will look at some areas that are relevant to my Ministries, how often did he meet with the senior management team?

And I also noted, Madam Speaker, that the Leader of the Opposition said that he did not think he had ever met Mr. Sacramento. I think he might not be the only one that has not met the Principal Auditor in terms of the audit engagement, certainly in the last two years, Madam Speaker.

If you look at the table of contents, Madam Speaker, it is a table of contents which I think anybody that is interested in this motion and debate should very quickly just go through it, as to what the Principal Auditor's report is all about.

Part two of the table of contents refers to the audit of the annual statements, that is the essential part of the audit work which your statutory auditor does, that relates to the accounts, making sure that the accounts and the numbers are right. Part three, Madam Speaker, relates to the departmental audits, that is the equivalent of the internal audit function within a company, companies or at least the leading financial institutions will have an internal audit department within the company, and those that do not have an internal audit department, they will outsource that particular function to an external auditor, which is not the same as your statutory auditor.

Part four are the statutory and other audits of statutory bodies and agencies, Madam Speaker, and if Mr. Sacramento had a backlog that meant that he could not advance the audit reports as quickly as he should have done, and certainly in my view he should have been able to complete the audits in time, he did not, perhaps he should have considered actually outsourcing some of

300 that work externally, Madam Speaker. Part five is the equivalent of the internal audit function as well, as it relates to value for money, and that is clearly an important part of the work that is done.

305 Then in part six we have the audit opinion, Madam Speaker, we have got the audit opinion at page 254, and I am going to turn to the audit opinion, because, Madam Speaker, the Hon. Mr. Clinton in his delivery made a big issue about arguing that the wording of the audit opinion was a qualification to the audit opinion, and therefore a qualification to the statutory account, I think he made the point quite emphatically before the break, and he therefore, Madam Speaker, accused the Government or the Chief Minister of misrepresenting the position in terms of the clean audit certificate, which the Chief Minister referred to in his own contribution, Madam Speaker. The point that Mr. Clinton, the Hon. Mr. Clinton laboured on were the words, Madam Speaker, in the
310 audit opinion, on the opinion on regularity, on the opinion of the public accounts, the words that say, and I quote:

...except for the relevant comments contained in my report.

315 And then he says, also, he made the same reference to the audit, to the opinion of the public accounts, where the wording is similar:

...except for the relevant comments contained in my report.

320 When I was preparing for this debate, Madam Speaker, this motion, I asked one of my officials to go to the Auditor, Principal Auditor's Office website, the website of the Principal Auditor, and to look for the audit opinions prior to, 2011. In other words, if you are going to judge me by a standard, you have got to make sure that the standard applies equally in terms of the audit work that has been done for every Government of Gibraltar. It cannot be, Madam Speaker, that we are
325 held to a different standard and different requirements.

So, I have, I asked one of my officials, print out, please, the audits, the audit certificates for as long, for whatever period of time they are available on the website. So, in other words, if there are four or five audit opinions, print them out and let me have a look at it.

330 There are only four. Hon. Chief Minister will see that there are only four online. But I am sure, yeah, but I am sure that we can find every single audit certificate going back since time immemorial, which includes, Madam Speaker, the time that they were in Government. So, as the Hon. Chief Minister has rightly pointed out, what I am referring to are the audit certificates when they were in Government, when they were in Government. In other words, 2010, 2011 and prior.

335 So, the audit certificate for 2010 and 2011, which is the audit period, when they were in Government, Madam Speaker, the Principal Auditor signs it here. Mr. Posso, the Principal Auditor, he signs it. And under opinion of regularity, the same opinion of regularity as is contained in the current auditor opinion and also on the opinion of Public Accounts, I quote:

...except for the relevant comments contained in my report.

340 The same wording, Madam Speaker, the same wording is contained in the current audit certificate or opinion as was contained in the auditor, the annual accounts for 2010 and 2011. Madam Speaker, the annual accounts 2009 and 2010, Madam Speaker, let us open the audit opinion, and this was signed by Mr. Posso as well, and he has the qualification and the audit
345 opinion. In other words, in terms of his audit opinion, the opinion that he is given on the Annual Accounts 2009/2010, when they were in Government, Madam Speaker, and the audit opinion, he says, and I quote:

...except for the relevant comments in my report.

350 2008 and 2009, Madam Speaker, we have the same.

By the then Principal Auditor, we have the same qualification and the audit opinion:

...except for the relevant comments contained in my report.

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Exactly the same qualification, the same qualification. And lastly, Madam Speaker, the 2007, 2008 opinion, again, and the audit opinion. So, in other words, the qualification cuts through the entire audit opinion, as delivered by the then Principal Auditor, the words, quote:

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...except for the relevant comments contained in my report.

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So, it is very easy, Madam Speaker, to criticise, but if you are going to criticise, you have got to be objective about the criticism, and you have got to make sure, Madam Speaker, that whatever you say is factually and legally correct, Madam Speaker. And I would ask the hon. Members, Madam Speaker, to turn to page 30 of the Principal Auditor's report, and if there is one statement here, Madam Speaker, that justifies the Government bringing this motion, it is the statement at page 30, paragraph 2.7.62, on the POCA compliance audit, Madam Speaker. If there is one reason why the Government is absolutely justifying doing what we are doing, Madam Speaker, despite the protestations from the hon. Members opposite, it is this outrageous statement in the report.

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And I am going to read it out, Madam Speaker. I am going to read it out, outrageous as it is.

In my view, it is unacceptable [I am quoting] that the Chief Minister has sought to prevent the Principal Auditor from undertaking an audit which it is my right to perform under the Gibraltar Constitution and Public Finance Control and Audit Act. I consider the Chief Minister's action to be improper and unconstitutional.

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Madam Speaker. The Chief Minister dealt with this forensically, Madam Speaker, but I need to add my voice of support to the Chief Minister, because he is absolutely right when he says, Madam Speaker, that that statement is factually and legally incorrect. The Principal Auditor did not have the constitutional legal powers to assert a right for him to carry out a POCA compliance audit in the way that he was asserting.

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And when the Chief Minister says, Madam Speaker, that the legal advice that the Government received supports the view of the Government, that he certainly did not have those powers. And that indeed, when the Hon. Chief Minister says that the same statement is contradicted by what the Principal Auditor had said two years or a year before, I would have thought it is enough for the Hon. Members to say, well, actually, maybe he made a mistake, maybe the Principal Auditor made a mistake. But they continue, Madam Speaker, with the criticisms that they are making. Well, let me tell you, Madam Speaker, that I have looked at the legal and constitutional position myself, but of course I do not want to make it self-serving by saying that I am a better lawyer than the lawyers that the Chief Minister used, but I can tell you that my personal view is that the Chief Minister is absolutely correct in saying what he has said, and also it is not just my view, Madam Speaker, we have people that are supporting the Government in terms of the important work that we are doing in relation to MONEYVAL. And I consulted with experts, Madam Speaker, and the view that came back to me was that the Chief Minister was absolutely correct in the position that he was articulating and that indeed Mr Sacramento did not have the powers that he purported to take upon himself, Madam Speaker.

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There are times that as a Minister, I can tell you that I sometimes feel very frustrated and I say, goodness, you know, I wish I had a power because, you know, if I had this power, I could do things in a different way, I could move much quicker in the pace which the Government is required to do things. But if I do not have a power, I do not have the power. If I wanted the power to do something, I have got to come to this House and I have got to ask for Parliament to provide those powers to me, whether it makes me frustrated or not, or whether I think that I ought to have the powers that would make my job much easier in certain areas. If I do not have the powers, I do not have the powers, Madam Speaker, and that applies also to the Principal Auditor.

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405 This is a serious statement. This is a serious criticism. Here is the Principal Auditor's report, Madam Speaker, and the advice which the Government has, Madam Speaker, is that when the next MONEYVAL evaluation takes place and we are going to go through the motions and the process of that evaluation which will start next year, this is a major red flag to whoever is looking at this report externally, Madam Speaker, regardless, regardless of whether the Principal Auditor was factually and legally correct.

410 Well, in that context alone, Madam Speaker, we have got to correct the record. We cannot allow the record to stand, Madam Speaker, because if we allow the record to stand, then those that are evaluating Gibraltar's compliance against the very things that the Principal Auditor is saying he wants to review, then you are just simply providing ammunition to them, so the record needs to be corrected.

415 Madam Speaker, we have all worked very hard on this side of the House, all my colleagues work extremely, extremely hard. I have spent a lot of time over the last two years on matters which I wish I did not and I did not have to have done, but it needed to be done. I spent a huge amount of my time, my colleagues within the Ministry have spent a huge amount of my time with the support of the Chief Minister to get Gibraltar off the FATF grey list.

420 I know that the hon. Members opposite probably would have loved for me not to have taken Gibraltar off the grey list because they reminded me on a couple of debates and questions I think across the floor of the House that I had said during the Election campaign that should we not have taken Gibraltar off the grey list, I would have offered my resignation to the Chief Minister. Well, I hope they are glad that we took Gibraltar off the grey list despite the fact that I was not required to offer my resignation. But no sooner had we taken Gibraltar off the FATF grey list, that we were then faced with the problem that the European Parliament blocked in the first vote that took place at the beginning of this year, they effectively blocked the decision of the FATF to have Gibraltar removed from the Commission's own grey list, which then meant, Madam Speaker, that we had to start again from scratch.

430 I spent a huge amount of my time lobbying the European Parliament, lobbying the European Commission. I travelled at least twice to Brussels. I had numerous meetings with the European Commission, both physically and also online, Madam Speaker, and it is, I think, knowing the amount of work that we put into this, knowing the jurisdictional importance, knowing how hard this can hit Gibraltar, both reputationally and economically, it is absolutely unforgivable, Madam Speaker, that the Principal Auditor should have made the statement that he made in this report, Madam Speaker.

440 And it was quite coincidental, Madam Speaker, that the Principal Auditor's report was published a day after we came off the European Union grey list. We were lobbying, on this side of the House, we were lobbying the European Commission and we were lobbying the European Parliament 24 hours before the vote. In other words, we were reaching out to the contacts and the colleagues that we had established in the European Parliament to ensure that the vote went in our favour. But there was no guarantee that it would have done, no guarantee at all, Madam Speaker.

445 And a week before the European Parliamentary vote Madam Speaker, which went in Gibraltar's favour in no small measure because of the work and the lobbying that the Government had done, there was a Parliamentary debate in the European Parliament in the Committee on Economic and Monetary Affairs. Some of the hon. Members opposite may have seen it in the media at the time. But the contribution, Madam Speaker, from the MEP, from the PP member of Parliament, in Spanish, I will translate it, Madam Speaker, in a minute, or at least part of it in a minute, but in Spanish, the contribution from the PP was:

455 *Comisaria, Gibraltar cumple con todos los indicadores para ser considerado un territorio de alto riesgo para el blanqueo de capitales y financiación de terrorismo. Es decir, es un paraíso fiscal. Pese a estas evidencias, y mediante un pacto opaco, la Comisión se ha comprometido a excluir del Estado a la única colonia de suelo europeo definida así por las Naciones Unidas.*

That was the PP, MEP's contribution. ...an attack on Gibraltar's integrity, Madam Speaker, and just translating that into English, the PP, MEP, Madam Speaker, went straight to say that Gibraltar is a tax haven and a colony and complies with all the criteria not to be delisted. The Vox MEP, was even harsher, Madam Speaker, and her contribution, and again I quote:

Lo que sí es inaceptable y Vox no vas a tolerar es la salida de Gibraltar de este Estado. Una colonia que sobrevive precisamente como paraíso fiscal desde el 1960 y cuya falta de transparencia ha servido siempre para el blanqueo de capitales. Señora comisaria, ¿de verdad cree usted que prometer cambios para ahorrar años de opacidad estructural como ha dicho usted?

And she ends her contribution by saying:

¡Gibraltar Español! ¡Gibraltar Español!

These are the people, Madam Speaker, that are clearly out to damage Gibraltar as much as they can. And the Principal Auditor's report gives them the opportunity to do as much damage to Gibraltar as possible, Madam Speaker. Or is it that the hon. Members opposite do not see that? Because if they do not see that, Madam Speaker, they must be the only ones in Gibraltar that do not.

And to make matters worse, Madam Speaker, but thankfully, the auditor's report was published a day after we came off the European grey list because all we would have needed are the Vox and the PP MEPs in Parliament distributing a copy of the Auditor's Report amongst those parliamentarians that we fought very hard to support us and who supported Gibraltar in the vote for them to have turned their opinion on the vote and voted against Gibraltar.

And when we came off that grey list, Madam Speaker, and I have said we came off the list a day before the Principal Auditor published his Principal Auditor's Report, you would have expected the media to have focused on the fact that we have come off the grey list and it is to the credit of Gibraltar and therefore endorsing Gibraltar's higher standards of regulation when it comes to the very issues which Mr Sacramento was saying that we were not doing in Gibraltar. Lies as those were, Madam Speaker.

But the Spanish press, I have got the Spanish press here, Madam Speaker, a day after we came off the grey list and the very day that the Principal Auditor published his Auditor's Report and the Europa Sur headline was:

El ex Auditor Tony Sacramento acusa a Picardo de bloquear una investigación en contra del blanqueo en el banco estatal de Gibraltar. Estas revelaciones llegan apenas un día después de que el Parlamento Europeo incluya a Gibraltar en una lista de territorios considerados fiscalmente responsables y libres de dinero muy sucio.

The last paragraph gives Gibraltar the credit that Gibraltar so deserved, but the headline of the article was actually saying the exact opposite, actually saying the exact opposite and in the small print at the very end, oh, but Gibraltar came off the grey list. What are people going to be reading outside Gibraltar? Will they be reading outside Gibraltar now how well Gibraltar has done to maintain international standards or they are going to be reading what Tony Sacramento, the Principal Auditor, is saying which is the exact opposite when factually and legally he was entirely incorrect, Madam Speaker.

So, for this reason alone, Madam Speaker, it justifies everything the Chief Minister has said and it certainly justifies the motion before this House. If we can now, please turn to page 80 of the Principal Auditor's Report on tax, under the subheading general, paragraph 3, 180.

So, the Principal Auditor, Madam Speaker, and his engagement through the report, but he is the obviously the person responsible for his department, he does an audit of each of the Government departments and rightly he should review the Tax Office. As everyone knows, Madam Speaker, I am the Minister of Responsibility for Taxation and it is right that he carries out a review, but you would expect, Madam Speaker, that if somebody is going to carry out a review,

you would expect that he gets the basics right and that there are at least a minimum number of factual inaccuracies.

You can never do away with factual inaccuracies. Somebody can make a mistake and you can say, well, you know, it is been a factual error and apologies for it and we will correct the record, but you would expect at the very least that you keep your factual inaccuracies to a minimum and that you try to reflect a fair and balanced view of whatever you are reporting on, Madam Speaker.

So, in this part of the Principal Auditor's report, Madam Speaker, the Principal Auditor refers, and I am going to quote extensively because I am going to demonstrate that the Principal Auditor leaves huge gaps of information in what he says in the report. I mean, if I was the Chairman of a financial institution, as I have been, Madam Speaker, and I got a report of this nature, I would be calling the Auditor in and saying, you know, what type of an audit report is this?

And I would have to seriously think about whether or not we would recommend, not in the context of the Principal Auditor, because that is a statutory position, whether or not you would continue with the same auditor or perhaps you would ask that the team be changed, Madam Speaker. But he says, Madam Speaker, and I am going to quote extensively:

The Commissioner confirmed that aggressive tax planning by companies and the resulting erosion of taxable profits poses a significant threat to the public revenues and a cause of serious concern to him.

Madam Speaker, a serious concern to the Government. When I was, when I was appointed as Minister with Responsibility for Taxation, I mean, the one thing that this Government did not do, Madam Speaker, when we were elected to Government, is be elected to Government without a plan. I think every Minister on this side of the House has demonstrated ample ability, foresight, and that they are prepared in terms of a task.

I just need to look around this part of the House, Madam Speaker, you know, Mr Santos, at least the new ones. The work that my Colleague has done, the huge and the great work that my Colleague, the Minister for Health is doing in the Health Service, the great work that my colleague is doing in Housing, because we were prepared for Government, Madam Speaker, we were prepared for Government. So, when I took over as Minister with Responsibility for Taxation, I told the Chief Minister exactly what we needed, what I thought we needed to do, we had that conversation before being Elected, in fact, during this Election process, at executive level, Madam Speaker, and we knew, (*Interjections*) *se lo dije al grupo de taxation*, and we knew what we wanted to do, and I remember the first interview with GBC, which was two weeks, three weeks after being elected, which I think we were then having the first session of Parliament, I explained even in GBC exactly what we wanted to do in the area of taxation, and I said very clearly, we have a tax strategy, we are going to be executing our tax strategy. I have explained it on many occasions since then, I have explained it in this House, I know that sometimes I do say to the hon. Members opposite that they probably do not listen to what I say, because when I say something, then questions come before this House, where I need to correct them on very basic mistakes, Madam Speaker, but they will be glad to know that they are not the only ones. So, when I took over responsibility, we had this discussion in Cabinet, you might remember, Chief Minister, you mandated me to go into the Income Tax Office and to look below the bonnet, in other words, let us do a thorough review, let us do a risk assessment, let us consider what action we need to take, what are the risks for Gibraltar, and what are the mitigations that we can take in order to mitigate the risks, and this is not just a jurisdictional issue for Gibraltar, all countries, Madam Speaker, are facing the very same issue.

So, when the Principal Auditor refers to serious concerns by the Commissioner, it is serious concerns by us as a Government, and we have engaged with the Commissioner, and rightly so, and we have I have an excellent relationship with the Tax Office, Madam Speaker, we have worked very very closely, and I have always given credit for the work that the Tax Office has done under my Ministerial direction, and under the collective leadership of the Government, Madam Speaker, and then he goes on to say:

in recent years large corporations [I mean the Principal Auditor] large corporations in sectors such as Financial Services and Gaming, had accumulated substantial tax losses.

he refers to tax losses, and then he says:

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the Commissioner said that for this reason, in order to protect the revenue, the Government intends,

the Government, we, the Government,

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the Government intends to introduce measures to limit the extent of losses being carried forward by companies in this industry, ensuring that some tax will be payable on current year profits, this approach would allow for losses to be carried forward, but would effectively slow the rate at which the losses are utilised.

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Madam Speaker, this report is signed the 31st of May. The Principal Auditor in his report says the Government intends to introduce measures to limit the carry forward of loss restrictions. 31st of May, the Government intends, Madam Speaker, we did it on the 10th of December, Madam Speaker, we published a Bill in Parliament on the 10th of December, the report was published on the 31st of May, over six months, five months after, so he is saying, Madam Speaker, the Principal Auditor, because it is signed by him, he could be a member of his team, because maybe he was not, he was not in any of the meetings with the Tax Office, and I will get on to that in a minute, Madam Speaker, but this is a report signed by the Principal Auditor himself, so he is got to be held accountable for what he signs as the Principal Auditor, so he says the Government intends to do it on the 31st of May, when he signs the report. We published the bill on the 10th of December, Madam Speaker, he is an officer of this Parliament, have not we said that he is an Officer of the Parliament, so never you would assume, Madam Speaker, that any Officer of this Parliament would have basic information, and that he would get something as important as this right, so he could have said, well the Government is concerned because of that, but the Government has brought a Bill, and by the date of this report, the Bill has been passed, and the Bill therefore, the Bill therefore deals with the very concerns which the Commissioner has articulated.

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But it was not articulated just by the Commissioner, when I came to this House, Madam Speaker, and I presented this bill before this House, if you remember we had a debate, and I had a debate with some of the hon. Members opposite, and I explained there was urgency in doing this, because if we did not as a Government do what we did, we would only end up in a position where we would worsen the carry forward losses, which companies were filing at the Tax Office, and again for those of you that have the memory, I will not expect any of the hon. Members opposite to have any memory on anything that I say, but just to remind the hon. Members, when I presented this Bill before this House, I said that the aggregate accumulation of tax losses in the financial sectors at that time was £2 billion, £2.1 billion, and that we needed to act. By the time, that we got to the Budget, when again I explained the Government's National Tax Strategy, and I dealt with this Madam Speaker, in the Budget of 2024. I said this is what we intend to do, and I said why we intended to do it, and I said what the, what the concerns were, and I explained the aggregate accumulation of tax losses, £2.1 billion, I brought this before the House, and then I said, you know, we have got to do what we are doing, and I explained why we needed to do it, the hon. Members supported this, Madam Speaker. By the time we came to the next Budget in this year, July this year, I said that the aggregate tax losses had got up from 2 to 9 billion, that is foresight, Madam Speaker, that is foresight, that is a Government that understands the risk for the people of Gibraltar, and that when a Government that needs to take decisive action, we come to this House, and we explain it, it is the exact opposite of what the hon. Members are saying, that we are doing, this is a Government which is not transparent, this is a Government that actually does not want to answer questions, this is a Government that does not want to give explanations, but I think we give more explanations than what we are actually giving any credit for, and the more explanations you give from the hon. Members in the opposite side, they keep repeating the same

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narrative regardless, Madam Speaker, here's a point that the Father of the House makes continuously.

615 So there is a major factual inaccuracy there, Madam Speaker, and if that was not bad enough, Madam Speaker, no mention, no mention of any of the other tax legislation that the Government introduced in order to safeguard the macroeconomic interests of Gibraltar, and we have debated it in this Parliament on many occasions, and there is a material omission from the Principal Auditor as far as tax legislation is concerned, Madam Speaker.

620 What about the anti-avoidance legislation, what about, Madam Speaker, the anti-avoidance legislation which we brought to this House in order to ensure, Madam Speaker, that we protected the tax revenues of Gibraltar for which this community are the principal beneficiaries, Madam Speaker, bar what is happened now with the UK budget last week, we presented the anti-avoidance Bill before this House, for which again we were grateful for the Hon. Member's support, 625 on the 10th of April, no mention of that at all.

Madam Speaker, we mentioned other legislation and the reasons why we were doing it, all relevant to the financial stability of Gibraltar, you would have expected the Principal Auditor to be focused as much on the actions and the steps that the Government was taking in order to protect the financial stability of Gibraltar, as he focused on other issues, quite frankly, when there 630 were more important material information that he could have laid before this House.

He then goes on to say, Madam Speaker, that the Government recruited in June 2024 two highly qualified tax specialists and he gives credit for that. Well actually we also recruited, Madam Speaker, two junior accountants, we obtained Cabinet approval in order to ensure that we put more resources into the Tax Office in order to deliver the budget which the Government delivered 635 and the tax revenues that the Government delivered, which were the highest tax revenues in the history of Gibraltar, no credit for that either, Madam Speaker, a material omission.

Then, Madam Speaker, in paragraph 3.1.83, and I am going to read from this paragraph because it is materially a misstatement that I think needs to be corrected, Chief Minister, I do not know whether it is corrected in terms of the motion and the amendments to the motion, it says 640 here:

In August 2019, prior to the General Election, the Income Tax Office wrote to individuals earning income from the music trade in Gibraltar, advising them to register self-employed individuals to ensure compliance with their tax obligations, however, representations were made by some in the music community following which a Senior 645 Government official in Number Six Convent Place conveyed that the Chief Minister had personally intervened to suspend the initiative with immediate effect as a consequence of the ministerial intervention, this ITO initiative never came into effect.

I think one of the hon. Members made specific reference to this paragraph, Madam Speaker, I 650 have spoken to the Commissioner of Income Tax, the Chief Minister did not do what is stated here and alleged that the Chief Minister did. Now, it could be, and this is the explanation that has been given to me by the Commissioner of Income Tax, it could be that because the language is not very clear, it could be that the way that it is being interpreted by the hon. Members opposite, the interpretation from the hon. Members opposite is that the Chief Minister, which is not correct, I 655 can tell you that it is not correct and I stand by this statement, I stand by the statement that I make here, it is not correct that the Chief Minister called the Commissioner of Income Tax and say ignore the application of a statutory provision in Gibraltar, which is I think the accusation that one of the hon. Members opposite made, that the Chief Minister picked up the phone, that he called the Commissioner of Income Tax and he said regardless of what the law says, I the Chief Minister 660 of Gibraltar, I am telling you not to exercise your statutory responsibilities and to ignore something which is taxable as me telling you and I am the Chief Minister that you should not do it, that did not happen and I have been told by the Commissioner of Income Tax that that did not happen Madam Speaker.

I know that you know sometimes you know the Chief Minister is the subject of the same attacks 665 and criticism as the hon. Members opposite are saying that we are making on the Principal Auditor

but the Chief Minister is entitled to be defended Madam Speaker and certainly if I see something in this report that I think is not correct, I will come out in defence of the Chief Minister of Gibraltar as so will any other Member on this side of the House Madam Speaker.

Then Madam Speaker in his final paragraph, in this sub-paragraph he says and he refers to:

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More recently the ITO signed a Memorandum of Understanding (MOU) with the Gibraltar Financial Intelligence Unit to strengthen co-operative efforts along with a service level agreement that enables us a comment of an Income Tax Officer to GIFU, to the Gibraltar Financial Intelligence Unit.

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That is factually correct Madam Speaker, he is right the Principal Auditor, he is right in what he is saying but what he does not say Madam Speaker again something that we have said in this House and if he is an Officer of this Parliament you would imagine that he would be listening to the debates that take place here or the very least reading Government press releases Madam Speaker. We have said in Government press releases that quite apart from the MOU that we signed for that very purpose, the same purpose as the Principal Auditor is giving the Tax Office credit for by definition credit to the Government, he should have also singled out Madam Speaker that we have actually also entered into a Memorandum of Understanding between the Income Tax Office and the Gambling Division because it was important in Gibraltar's macroeconomic interest and I have got a press release here Madam Speaker, dated March the 8th 2024 - Principal Auditor does not read Government press releases.

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We then also have a Government press release Madam Speaker, April the 10th 2024, well before the Principal Auditor left, where we say in the Government press release that the Income Tax Office will be entering and finalising another MOU with the Gibraltar Financial Services Commission, Government press release, Principal Auditor does not read Government press releases Madam Speaker. If we look at the opposite page, page 80, the Principal Auditor says Madam Speaker and I quote:

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There is provision under section 68 of the Act [the Income Tax Act presumably] for the publication of details for failure to pay taxes, however the Central Areas Unit has not favoured its use, and the last publication now dates back to the 2nd of February 2017. In my report on the public accounts for the year ended the 31st of March 2016, I commented that the publication of the details for failure to pay taxes as permitted by section 68 of the Act had yielded positive results.

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Well we agree on this side of the House, anybody disagrees with the use of statutory powers and it certainly has not been the policy of the Government of Gibraltar for the powers not to have been exercised, so therefore, when I read the report Madam Speaker, because we have certainly had this discussion with the Chief Minister and in Cabinet and the view that we took was that the statutory powers that needed to be exercised in order to protect the macroeconomic interests of Gibraltar, it needed to be done to the extent that these are not powers of the Government, at the very least what the Government can communicate to the relevant authorities is that as a matter of policy the Government supports the exercise of those powers.

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This was not as a result of reading the Principal Auditor's report, we have communicated that policy months before and I am advised Madam Speaker that notwithstanding and despite the Principal Auditor's report, it was in motion and that the exercise of section 68 of the Act is imminent.

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Madam Speaker if we can, if I can now please turn you, turn the hon. Members to page 68 on tax credits. On page 68, Madam Speaker, there is a section here, paragraph 3.1.10, credits held by the Tax Office. Mr Sacramento was appointed in 2017, he was a 2017, 2016, so he is been in office seven or eight years, I mean you have been in office for seven or eight years, you can do a huge amount of work, a huge amount of work, Madam Speaker, we have been, we have been in office on this side of the House for two years, just have to look at the amount of work that has been done by all my Colleagues on this side of the House, Madam Speaker. So, he had a eureka moment

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when I read this, I said wow, he is had a eureka moment after seven to eight years in office. The eureka moment, Madam Speaker, is that:

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There is a significant increase in credits held by the ITO over the last five-year period, and the substantial amounts were overpayments, highlighting how many large cash-rich companies, which had not kept up to date with their filing requirements, had continued making payments on account despite carrying large losses.

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Large losses? I come to this House, and I explain the action that the Government is taking to mitigate an obvious risk after being mandated by the Chief Minister and the Cabinet to do it.

Madam Speaker, you would have expected a man that was reviewing the accounts of Gibraltar and doing the work after six or seven years, you would have expected him to have picked this up much sooner. Well he did not, and he was just simply restating, Madam Speaker, the concerns which the Government had articulated, for which the Government had taken action.

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Madam Speaker, so in any audit function, I am used to one thing, when I was professionally involved in this particular area, I am used to an auditor saying, Chairman, there is a risk, this is the risk, but also this is the mitigation, nothing from the auditor, he is just simply restating what the Government had said publicly in this Parliament, in press releases, and communicated to him by the Tax Office. I asked the question at the beginning of my address, Madam Speaker, I said, given that the Leader of the Opposition had said that he had never, or he thought that, he did not think he had ever met the Principal Auditor, but he may have done perhaps in, you know, hello, goodbye capacity, I suppose, in that capacity. I asked the tax office, I said, okay, so since I was elected, we could go back, we could go back, I could go back, Madam Speaker, and I can ask him, well, forget, since I was elected, let us, let us look at it in the time that the Principal Auditor has been Principal Auditor for the last seven or eight years, but certainly since I was elected, two years, two years, how often has the Principal Auditor, in his engagement on his audit process with you, how often have you met the Principal Auditor? Not how often have you, have you met other team, not how often have you had correspondence, but how often have you met the top man.

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Because at the beginning of my address, Madam Speaker, I did say, and this is my experience of being the Chair of leading global financial institutions that lead, that deal with the largest audit firms around the world, at the very least, you meet the audit partner at the beginning and at the closing of your audit. The answer that came back, Chief Minister, was that the tax office had met the Principal Auditor once, in the time that we have collectively formed the Government.

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He said, okay, you met the Principal Auditor once, but there was a qualification. He said, yes, but the Principal Auditor that we met was Mr. Sacramento, was actually the new Principal Auditor. So, Mr. Sacramento does not turn up to audit meetings with the Tax Office. Well, I am not surprised then that he puts his name to some of the things that we have seen here as being factual inaccuracies, and this is not a criticism in terms of a personal attack on anybody. I think I have demonstrated that actually he should have been far more on top of the work that he was doing.

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And I asked the Central Areas Unit, and I will get to the Central Areas Unit in a minute. I asked the Central Areas Unit, well, how often did you meet the Principal Auditor since I have been a Minister?

Answer that came back, never. We have never met him in the last two years. So, I dared not ask the question, how often have you met him since he was in office over the last seven to eight years, Madam Speaker?

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If I can turn to page 92, Central Areas Unit, Madam Speaker. The Central Areas Unit, Madam Speaker, comes under the Financial Secretary, does not come under the Minister for Taxation, but given the importance that the Government attaches to matters of a financial nature, when I had a discussion with the Chief Minister, I said, Chief Minister, would you like some support from me, ministerially, in terms of going into the Central Areas Unit and asking obvious questions, around the build-up of the arrears within the Central Areas Department of the Government? Can I do a review as to work methodology? The first thing the Chief Minister said was, yes, please, absolutely, help me out, if you can, of course.

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770 So, although the Central Areas Unit comes under the responsibility of the Financial Secretary, the Chief Minister asked me, I think it must have been March or April this year, have a look, go in and have a look. And I have been engaging with the Central Areas Unit, with the approval of the Chief Minister, and I have kept the Chief Minister informed at all times. I even, to the point, Madam Speaker, where I sent one of my officials within the Ministry to the Central Areas Unit to see whether we could support them, in terms of the backlog of work that they had, given, Madam Speaker, that they do refer in the report to staff shortages.

775 They do say that they have had staff shortages, and therefore, because of staff shortages, it has resulted in a build-up of arrears. We have tried to deal with the issue of staff shortages almost immediately, when they did refer to me, the fact that they felt that they could do a better job if they had more resources. I went to the Chief Minister and I said, Chief Minister, they are referring to staff shortages, or at least that they require extra staff to support the work of CAO, the Central Areas Unit.

780 Can I please, Chief Minister, ask or put out an expression of interest within the Government, within the public sector, so that we can recruit, Madam Speaker, an extra four or five individuals that can come and work within this vitally important area of Government? The Chief Minister immediately said yes, absolutely, absolutely. Issue the expression of interest and see how many individuals within the public sector are willing and have the skills.

785 It cannot just be a question of, you are willing to do something, you have got to at least, and I am not saying you need to have a tax skill, perhaps you need to have a certain, be of a certain character, in order to work in a department of this nature. So we put out an expression of interest, I think, for the recruitment of four or five individuals.

790 You would have expected, Madam Speaker, this is not a criticism, you would have expected that in a public sector of 6,000 individuals, and I think that probably includes agencies, you would have expected that there would be a significant expression of interest of people wanting to join a department of this nature.

795 Having put out an expression of interest for five or four vacancies, one person, one person, Madam Speaker, was found to be suitable and to have the, I would say, the aptitude, I do not want to use any other word, to be able to do the work. And I did not do the interviews, it was done within the Civil Service. One person, Madam Speaker, so this is not a question of the Chief Minister holding back any recruitment, at the moment I drew to his attention, that this is what we were being told. Before the auditor's report was published, he said, Nigel, go ahead and recruit. But then we go out to recruitment, go out to recruit, and we find that only one person expresses an interest and has the aptitude for the job in question.

800 Madam Speaker, therefore, we are now faced with a conundrum, you are facing a conundrum, Madam Speaker, that it is resource driven, but at the same time, for whatever reason, you cannot find the necessary resources to be able to deal with the staff shortages, which are highlighted in the report.

805 So I have tried to alleviate the staffing issues in the Central Areas Unit, even though it is not my Ministry, by having somebody within my Ministry go to the Central Areas Unit, and they have spent many months trying to support the unit, and I think that individual within the Ministry has done sterling work, and I am not going to single him out by name, he knows who he is. And then I have said to the Tax Ministry, well, we have obviously recruited the two Senior Tax Executives, and we have also recruited the junior lawyers, can you release some of the time of the junior lawyers to support the work which is being done by the Central Areas Unit? they have also thrown in whatever support they could provide.

815 And this is an area, Madam Speaker, where one of the things that I realised when I looked at the work which is being done by the Central Areas Unit, one of the things that I realised is, it is an area of work that perhaps we can increase the efficiency in delivery, in delivery of the work which is being done by and through artificial intelligence, and the provision of AI capability, because, because what the unit are doing in terms of methodology is still very much like in every other, probably, Tax Ministry in any other country, in any other areas section of any other department,

it is all very much manually driven. It is all very much done according to the work and the oversight of individuals which would benefit significantly through an AI capability. And therefore, with the approval of the Chief Minister, and I think I have said it publicly on a number of occasions, we are developing, we are developing through the Government an AI capability which I call tax agent, it is a tax agent capability that I think will increase the efficiency of the Central Areas Unit in terms of the delivery of the work that they are doing, and I think it is vitally important that we look at alternatives if we cannot have the human resource element of it, because we have tried to recruit people and we have not been able to succeed, Madam Speaker.

There are sections in this report that I think merit also a response, Madam Speaker, and at page 94, the Principal Auditor says:

In paragraph 3.3.7 of my last report, I stated that the proposed Areas Recovery Act would greatly enhance the Central Areas Enforcement powers, its enactment, its enactment is now a much awaited piece of legislation.

This is what he says in this Auditor's report, he cross-refers to what he said in his last report which is here, Madam Speaker, and he says, quote:

One very important piece of legislation that would greatly enhance the CAUs capabilities, the introduction of the Areas Recovery legislation, the legislation is currently its final draft and has not yet been passed.

Let us pause there, Madam Speaker, we are talking about, what was it, let me just have a look, Constitutional boundaries, we are talking about abusing of the Constitution and respecting Constitutional boundaries.

The last time I checked, it was for this Parliament to propose legislation and for this Parliament, Madam Speaker, to pass legislation and it is certainly a matter of policy for the Government to decide what legislation is brought to this House. But in this report we are, the Principal Auditor saying, well actually the legislation is a great piece of legislation, it ought to be passed of course, it is common sense is not it, it is a no-brainer, let us get the legislation through, no regard to the constitutional position of this Parliament, no regard to the constitutional position of the Cabinet, no regard for the constitutional position of the Chief Minister, the Chief Minister with responsibility, Madam Speaker, for tax legislation.

But of course nobody criticises that, nobody criticises that, the only criticism is any criticism that he makes of the Government, Madam Speaker, in the UK this piece of legislation has been very, very controversial, I invite you to research and to look at it. It has been so controversial, Madam Speaker, that when it was proposed in Parliament, it was left in abeyance and it has only been recently that it is been reactivated, no surprises by the Labour Government, no surprises there by the Labour Government and it is caused, it is caused a huge outcry. So therefore, if we are going to talk about respecting constitutional boundaries, can the Principal Auditor respect the Constitutional boundaries of those of us in this side of the House that have that Constitutional function, Madam Speaker.

Can I turn now, please, to page 148, Madam Speaker, it is with regard to the GDC Officer. Madam Speaker, the Chief Minister did a forensic examination of this part of the report, Madam Speaker, I do not have first-hand knowledge of the facts which are set out here, but the Chief Minister made a forensic review of this and he dealt with it very well indeed, Madam Speaker.

I would like to add to what the Chief Minister has said, 17 pages, Madam Speaker, 17 pages dedicated to one individual, Madam Speaker, 17 pages to one individual referred to as the GDC Officer and I will keep that reference anonymous, Madam Speaker. I mean we all have family members, we all have parents, we all have brothers and sisters, we all have friends, we all have children. Madam Speaker, this is an abuse of the constitutional position of the Principal Auditor in the manner in which he dealt with this in his report, Madam Speaker. The Leader of the Opposition during his delivery, Madam Speaker, he spoke about, well, let us protect, he spoke about and referred to protecting people from excesses, that is a quote from the Leader of the Opposition's address, he also said we must respect institutional boundaries, another quote, we

875 on this side of the House are playing with the Constitution, he referred to persecution, persecution of the Principal Auditor and he also referred to a character assassination of the Principal Auditor.

Well, Madam Speaker, why do not we test, why do not the GDC report, the GDC Officer, why do not we test according to the very criteria which the Leader of the Opposition himself used in defence of the Principal Auditor.

880 I really would like to echo the words of the Chief Minister when he referred to the very famous poem, Madam Speaker, first they came for the communists and I did not speak out because I was not a communist, then they came for the socialists, the trade unionists and then finally they came for the Jews and then they came for me and there was no one left to speak out for me.

Madam Speaker, when I was a young man, I had this always in the back of my mind and if there is something, Madam Speaker, that none of us on this side of the House would ever tolerate is not speaking out for those that are unable to speak out for themselves and unfortunately this GDC Officer is not here to speak out for herself, Madam Speaker. The report says that the GDC Officer joined my Ministry towards the end of 2024, that was long after, long after what is set out in this report, Madam Speaker. Something did happen shortly after the GDC Officer joined the Ministry and that was that an email came out, it was sent to one of the Senior Officials within the Ministry because the GDC Officer was working at that time at the time and had just recently joined the Ministry but asking for a copy of the GDC Officer's files because it was a routine question, Madam Speaker, a routine request. I did not get involved, the Senior Officials did not think it is appropriate and I agree with them for me to be involved in any way shape or form but having made a request for the files, Madam Speaker, the Senior Official at the Ministry found that the files needed to be updated, that there were certain perhaps information that he needed to ensure that the file was up to date before the file was delivered to the Principal Auditor. A few days after the request was made, I cannot remember from the top of my head whether it was a week later because the official was trying to procure and make sure that the file was in order before it was released to Mr Sacramento, whatever time it took for that request to be satisfied, if you like, Madam Speaker, there was a time lag, I cannot remember whether it was seven days, a bit longer than seven days, an email comes and was sent to the official in the Ministry by the Principal Auditor, the tone of which I was actually quite taken aback, accusing and I have got it here, I am not going to read it, accusing the official of holding back information and alleging that if the files were not delivered forthwith, it will be an obstruction of the duties of the Principal Auditor.

Now a copy was forwarded to me and when a copy was forwarded to me, Madam Speaker, I found the tone to be offensive, I found the allegation to be offensive because knowing the official involved, Madam Speaker, you could not ask for somebody with a straighter bat in terms of anything that he dealt with and he had dealt with it and he had not seen the need for me to be involved rightly so but given the tone of the email that was sent to him, he thought he should share the email with me. In my mind an alarm bell started ringing and I am saying my goodness that is a hostile communication from the Principal Auditor, it is a hostile communication making allegations which are completely unsubstantiated and asking for the file of an individual. Of everybody within the Ministry, one individual is singled out for a request of that individual's files. There was no question of the files not being handed over, Madam Speaker, but the tone of the email seemed to suggest to me at the time and it just simply got feeling, sometimes you, you know, you follow your gut that there was more to this than met the eye because of the content and the tone of the email, Madam Speaker.

I therefore, Madam Speaker, wrote to officials within the Government, I felt it and I felt compelled to write to officials within the Government just to make sure, Madam Speaker, in the tone and the content of the poem that I think everybody, everybody should at least in theory subscribe to. First, they came for and then there was nobody to speak out for me, I am not worried about myself, I never have been, but I will always speak out and certainly we on this side of the House, we will always speak out for those that are unable to speak for themselves.

925 So, I sent an email, Madam Speaker, I sent an email to senior officials within the Government because I was concerned, I was concerned as to the content and the tone of the request from Mr Sacramento.

In hindsight, Madam Speaker, in hindsight after this and the forensic examination by the Chief Minister, I think some of this is actually worth stating here for restating here today. So I wrote, Madam Speaker, and I said: I mean I am fully, I am of course fully committed to respecting the Principle Auditor's statutory duties, but I am concerned about any potential human rights and constitutional implications of the request relating to GDC officer, let us keep it anonymous, as you know GDC officer only joined my Ministry recently. Any actions that are taken have to be taken in full compliance with, and I am referring to the Principal Auditor, with fairness, with transparency and applicable legal standards including no targeted or discriminatory action.

935 Given the tone of the Principal Auditor's communication, I feel it is essential to ensure that GDC officer's legal rights are also upheld and that she is afforded the protections guaranteed to all civil servants, I said, Madam Speaker.

And then I just made the point that I have no background as to why the Principal Auditor should be asking for the individual's personal files, but I was concerned, I was concerned, Madam Speaker, that the tone of the communication, the content of the communication, there was a potential here to breach the human rights and constitutional position and the rights of this individual, Madam Speaker. As it happened I was fully justified to be concerned given what is in this report and the way that it is been dealt very ably by the Hon. Chief Minister.

945 Two points, only two further points on this, Madam Speaker, there is a reference here and I know that, you know, the Hon. Chief Minister is a litigation lawyer, I am not a litigation lawyer myself, but when I saw the paragraph here, paragraph at page 148, paragraph 4.3.18, that referred to without prejudice, schedule or loss, the first thing that came to my mind was well, at least, you know, I have been taught in law school and I certainly have knowledge, some knowledge, that without prejudice correspondence, Madam Speaker, and that includes a without prejudice schedule of loss, I imagine, is a privilege that belongs to two parties, a claimant and also the person at the receiving end of the claim, and that therefore I would assume, and I might be wrong, but certainly morally, at the very least, if it is without prejudice, because the privilege belongs to both sides, you would imagine that people would respect without prejudice correspondence and not including without prejudice correspondence into a public document.

955 Let alone, Madam Speaker, reference to an agreement which is subject to, I understand, subject to confidentiality provisions, and that therefore, anything that he says in his report, I mean the Principal Auditor, Madam Speaker, anything that the Principal Auditor says in his report, the person who is the subject of the agreement has a confidentiality provision, therefore that person cannot stand up and defend her position, because if she did, would be in breach of the very confidentiality undertaken that she has given to the Government of Gibraltar. Thankfully, Madam Speaker, the Hon. Chief Minister set the record straight.

965 Madam Speaker, lastly on this section, the Principal Auditor, also has constitutional boundaries of his own, other constitutional boundaries of his own. I ask the question rhetorically, Madam Speaker, when the Principal Auditor requested, or rather, let me phrase it differently, did the Principal Auditor, Madam Speaker, in making the request for a copy of the agreement that he refers to in his report, which he obviously has had sight of. Has the Principal Auditor written to the Courts of Gibraltar in the same terms as he wrote to other Government departments, presumably asking for a copy of the agreement, Madam Speaker? I am asking a rhetorical question, and I would have expected that the hon. Members opposite would ask the same question, because given that they are so concerned about constitutional boundaries and respecting the independence of the Principal Auditor, if, Madam Speaker, the Principal Auditor wrote to the Courts of Gibraltar in the same terms as he wrote to every other Government department, except that the Courts of Gibraltar are not a Government department, Madam Speaker. If he wrote in the same terms, it would be a serious infringement and interference with the independence of the Judiciary and the independence of the Court.

No Court is subject to the powers of the Principal Auditor in terms of any Court documents, Madam Speaker. If the Principal Auditor wants a Court document, all he needs to do is, like any other citizen of Gibraltar, do a search of the register of the Supreme Court and obtain a copy from that route. I am not suggesting for one moment, Madam Speaker, that he did not do that.

All I am asking is the rhetorical question, Madam Speaker, whether in making his first request for that document, did he write to the Court in the same terms? Because if he did, Madam Speaker, that would be a very serious interference with the independence of the Judiciary and the Constitutional function, which the Members opposite are so robustly in favour of, Madam Speaker.

Finally, Madam Speaker, can I turn to page 207? This is my final contribution. As part of his value for money audit, the Principal Auditor, Madam Speaker, makes reference to *ex-gratia* payments, which has been dealt with by the Chief Minister, the Hon. Chief Minister, very ably.

But three of those *ex gratia* payments, Madam Speaker, relate to three contracted professionals, Madam Speaker, as he rightly points out, that worked in the Ministry, in my Ministry, but not during my time. In other words, there were three contracted workers, professionals, at a very, very high salary, that were part of the Ministry, but not during my time as a Minister. So, this precedes my time as a Minister.

But the Principal Auditor, Madam Speaker, is very quick to criticise, but if he is providing a value for money audit, you would expect the Principal Auditor to not just be talking about payments, which the Government makes in *ex-gratia* terms, as has been explained very ably by the Chief Minister, but also the saving which the Government makes in terms of the recurring expenditure that would otherwise have to be incurred by the Government if the Government had not taken the action that the Government had taken.

One of the things that I learned as the Chair of financial institutions, when financial institutions needed to take the unfortunate decision to restructure and make redundancies, and sometimes there are pressures on companies that need to restructure, and therefore, unfortunately as it is, governments will decide to make *ex-gratia* payments, to make redundancy payments, generous as they sometimes are, Madam Speaker. But one of the things that the Board of Directors is told is, well, it is you are paying for all these costs up front, but of course in subsequent years you do not have the recurring cost that you would have had if you had not actually made them redundant or offered them the terms that you have offered them. So, the total saving by the Government of these three contracted professionals, which precedes my time, but which the Principal Auditor highlights in his report, and mentioning the Ministry for Justice and Trade and Industry, the total cost saving for the Government, except for the first year, Madam Speaker, is, I think, and I have made a note here, in the region of £553,000. In other words, the total cost saving for the Government, for the people of Gibraltar, for the taxpayer, after your first year, is £553,000.

That is value for money. I would have thought that the Principal Auditor would say, well, I do not like the fact that you have made an *ex-gratia* payment, but I understand that by making the payment that you have made, it means that in subsequent years, after your first year, the Government is saving over half a million pounds. There was a fourth retired individual from the Ministry, Madam Speaker, and if you add, if you add the salary total of that individual leaving the Ministry, and you add it to the three, which the Principal Auditor highlights in his report, the total salary saving for the Government of Gibraltar is £681,000.

That is a significant saving for the Government and therefore, I think I would have expected to have seen some credit for that in the Principal Auditor's report. And the policy of the Government, Madam Speaker, has been that we want to recruit internally within the Government, that we want to ensure that our Civil Servants, our Public Servants that do a great job day in, day out, are upskilled, that we give opportunities to individuals in those areas where they have not had the opportunity in the past.

And this is a prime example of that. Because what we have done, Madam Speaker, what we have done is we have promoted at the same salary, at the same salary, so we have not given anybody any increase or enhancements to the salary, we have given people the same job to do as

1030 the job that was done by previous office holders, which cost the Government a significant amount
of money, we are training them on the job, they are now providing cross-ministerial support, so
you could have somebody working in Gibraltar Finance Department, doing work there, they could
be doing work for the Justice Ministry, they could be doing work for the Tax Ministry, they are
getting skills across all the important economic sectors of Gibraltar, a skill and an experience that
was not previously available to them. I would have thought that the Principal Auditor, Madam
1035 Speaker, who values our value for money, would applaud that initiative on the part of the
Government of Gibraltar.

Madam Speaker, I am not going to labour any more points, I have covered those points which
I thought were relevant to the Ministry and I am grateful to all Members of this House for their
indulgence, I do not know how long I have taken but I am grateful for their indulgence.
1040 (Interjections) An hour and a half, very good, I think I should carry on speaking then. Thank you.

Chief Minister (Hon. F R Picardo): Madam Speaker, an hour and a half of excellence laced with
brilliance requires one to rest a little and I move that the House should recess for 20 minutes until
7.20 p.m. when we can continue with other speeches.

1045 **Madam Speaker:** All right, the House will recess until 7.20 p.m.

The House recessed at 6.53 p.m. and resumed its sitting at 7.23 p.m.

1050 **Madam Speaker:** Yes, any other hon. Member wishes to speak? The Hon. Mr Bossino.

Hon. D J Bossino: I think it was the debate on the Appropriation Bill, I started off by saying that
I had been assigned the graveyard slot and I am not being paranoid because that was the case on
1055 that occasion when we have a set list of speeches but on this occasion the Leader of the House,
the Hon. the Chief Minister, would not have known that I was about to rise so I will not on this
occasion take it personally but what I can say is that he normally assigns the late afternoons to
those he must be less enamoured of on his side of the House because the Hon. Mr Feetham rose
to his feet at 5 p.m. The only salvageable aspect of that is that at least GBC I think are still showing
1060 and live streaming this debate. At this stage I understand that GBC has gone to other, I am sure,
more interesting things and reporting on more interesting things, more entertaining things
certainly in this community.

So, it is important I think to take a step back for one moment and analyse what is the nub, the
core of what has happened here and why this motion has been brought about. Length and legal
1065 arguments are there to serve a purpose, a purpose just to confuse but also to unnecessarily
prolong this time-wasting debate and I will go into details of that in a moment so that people
forget the damning nature of this report but I put it to the Hon. the Chief Minister and the
Government that they have totally failed in that regard because the horse bolted the moment
that the report was issued.

1070 People have come to certain, and I would say damning conclusions, of this Government and
their time in office. So it has not served any purpose, and in any event, Madam Speaker, it is a
trap, a trap that is not just for the public, but for us, that we do not go down the rabbit hole that
has been set by the Hon. Chief Minister and it is therefore important to give this debate simplicity,
and to give this debate, and to distil the core takeaways from what we have seen. And I would say
1075 that there are essentially two. There are two broad core issues which one must consider in the
context of this debate.

And the first one is that the Chief Minister and his Government are fast, very fast, losing their
little political capital which they had left. It is torn to its core, as I have said on many occasions in
this House, by internecine battles for the leadership, which runs the risk of destroying them. And

1080 whilst all of this is going on, they have been dealt a very serious blow indeed by an independent, and we stand by that on this side of the House, an independent constitutional officeholder, despite all their attempts at dispatching the man personally, and also in the discharge of his role, because they have clearly, what they have done is resort to an inelegant, unjustified, and vicious collective lashing out to destroy him personally as well as his report.

1085 And we saw that only this morning. We saw it in droves during the course of the Hon. Chief Minister's intervention. But we saw it this morning with the intervention of the Hon. Sir Joe Bossano, which, can I put it as mildly and as respectfully as I possibly can, the way that I would describe his intervention was inelegant in many respects.

1090 When he was suggesting bias continuously during the course of his intervention in favour of the GSD and the targeting of the GSLP. I am very surprised. I mean, it is the type of language and approach, quite infantile, quite frankly, that I now used to and expect to hear from the Hon. the Chief Minister but to hear it from the Hon. the Minister for Economic Development was, quite frankly, surprising, but maybe not so much, but certainly disappointing, that despite his years and his years in this House, he continues with that constant, and I think convenient to him and to them, diatribe that there is this fundamental division. And that in this case, you are either for them or against them. If you happen to criticise them, you are anti-GSLP. If you happen to go for them, you are anti-GSLP and you are pro-GSD. I expected a lot more from the hon. Member and he, when I quote, he says, the Hon. Sir Joe Bossano, that the Principal Auditor never criticises anything by them, in other words, by us, or that he is not being 100% truthful. Shocking, shocking language by the Hon. the Minister for Economic Development.

1100 The second point is that this is a Government which, by its very nature, we have seen it before when they took office on the 24th of March 1988 and were chucked out by the people of Gibraltar on the 16th of January 1996 and we have seen it again in their new incarnation, since the supposedly new dawn, when they took office on the 8th of December 2011, that they are, despite the false protestations to the contrary, is secretive.

1105 Well, they won the election, the vote was taken on the 8th and yes, okay, technically, the Hon. Chief Minister took office on the 9th when he was sworn in as such and as the rest of his Ministers at the time. It is in their political DNA but, as a result of this report, what we have seen is the shining of a bright light on at least some aspects, some aspects of their workings as a Government.

1110 And the Hon. Sir Joe does not like it, does not like it because he was the Chief Minister in those 8 years when Gibraltar endured one of the most secretive governments it has ever seen, now trumped by the hon. Gentleman opposite, as I said, despite their protestations to the contrary. And he even suggests, this is Sir Joe, that if this is the way he is going to be behaving in respect in particular to the value for money aspects, which he said we may need to legislate so that we are given the power, he may think twice about it. Because he does not want to give somebody, a constitutional officer, office holder, the power to start shining lights over what he does.

1115 He let the cat out of the bag, that is his DNA, that is the way he thinks, that is his approach to Government and to politics. And this is for once, because we try our best as an Opposition to ask questions, to hold them to account, but we are limited. We are limited by the rules of the house, by the number of supplementaries we can ask, and by the way that they answer questions.

1120 And they lead us down the garden path, but at last we have here an independent constitutional office holder, shining that bright light on the things that many people are talking about out there, and he has put it in this report, but they did not like it. And such was the extent of them not liking it, that it was not possible to approach it in the moderate way that the Hon. Leader of the Opposition was suggesting during the course of his intervention. That of course, he is not infallible, by he, I mean the Principal Auditor, he is a human being, he will make mistakes, and things will need to be corrected, and there are ways and manners of doing these things.

1125 But it was not possible for the Hon. Chief Minister and his Government to approach it in that way, because it was a direct, full-frontal attack on him in particular and his Government. So, they could not act in a normal, moderate way. They had to have a hysterical hissy fit, because there was simply too much at stake.

The hon. Members opposite are in effect, despite them pretending to be progressive, pretending to be socialist of the left, they are the new establishment of Gibraltar, they are the ones who have the backers, they are the ones who have the money, the power, which they use and abuse to remain in power. And here you have Tony Sacramento with a small team of people saying actually, this is wrong, this is wrong, we have got issues with this, we have got issues with that, they do not like it, they do not like it, like spoiled brats, they have said we are not going to have this, we are not going to have this, because power has simply poisoned their souls. And like Gollum in the J R. Tolkien novels, The Hobbits and the Lord of the Rings, they are holding to that ring, I like it, *(interjection by the Hon. Chief Minister)* the precious, precisely, and they do not want it taken away from them. And this is one of the ways of having it taken away from them, Mr. Tony Sacramento saying these things are not right, these things are wrong. This is, for as I said, this has been a naked attempt, this motion has been a naked attempt at deflection and confusion from beginning to end, and I say end, end of the Chief Minister's contribution, but it has not ended yet, it has not ended yet, we are seeing them all writing their speeches and with their drafts ready. What a joke, quite frankly, Madam Speaker, the Chief Minister has abused this parliamentary calendar, when we started this on the 23rd of September, let me point out 2025, I thought that I would be giving the reply, because you would have expected, like we normally do in most motions, that the Hon., the mover of the motion, whoever he or she may be, may finish in two or three hours or whatever, even on a lengthy speech. What we have had is Fidel Castro proportions, but split over seven or eight weeks, that is what we have had, because the Chief Minister does not have Fidel Castro's stamina, that is why he had to break.

But the point was that the Leader of the Opposition had a family commitment to attend to, and he did absolutely the right thing by his daughter to go to her graduation, and yet he went ahead. Does not matter, did not have the decency, I mean you are talking now about basic decency, he cannot help himself, did not have the decency to say, no, Keith, do not worry, I am going to go on for seven or eight weeks, so you will be able to catch up and there will not be a problem, you will not need to give the reply. I was here frantically taking notes, thinking that I was going to have to step in and give the reply on behalf of the Opposition, in the event, here we are, seven or eight weeks later, and 13 hours, I am told, 13 hours of a monologue by the Hon. Chief Minister. Fidel Castro on speed, but broken up, so that he can rest in between.

And now we are going to have to endure more of members of the Cabinet, you know, to play their part on quite frankly what is an embarrassing spectacle. People have switched off, people have switched off to the extent, and maybe that was a tactic, people have switched off to the extent that only today, I was asked by somebody, I said I am going to Parliament. I said we are debating still on the motion, he said what? What? You are still on the motion? People have come to their conclusions, they are not listening to him, to them, because what they have wanted to do is simply bury the stinging effect of this report.

The last time I looked, this was a Parliamentary Chamber, where here we are, a group of elected politicians who come here, the Hon. Chief Minister is very fond of saying, to parley, it is a Parliament. We are here to do politics, we are here to give our point of views on political issues, political live issues of the day, we are here to discuss politics. What we are not is a court.

Some of us may happen to be lawyers, many of us are not lawyers. We may be before, in the Chair, a retired judge, but the Speaker happens to have been a judge, but she is the Speaker of the House, but this is not a court. It may have confused the Hon. Chief Minister when he got up and pretended to be a courtroom barrister, but we are not a court.

What we witnessed from them, and in particular, the Hon. Chief Minister, is spilling out a series of half-truths and questionable legal principles, which are very ably challenged by my learned and hon. Friend the Leader of the Opposition, on the issues of bias and all the rest of it. I am going to digress slightly, because the Hon. Minister Feetham says, I mean, I could not believe it when I heard him say an hour or two ago, that the Leader of the Opposition was too legal, too legal, he said. This is, this is, clearly, clearly he was not here.

1185 He was not here, he was nursing, whatever he was working, it was not a weekend as far as I know, so he should have been here but the reality is, the reality is, it is his Leader who has subjected us to legal arguments. You know, and here he comes, so much so, that he is even changed his clothing.

1190 This morning when he gave the statement, he was wearing a completely different shirt and a completely different tie. Is this part of his leadership campaign? He has to wear the red and the white? I mean, he need not have changed. Or is it that the increase of tax was so worrisome for him that the hon. Gentleman was sweating and therefore had to change? Because he is really worried.

Part of his leadership campaign and it is not all about him. He has been, he has taken us through the report to talk about things which are not even relevant to the motion.

1195 To actually go through the report and say the things that the Principal Auditor ought to have said about him. About the wonderful things he says he is done. It is all part of his leadership campaign and of course this is very important. Of course it is very important. But he has used this debate, the Hon. Mr Feetham, in order to, you know, wax lyrical about the things he is done. This sounded really like a budget speech. It was totally irrelevant.

1200 Not at all. I mean, how many times did we hear him say he is worked very hard? As he keeps on saying in every single press release, in every single video that he issues.

How many times did he say that he has been the Chair of whatever? I know he sits on many chairs because he keeps on pointing it out on social media. It is Westminster by the way, not 'Westminster'.

1205 You know, the Hon. Minister keeps on just talking about himself. He is irrelevant as far as this report is concerned and then he goes off on a front of his own about this rhetorical question which he poses and he emphasises it is rhetorical. What is rhetorical? It is hypothetical and quite frankly it was potentially in breach of the rules of this House. What if the Principal Auditor had written to the Supreme Court and talking about the division of power and all the rest of it?

1210 What is the Hon. Minister going on about? And he got really worked up about something which he constructed himself to make the point.

1215 But as I said before, we are not a court, Madam Speaker and, you know, why does the Chief Minister not stop playing the lawyer and take the matter simply to the Supreme Court? If the hon. Member thinks that his Government has been so slighted and so attacked on the basis of a report which has been so manifestly and utterly wrong, then he is got relief open to him in the Supreme Court by way of judicial review. But he should not therefore then be relying on selected quotes from a partisan legal opinion that he obtained, for which he has paid I am sure handsomely, and irrespective of which we have not yet seen, despite the promise in the motion that it will at some point be produced.

1220 But as the Hon. Leader of the Opposition said, we would also like to see the instructions on which the KC London Silk gave his opinion. But it was not a binding finding. That expression that he used so much in the first couple of days during his contribution, it was not a binding finding, but he treated it as such.

1225 He treated the opinion as a binding finding to criticise what Mr Tony Sacramento had done, an opinion which we have not seen. Because it is important, as I am sure he would have learnt from the Hon. Sir Joe Bossano, that it is important always to go to source documents and read things for yourself, and not rely on the conclusions that he is asking us and the rest of the Gibraltar public to come to. It is important to realise that it was not a binding finding, and that it was not a judgement of the court, and he was treating it as such.

1230 So, in what he has turned into a mock court, he presents his case without having to face the interventions of a judge. Because I was just watching and thinking, if he were in the Supreme Court, or better still, in the Supreme Court, or even better still, in the Privy Council, he would have had a much more different, and I would say less appealing experience than the one he had, because he would have been the subject of continuous judicial intervention without a shadow of a doubt. Without having to face the challenge of the Principal Auditor and his legal team.

1235 He can come here and present his case, and he thinks he is done a great job, but he does not have an opponent. This, in that sense, is not an adversarial process. The Principal Auditor is not here.

We are not the lawyers for the Principal Auditor. We are not. If we were, we would be taking instructions from him. We would be asking him, look Tony, he is saying this, this and this. We would be showing him that he is presented these documents. We would be showing him the 31st of May emails, which were so badly presented, you know, at the 11th hour.

There would have been disclosure of documents as part of the process. There would have been submission of skeleton arguments. There would certainly have been more respectful of times and hearing times.

1245 And then, he sits there, knowing full well, because we do not harbour any hopes, that there will be one of them voting in our favour. It could happen, and I would ask them at the end and the conclusion of my intervention that they should consider their respective positions individually. But other than that, he is certain of a certain judgement in his favour, which is not appealable.

How nice. I think he is forgotten many things of what it is to be in practise and I wish that he does go to practise as soon as possible, so at least he will not be sitting on that chair.

1250 So, Madam Speaker, Mr Feetham talks of the GDC officer, and in that context, not being able to defend herself, the GDC officer he was dealing with in his intervention. And what about this? The Principal Officer has not been able to defend himself. I mean, I do not know whether he is watching this debate. He probably thinks that, you know, we are in cahoots with him, which is not the case. It is not true. Yes, he says, yes, I know that is what he thinks. He was saying it expressly, but that is the way his mind works. Probably because it is reflective of the way he is. (*Interjection by the Hon. Chief Minister.*)

No, not at all. Oh, not at all. Not at all. Not at all. Not at all. Total paranoia. Total paranoia, and you can certainly smell that all the way from here but let us dwell on the obvious tactics which they have deployed. Many of them have, quite frankly, narcissistic traits running through them.

1260 Yes. Yes. Firstly, as I said before, this has been an absolute classic exercise by the Hon. the Chief Minister of denigration and ascribing of blame on an individual who cannot defend himself and let us not forget, talking about stepping back for goodness sake, let us not forget of an individual who on their own recent assessment, very recently, was exemplary, was an exemplary civil servant. They were singing his praises when he retired. It is on record.

1270 All of a sudden, you know, he is the worst *bête noire* that you could ever have thought of and this is simply a black mark on the Chief Minister and his Government. And this represents, let us not forget either, a fundamental breach of what I considered electoral promise which was very important, and I think he said it at the time of his ascension to power at least within the GSLP ranks when he was elected GSLP leader in 2011 and by date of that became Leader of the Opposition where he said we would be, under his administration, we would be playing the ball and not the man. Where has that gone? I ask rhetorically. Where is that gone?

1275 Certainly, this has not been a good example of any of that. He is trying to get the entire population to point a finger at the Principal Auditor, or as he called it, him, the author of the report, to ascribe to him, now supported by the Hon. the Minister for Tax, the almost entire responsibility for the denigration of Gibraltar's international reputation.

He is gone as far as that. When what I say is that it is precisely this travesty of emotion which is what is going to have a serious effect potentially on our international reputation because governments are not meant to behave this way. Governments are not meant to behave this way.

1280 And just so that one can appreciate and recall the level of hyperbole which the Hon. the Chief Minister has decided to adopt, I read from the part of his speech, I think it was in the second day, it is a very short sentence, when he used to print the entirety of the speeches, then we had summaries. I do not know whether he realised that people were just simply getting bored or that he did not want us to have notice of what he was saying until Hansard was produced. But he says:

No other solitary statement has inflicted comparable risk of damage on Gibraltar's good name and our ability to continue to avoid relisting in the future.

1290 Now that point supported, very disappointingly I may say, by the Hon. the Minister for Financial
Services. But this is typical of their bully boy tactics. We have seen it before. They have come and
used the raw power, let us not forget, the raw power that they have, by having a majority in this
House, to attack, kick and bash a Principal Auditor, as if he were in the playground, who is not
here to defend himself. What they have done is nothing other than dangerous and pernicious.
1295 And the only way, I am now convinced of that, despite the potential change of leadership, despite
the potential, perhaps, or a thought of approach, that we will see more of the same, and the only
way of dealing with this is for the people of Gibraltar to kick them out of office as soon as possible.

That is the only way that we will see an end to this. Because what we are here to do is not to
defend the Principal Auditor, but to defend democratic institutions and indeed democracy itself.
The second point is that they are trying, as part of their narcissistic approach to this, to turn one
1300 group against the other - it is very obvious and palpable.

In one respect, and in one way in which they are doing this, is that they are trying to turn Public
Servants, Civil Servants, against the Principal Auditor and I refer to one of their press releases,
where they do precisely that.

And you saw it throughout the course of the hon. Member's intervention, Madam Speaker.
1305 And to the Civil Servants, my message to them is very clear. Is that they should be much more
concerned, not by what the Chief Minister has said and what they have said, they should be much
more concerned about this Chief Minister and this Government.

They are not their protectors. Because what this motion has shown in a very public and obvious
way is that if you criticise them, they will go for you. If you criticise them and you carry out your
job as a Civil Servant, they will attack you because they need to defend themselves. They will go
1310 for you and I think the Hon. Minister Feetham even suggested, in the context of his private
experience, that if an auditor does not do his job properly, then I would terminate his
employment. That is where they come from. That is what they would have loved to have done to
Mr Tony Sacramento and who knows when they introduce new powers what that would bring in
its wake. Who knows?
1315

But perhaps more dangerously, what they have done, again in press releases, and indeed in
contributions, is turn against the press. Something that we are seeing on the other side of the
pond with Trump's administration, and they call themselves of the left. They call themselves
socialists. The hon. Gentlemen are more populist of the right than they may care to imagine.
1320 Because that is classic.

And we saw it very clearly, not just in press releases, but indeed in the Hon. Deputy Chief
Minister's intervention. He himself also said, that he made a critical observation, of the way that
the press has handled the reporting of the report's conclusions and that is certainly something to
be concerned about.

1325 And I read very briefly, in their Press Release 529 in relation to this issue, when they talk about
the sensationalist framing, adopted by some of the coverage, they go and go for the press.
Something that I certainly have never seen before. I certainly do not recall previous governments
doing this.

But as part of their hissy fit approach, they simply, I thought they were the New Dawn, they
1330 simply cannot take the criticism and then, I am sure this is the Hon. the Chief Minister's language,
draftsman of the author of this press release, when he says that, I hope the reporting of our
response, will be as thorough and investigative, as those we have seen about the [inaudible]
report itself. Honestly. Honestly. If it was not laughable, and so immature and infantile, then
because the reality is, it is actually very, very serious. It is very serious.

1335 Thirdly, he plays the victim. And again, a typical narcissistic trait, where through a distortion of
reality, he makes out he is the victim. They are doing a hatchet job on me. They are going for me.
We saw that in the press releases. In fairness to him, I am not sure that he pushed that button

much, during the course of his intervention because I think he probably realised, well, wait a minute, maybe it is less of an attack on me, I better bring them all in. Better bring the entire Cabinet in with me. That is what this was all about.

But in his initial reactions during the summer, let us not forget, we were having this debate in early July. And here we are, almost at the end of the year, still talking about the Principal Auditor and as the Hon. Chief Minister, I think mentioned in his sedentary position, with the things that are happening, and the things that we do need to debate, and we have a pile of questions still to have answers to. 300, I think, is the last count, or thereabouts and here we are, still talking about Tony Sacramento, and the Principal Auditor. This should have been done back in September, at the end of September. We would have voted and that is it. Move on... Move on... But no, here we are and it is still all about him and he tries to create chaos and confusion. That is the job of me and my Government, he says and then, we have heard a lot, during the course of the interventions, till now, I know there are going to be more. I know there are going to be more.

But we have heard a lot about the language used. The language used and the presentation. Not so much now, the substance. It is the way he said things. We have heard that from the Hon. Deputy Chief Minister. We have heard it from the Hon. Minister for Financial Services. We have heard it also from the Minister for Economic Development. You know, they are so bothered by this, that it is penetrated their very thin skins.

I mean, they have been in politics now for long enough. Some of them for as long as I have been on this planet. But if language is the issue, they need to look at their current leader.

They need to look at that and the use of his words and how vindictive he has been in the deployment of his words.

We are not going to forget what he said, or the way he is presented things, both in press releases, and across the floor of this House because that so characterises him, and the rest of them, and the rest of his Government.

And, in which planet does the Hon. Mr Feetham think we live? When he says, you know, that, you know, I think at the beginning of his contribution, he talks about the language that was used, and I think being critical of the Hon. Leader of the Opposition, and actually that the Hon. Chief Minister was actually quite measured. He was not. He was not. He was not restrained. He lashed out. He went ballistic. He was venomous. To a degree, which, not because I know him, and I think we have got used to him, and we are probably hardened by his approach, but actually it was quite shocking. So, you know, this patronising admonition by the Hon. the Deputy Chief Minister of the press, and indeed of us, of the Opposition, who are here to do our job, in holding them to account, utterly undermines the Chief Minister's contribution and approach.

Because, as I have said, his approach was aggressive, and the subject of doses, huge doses of hyperbole, which he has meted out over the last, let us not forget, not just seven or eight weeks or whatever it is, the last half a year that we have been subjected to this. Describing the report as heinous or politically biased. And nothing could be further from the truth.

The Deputy Chief Minister, as I said, really went to town on language, talking about polarising discourse, which is precisely what has been employed by them. But I detected a few challenges to the current Chief Minister's authority in what the Deputy Chief Minister said because he said that the auditors must be the subject of scrutiny, he said. And that is agreed but this is what a Public Accounts Committee is all about in large measure. We had another gem from the Hon. Deputy Chief Minister, albeit delivered in his usual unassuming and quiet way.

Because a significant part of the hon. Gentleman's contribution was about, you know, this report in reality is no different to other reports, because other governments have been the subject of quite severe criticism. That is what he said. So, I am not sure where that leaves him or them.

Maybe he should consider voting with us because that is not what they have been saying all along. He actually said that.

Other governments have been the subject of criticism. What other governments, if it is true that they have been the subject of criticism, have not done is then embark on an attack of the

Principal Auditor, whoever the author of that report, relevant report would have been at the time.
 1390 And would not have, you know, subjected the House, by way of a motion, to a hysterical tirade.

None of that happened. They took it on the chin. I am not sure if they followed any of the recommendations. They may not have. I think he referred to somewhere, you know, the eight years administration, may not have followed his recommendations. But that is it. You get along with it. Go, you know, move on.

1395 We are having a bit of it now in the UK, where the Office of Budget Responsibility is being critical of some things or, you know, the issues in relation to the budget that is been presented and the leak and all the rest of it. That is something separate. But the Government does not go in necessarily on a tirade and a criticism. We have had the enquiry of the COVID, the handling of COVID in the United Kingdom and there have been criticisms in the press and by the Government.

1400 And people have expressed their opinions in the press and elsewhere. But we have not had, you know, a tirade in the House of Commons. Certainly not six months' worth of it. None of that. I do not know.

Maybe it is just simply that this Government simply does not like and is not used to being criticised in such a pointed way. So, you know, the Hon. Sir Joe Bossano has been very pointedly
 1405 critical as he leaves... Are you going to stay or what? (*Interjection*) Has been very pointedly critical of all the, pointedly critical simply of the reports authored by the just former Principal Auditor. You know? So, he can go over. He has a seat to go over. I do not want to stop him in his way.

So, why is it, therefore, that this one produces such a reaction? The only conclusion that one can arrive at is because this one hurts them. This one has hit them where it hurts. That it is not to
 1410 say that, therefore, it must be tarnished and brought crumbling down the whole edifice of the Principal Auditor and as my hon. Friend, Mr Clinton, rightly said, you are not being critical just of the Principal Auditor. You are also being critical of all the members of staff who do sterling work in his support and provide all the research and presumably have drafted many of the emails, I would have thought. So, you know, he attacks Tony Sacramento and all the others who work for
 1415 Tony Sacramento, who I am assuming still work there under the auspices of the current, or leadership of the current Principal Auditor.

So, the fact that the Principal Auditor is critical of the Government shows that he is doing his job just as much as the other Principal Auditors in respect of the other reports that the Hon. Deputy Chief Minister referred to was doing, or were doing, their jobs. It is the same thing. On the
 1420 issue of bias, much of it, you know, a lot was made of bias, and I would highlight two aspects in particular in relation to bias by way of analysis.

The first one is that this horrible, you know, Principal Auditor simply, you know, smells a problem, smells a rat to attack the GSLP, the socialists and that is what he is all about and this is, you know, one of the limbs on which he attacks and based on bias. Whether it is because the
 1425 Media Director who I know very well, I am very fond of, was a previous candidate of the GSLP, a fact, or whether the GCC employee was a member of the GSLP, I think he mentions the GSLP, or the executive of a party, I am not sure he even mentions the GSLP, a fact, or whether the Minister of the Environment is a Minister of his Government, of the GSLP side of his Government, and has a company closely associated with him, the Minister for the Environment, and getting contracts
 1430 from his department, another undenied fact, is this kind of, not the point, when one looks at these things from a distance.

This is not a question of bias. It is not a question of bias. That is the way that he and they wish to characterise what is going on.

This gentleman, and by gentleman, I mean the Principal Auditor, is looking at what he sees and
 1435 he peels off certain financial arrangements in relation to the Media Director, the GDC employee, you know, where they give them payouts. This is not a criticism of the recipients of that. It is a criticism of them. They are the ones in office. They are the ones in power. They are the ones who can, you know, pull the levers of power but they choose to do it in a certain way. He simply asks the question, and then it so happens that, you know, the thing that runs through all of them, that

1440 is consistent, is that they are so associated with them but the official, you know, objective bystander can look at that and say, actually, yes, I can join the dots.

I am entitled, as Mr. Joe or Josephine Public, to come to that conclusion. The Principal Auditor sets it out but they, you know, in their thin-skinned paranoia, are saying, yes, it is because he is biased, he is coming for us.

1445 The obvious point is that it just so happens that all these people have been or are associated with them, and they get the beneficial treatment. And this is why he actually uses the very strong words of corruption and nepotism featured in this report. When I used corruption once in this House, I was called to order by the Speaker, I think in my first intervention, for it being on parliamentary language.

1450 The reality is that the Principal Auditor himself has had the gall and the guts to call it for what it is, the way he sees it. The way he sees it and that is what they do not like and that is why we have gone through six months, seven or eight weeks, and now we are going to go through more speeches, so that people get confused, and they do not know whether they are coming or they are going, but they have been unsuccessful in that attempt. But people are entitled, more than
1455 entitled in a democracy, to join the dots. What the Principal Auditor has done is set it out there, black upon white, and then you come to the conclusions.

What you do not do then is attack it, because you say, actually, no, actually, the whole GSLP is connected. You know? Scary times that we live in because this is institutional paranoia.

1460 And the second is, you know, that, I mean, this is bizarre. This was very ably dealt with by my hon. Friend, Mr. Clinton, when he talks about the Public Accounts Committee, simply because the Principal Auditor adopts a position in relation to the Public Accounts Committee. He is aligning himself with GSD policy. You know? I mean, what a load of self-serving nonsense.

Is it not, and I know it is, but is it not, I ask rhetorically again, blindingly obvious to the hon. Members opposite, that this is a sound policy to follow? That this is where you have an extra layer
1465 of scrutiny, an extra layer of examination of the public finances of Gibraltar? Is it not obvious to them? Is it not obvious to them that all the other Overseas Territories' Parliaments, have one? Even St. Helena, I think, with a population of 4,000. You know? But no, they have a different policy.

Now, that an auditor, in this case it happens to be the Principal Auditor, an auditor says, actually, this is a good idea, and not in the language that he purports, he says, he deals with it in
1470 one paragraph of the report because actually the language there is measured and is qualified.

All he says is, I call upon the Parliament to at least consider, because he is desperate. I mean, the desperation that you see almost coming out of the page when you are reading page by page of this report is, for me, palpable. And I do not think I have ever had a conversation with Mr. Sacramento other than hello and goodbye. (*Interjection*) Ah, that is, ah, you see, that is where it
1475 is coming from. That is where it is coming from and actually makes his, no, this is, he makes it, he makes, his remark has been such that it actually confirms and actually makes my position even stronger of where, of where the Hon. the Chief Minister, is going with this and in the malicious way, the malicious way that he is proceeding with this. (*Interjection*)

He is exemplified.

1480

Madam Speaker: Can we call to order and not talk from a sedentary position? Carry on. Right.

Hon. D J Bossino: He is exemplified precisely where he is coming from. Precisely where he is coming from but the language, he used in relation to the public accounts committee, you know,
1485 was actually quite qualified in nature.

But it is obvious that, you know, somebody of his training and his approach to this would have adopted that position. That does not make him biased in favour of the GSD, does not make him biased in favour, I do not know, of all the other political parties and all the other Overseas Territories? Does it make him biased in favour of the positioning of the other, you know,
1490 Parliaments outside of the Overseas Territories?

I mean, this is complete and utter nonsense, and I am, you know, I am quite disappointed actually that they have not come up with a better argument. Really disappointed.

So, this aligns him with logic and not bias. This aligns the Principal Auditor with common sense and not politics or political bias.

1495 And Speaker, on the specific cases that I wish to dwell on now for a moment, where we have had a lifting of the veil, I wish to look at a few cases but before I do so, well, so, what I wish to do so is deal very briefly with the Hon. Sir Joe Bossano's contribution in relation to the £50 million, you know, said as loosely as I possibly can, investment, in respect of which, you know, he goes on a tirade about why does he just want to know about the £50 million when there is in excess of £2
1500 billion that we are dealing with? Why is this just the £50 million? The reality is that we raised it in press releases, Mr Clinton raised it in press releases, because it was revealed, we would not have known any better. And we saw, this is £50 million. It may be small fry for him, but actually it is a big chunk of money, and it is, you know, we are none the wiser.

We are none the wiser as to, you know, where that money has gone. We are none the wiser
1505 and this is, you know, savers' money. This is why it is different in nature. He himself has said that Savings Bank is not a bank in that sense. It is different in nature.

We have had this debate across the floor of the House. The only revelation we have had is that this money is not being used as part of his economic plan. That is the only revelation we have had but it has actually been invested in, I think he said, private entities. When he says, I have got the
1510 quote:

The entity that has issued the loan stock [and I imagine it is Credit Union; I am not citing the entire name of the company] has customers that are private firms.

1515 That is what he said. Has customers that are private firms Money which is sourced from the Savings Bank through this sort of complicated jungle, and it gets to this company called Credit Union and that company has customers that are private firms.

That is we, he says, we are supporting through that mechanism. We. Who is we? Who is we? And this is the problem with the hon. Gentleman, that we have lack of clarity and that makes us
1520 nervous. It makes us concerned. Who is we? Is it the Government? Is it he as the Chairman of the Savings Bank? Is it a board that looks at these things? Is it a board that looks at the, you know, performance indicators of these private firms? What investment is it? This is why it is different to a normal bank, we say and Credit Union is one of his, you know, jungle companies. It is important to understand what he means by we.

1525 And then he says, in very severe language, he describes the Principal Auditor as, you know, or the report rather, as being a complete and utter attempt at undermining the Savings Bank. It is nothing of the sort. Nothing of the sort. That is the way he sees it. He is entitled to that view but what he is asking is, you know, basic questions as to where this money is going from and I imagine this would be like a sample, a bit like the 25 housing allocations. A sample.

1530 Did not deal with all the 2.1 billion but he has certain views but that does not, it does not, it should not attract this attacking, you know, comment And it is not dealing simply about the cost of doorknobs. This is much more serious than that. It is £50 million and goodness knows what is happening with the other money. Goodness knows. And he says, well, you know, he comes across, Sir Joe Bossano talking about the principle of what happens if I am hiding things, you know, I am
1535 doing something nefarious.

As to the first, he is absolutely right, the hon. Gentleman is hiding things. He is not being transparent with us. When we ask questions, Mr. Clinton, all of us questions, he does not answer. He chooses to answer certain questions and chooses not to answer certain questions and as to whether it is nefarious, well, the jury's out. Because we cannot come to a valid judgement. And
1540 that is part of the point. He will say it is not. Good for him but we are relying on him only. I mean, what happens in the future when, you know, if there were to be a change of Government and we hold the check book, I suppose then we will find out. I hope. I think. Or is he still going to be holding

the levers of power even after a democratically elected Government goes into office? I do not know because some people are even raising that as they doubt because he still controls the Savings Bank.

On Wildlife Gibraltar Limited, I want to deal with four aspects. The first is that the Chief Minister has not done, or indeed Sir Joe Bossano, despite his, you know, charming language used in the course of his intervention in respect of the Hon. Mr Cortes, we refer to him in the first name basis, that he has not done him any favours because quite frankly, they have both put a rather feeble response in his defence. You know, and I hope to hear the Hon. Mr Cortes when he comes to his intervention but I am not sure he is going to be adding anything further because this can only be described, at best, as an awkward arrangement insofar as conflicts of interest are concerned and the Principal Auditor was absolutely right in highlighting this, as indeed we have from this side of the House. Because the reality is that the shareholder of that company is very closely, and I would not put any higher than that, it is the Hon. the Chief Minister who mentioned the familial connection.

Probably also in breach of the rules of the House, because he should have simply mentioned her name. Now, the reality is that this individual is very closely connected by way of family to the Minister who happens to be the Head of the Department that grants the contract to the company. That is a reality.

Secondly, what heinous language, what heinous language is the Principal Auditor accused of having used on this occasion? I think in that context the Hon. Sir Joe Bossano talks about fiddling public money. He does not say any of that. He does not say any of that. He does not talk about fiddling of public money. What the Principal Auditor refers to is issues of conflict, where he says here, reputational risks, and he says perception of favouritism or corruption, and he says other suppliers or stakeholders may, he does not say will, may view the decision not to retender, talking about retender, as biased, particularly in the case of the management and maintenance of the Alameda Gardens, which I think he had at the time of their first administration, Commonwealth Park, at the time of their second administration, Campion Park, at the time of their second administration, and Upper Rock Areas, I am not sure when that came about, where the family connection between the Director of Wildlife Gibraltar Limited and the Minister for the Environment, the Principal Auditor does not specify what the family connection is, the Hon. Chief Minister did, can lead to loss of trust in the procurement process.

That is what he says, talking about fiddling public money or whether he receives profits from the dividends. None, that is none to the point. So, and I think the Hon. Sir Joe Bossano talked about the contamination of GSD philosophy.

Thirdly, the absurd and ridiculous analogy that the Hon. Chief Minister makes when he talks about the continuing and never-ending extending list of contracts which this particular company has benefited from with a never-ending list of gardens, it seems, with Land Property Services. These are two distinct, completely different contractual arrangements. Land Property Services, which as the Hon. Sir Joe Bossano rightly points out, I think it was Crown lands before, Crown agents, I think he described it as such, then became Land Property Services and he created it, I think, in the early 90s, during his first term in office. It has worked well. It has worked well. I am sure it brought about efficiencies, a bit like what he did with the AquaGib and all the rest of it and that is worked well and it continued to survive during the 16 years that we were in office and continues to survive. Completely different to what we have seen here. This is a company which is the beneficiary of a contract, and it is getting more and more and more without any tender process.

What the Principal Auditor here is saying is that other stakeholders may say, wait a minute, I may want to have a go at this. So, it is completely different and the other is, again, blindingly obvious point, is that Land Property Services, there is no familiar connection with a Minister in office in the way this is.

So is it not normal, despite the explanations given by the Hon. Mr Cortes, that the Principal Auditor indeed asked, indeed many people out there should, you know, place a massive question

1595 mark on these arrangements and these things need to be handled a lot better, as the Hon. Leader of the Opposition said. I think in rather measured language, once again, that is how you deal with these things. You need to be sensitive.

What you do not do is come here and say, no, everything is right. You know, and keep on propagating the arrangements, because clearly that is what they are going to be doing and they should be a bit more humble and maybe say, okay, let us do things differently.

1600 So, he then finally, falsely, he makes references to the Chief Minister, saying, ah, but the Principal Auditor had all the information. He had all the information available to him, and he cites all these questions and answers. I think all of the questions I posed. The Opposition poses these questions. Actually, quite surprisingly, I just jotted down the numbers. I checked them as against Hansard. I checked them as against the video uploaded by the parliamentary staff. I checked them.

1605 I think other than one answer, which I think deals with slightly the issue of conflict that I got from the Hon. Mr Cortes. One of them had absolutely nothing to do with this issue. It was a question actually posed by the Leader of the Opposition in relation to the flashing of Irish Town. Nothing to do with Wildlife. So it may have been misquoted and miscited by the Hon. Chief Minister. At the end of the day, he is human and he makes mistakes and maybe he should record, to correct the record.

But then the others, there was one about that I asked a question, I think, quite recently, because I think, Mr Speaker, you were already sat on the Chair. It was about Apex Management Limited and the contract granted by Wildlife Gibraltar Limited to Apex Management Limited, which runs the Botanical Gardens, the shareholder and director of which is an individual. I would not say who is familiarly connected with the Minister but nothing to do with Wildlife and then I asked the question, was a tender granted? And I said, no, no. The tender was not granted because the tender is granted or rather the arrangement is the Gibraltar Government, Wildlife Limited, then Wildlife Limited can, you know, grant contracts and enter into relations, commercial relations with whoever it wishes. Which I found quite shocking and surprising, but it had nothing to do with this issue. And this is why it is important, as I said before, not to take at face value what the Hon. the Chief Minister says, or indeed many of them say, you need to go to the source documents. And that is not what we have had the benefit of yet in relation to the opinion that he is obtained from the KC in London or indeed in respect of many other things.

1625 So, because they, the gentlemen and ladies opposite are more than capable of creating their own truth of things. We saw it, you know, in a jovial fashion, but actually because it made us laugh how they have created this fallacy that somehow the GSLP was created 50 years ago and that is the anniversary. It was not the case because, you know, we are quite nerdy about that. We know our facts and these details. And as far as I recall, that was 1977 but because in 1976, Sir Joe Bossano stood as leader of the Gibraltar Democratic Movement and then he suffered a, you know, a crossing of the floor by all and sundry. I think he remained, he was the Leader of the Opposition and remained as a sole member of the House of the GDM, but appointed. It was not the GSLP, but they choose because, you know, we better have a party to have the celebration of 50 years of GSLP. Then the GDM was not the GSLP. The candidates who stood with him went and crossed the floor to what he would consider at the time as the right of Gibraltar, which was the AACR. Two of them. It was not the GSLP. It was a socialist in approach or in name. Sometimes I even wonder whether Sir Joe Bossano is a socialist himself, but that is a different, a debate for a different day. And then remarkably, we heard from the Hon. Mr Feetham when he is making another point, a bit like the Deputy Chief Minister, which I think goes against him. He gets so excited, you know, when he is on his feet, (*interjection*) when he imagine, he imagines that he is going to be the Chief Minister one day, (*interjection*) but then he actually makes a fallacious wrong point, fundamentally wrong point when he is, you know, extolling the virtues of the fact that all the other Principal Auditor reports have a qualification of the reports, you know, and, but the point he completely misses, we have no issue with that. We have no issue with that.

1645 The issue that we have is that it should have been characterised in a different way by his leader, his current leader, who said that it, in fact it says it in the motion I think, where it talks about, you

know, a clean bill of health in the accounts. It does not say that. It is qualified and, you know, the Hon. Minister for Financial Services has just proven that point, has made a better case than we would have made in relation to that. He has taken us to a history lesson as a result of the good work of the official that he instructed to spend time on this (*interjection*). Instead of, probably spending time on the betterment of this place rather than making, you know, bad points in this House.

On the GDC appointments, there is one GDC Officer according to the, look, the hon. Members opposite have not dealt with this at all. So, one must assume that they have no issue with it because they have not carved this issue out in their motion. But he says, that, there is, so this is a Principal Auditor, that there is a GDC Officer who is employed at the Department of the Minister for Tourism.

The Principal Auditor is not able to identify where the advert appeared and he asks the question. He does not understand why it is the case that he or she earns a higher salary by the face of 13 by £13,000, a top up of £13,000, and that, wait for it, this individual is closely related to a Government Minister and we have had little, if anything, by way of response on this issue. Have they missed it? Are we going to get it from one of the contributors now that I have raised it? Because I would certainly like to hear. Or is this something which is accepted by them? A very clear and flagrant act, if not addressed, of nepotism but they had nothing, not a ticky heard from them. In relation similarly with Officer X, nothing. Under the GDC section, the pages which are delegated and carved out in the motion end to this point, the point I have just mentioned in relation to the GDC officer.

In relation to Officer X, a trade union official, that is what the Principal Auditor says, who was interdicted from duty for misconduct, it is a very serious result of a disciplinary matter, was acting Pathology Services Manager at the GHA, is then promoted to a GDC post, earning £67,000, much more than he would have earned in his role, and eventually is expected to earn, again, according to the Principal Auditor, £75,000 or thereabouts.

And what about Officer Y? What about Officer Y? He goes from earning £35,000 as an ambulance station officer to more than double his basic pay, again, in a GDC post. GDC seems to be this very convenient organisation, establishment, created by the Hon. Sir Joe Bossano in his first term, where you can deposit people, of course, because then they do not have to follow all the strictures of the classic Civil Service. This is something that they can use, they can use their power to obtain certain results, and we have seen this very clearly in the context of this report.

Officer Z, who has essentially been promoted twice, in a period of eight months. Where is the reply to this?

These shocking revelations, which clearly have not been so heinous in nature because they have not been carved out in the motion. And on the question of housing, you know, quite apart from the bizarre, quite frankly, weak contribution that we had from the Chief Minister, who had the temerity of defending, in effect, it is a bit like with white-light limits, they simply, you know, they go into their trenches and they defend. Instead of saying, no, no, actually, well, this is something we can change. No, they defend the arbitrary approach to the grant of housing in the context where they simply brush to one side the processes and the procedures. We have got many people, and the Hon. Minister for Housing knows this because I write to her in relation to many cases that come to me. She will deal with much more than I do. Of course she will because she is been elected to discharge that responsibility but there are many people who are absolutely and utterly desperate and they are for donkeys years in the high brackets thinking that they are about to receive their much-wanted home and then the Chief Minister decides to use his power because he says that he is the Minister in effect of everything, the Emperor par excellence.

He is also the Minister for Housing. I mean, he cannot make this up. He cannot make this up and actually and then refers with very colourful language to a particular case which quite frankly I would rather not have heard but he goes there to make the point about how this person desperately needed a house. We do not know the truth or otherwise of that statement, but the reality is that he has leapfrogged and ignored and completely abandoned the point system. And

there is a system there. Of course, what happens with that is that people will then feel and this is stuff that I get in my surgeries.

But people tell me and you take these things with a pinch of salt. You know, I have been long enough in this profession to understand certain things but then you hear this in the report and not just in the report, but it is defended so badly by them that actually it makes you even more concerned by the allegations that the Principal Auditor has made in that section.

And then, the Hon. Sir Joe Bossano says that whoa! This has to be dismissed because this has nothing to do with value for money. What has this got to do with value for money? Of course it has to do with value for money. This is, yes, because these are Government this is Government housing which costs the taxpayer. This is an important you know, social service that we provide. Social housing. Of course it has to do with public value for money. Of course, it has to do it is not just necessarily directly pounds, shillings and pence. Perhaps in an indirect way but these are Government assets which are being the Principal Auditor says in effect almost abused because we have not had a proper following of process. You know. In fact, the Ombudsman in her report maybe they have not read it properly but there are things that they may not like.

But she talks about the resources which she describes as being in great demand. It will be directly pounds, shillings and pence but they are resources of the Government. We have heard nothing from the Hon. Sir Joe Bossano or any of them till now about the rule which Economic Development and Employment Company Limited plays when it stands in between the defaulting tenant who has to pay the company which forms part of the mortgaging of all the housing estates and makes a loan because obviously that company, Capital Assets Limited, has performance indicators and will have no doubt certain responsibilities to wherever the money came from. So EDEC comes in and makes a loan in order to stand in for the defaulting tenants. Nothing about that. It is there in page I think it is 110, 111 of the report. We have had nothing. So presumably the observations let us put it that way and concerns which the Principal Auditor expresses in relation to that are fine because they have not been covered up in the report.

A gaping hole of information from the Government Benches opposite. The message that we need to impart to the people who I do not know about that many not just this evening because I know there is going to be sniggers from the other side but throughout the course of this shameful debate that we have had for the last couple of months and certainly out there in the press for the last six months is that things must change. We on this side of the House provide a fairer we will provide a fairer merit-based society under a new Government where prudence prevails over waste. Where taxpayers are respected for the intelligent people that they are they are respected. Where their money is spent wisely for the many and not just for the few which is what we have seen in this report and the hon. Gentlemen have been unable to persuade us that the contrary is not the case. At a time when you are seeing the wastage of taxpayers' money as highlighted in this report people need to ask themselves how Members opposite are churning out glossy propaganda videos on social media almost incessantly whether from London or Gibraltar wherever they are in pursuit particularly two of them of their internal leadership struggles.

All of this all of this without any shadow of a doubt also goes to the root of vying for money because taxpayers' money is being used for that purpose. What a shameful approach by the hon. Members who are simply looking after and feathering their own egos and their own political ambitions and borrowing from a book I read recently which was a critique on politics in the UK prior to the last election and it said this:

I hope that this chapter has shown how dangerous this present moment is...

This is in the UK before, as I said, before the Labour Party was swept into power.

...with Ministers abusing their considerable powers failing to live up to the principles of accountability objectivity and openness and consequently risking an irremediable loss of public trust.

To put it plainly a culture of impunity has taken hold of Government. This Government's fear of losing power can be smelt from this side of the House as proven and shown also by the recent GBC opinion poll. In their panic they have misused their power for their own political survival. They do not want to see or fathom the possibility of a new Government taking office and shining a light on everything else that the Principal Auditor did not uncover in this damning report.

But let me assure members of this House we on this side of the House will certainly not shy away from exposing the truth. If we are entrusted with the responsibility of governing, we will do so with Gibraltar's best interests at heart because Gibraltar deserves better much better than what we are seeing now. The people of Gibraltar deserve to have their money respected spent prudently and conservatively for the good of all of society and not squandered on the privileged few.

This culture of impunity must end once and for all and to each Member opposite I say, with fallen hope clearly, but search your consciences when you vote on this motion you have a choice to make between endorsing this sorry state of affairs or taking a stand for accountability and decency. Do the right thing for once. Do the right thing. I know we always say that when we have debated these things in relation to the Enquiries Bill and all the rest of it but on this occasion do the right thing for once and do the right and decent thing and vote with us on this matter and let us defeat this motion. Thank you very much.

Madam Speaker: Does any other hon. Member wish to speak on the amendment... (*interjection*) on the amendment to the motion?

Nobody else wishes to speak on the amendment to the motion.

Adjournment

Chief Minister (Hon. F R Picardo): So Madam Speaker the hon. Gentleman is indicating that nobody on his side wants to speak on the amendment and so at this late hour I am going to do the right thing and adjourn to tomorrow at 11.30 in the morning.

Madam Speaker: I propose the question which is that this House to now adjourn to tomorrow at 11.30 a.m. and I will put the question which is that this House to now adjourn to tomorrow at 11.30 a.m. Those in favour? (**Members:** Aye.) Those against?

Passed. This House will now adjourn to tomorrow at 11.30 a.m.

The House adjourned at 8.41 p.m.