



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.05 a.m. – 12.15 p.m.

Gibraltar, Tuesday, 1st July 2025

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The Gibraltar Parliament

The Parliament met at 11.05 a.m.

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

[CLERK TO THE PARLIAMENT: P A Borge McCarthy Esq *in attendance*]

Appropriation Bill 2025 — Second Reading — Debate continued

Clerk: Meeting of Parliament, Tuesday 1st July 2025.

Madam Speaker: The Hon. Deputy Chief Minister.

5 **Deputy Chief Minister (Hon. Dr J J Garcia):** Madam Speaker, the Office of the Deputy Chief Minister can be found at Head 16 in the Estimates of Revenue and Expenditure before the House.

The forecast outturn figure of £2.26m has come in on-budget and within the estimate of £2.36 million approved last year.

10 Madam Speaker, this is my 27th budget.

Thirteen of those have taken place in Opposition and fourteen in Government.

My first one was way back in 1999 - Twenty-six years ago.

15 And as we gather once again to scrutinise the estimates of revenue and expenditure for 2025/26, this House cannot properly do so in isolation from what is happening in the world around us.

Global instability continues to unravel in front of our eyes. The world has in many respects been turned upside down. We have seen how the values, the ideas and the principles we once took for granted are now challenged, questioned and undermined. The international order which emerged after the Second World War has been shaken to the core. At Yalta and Potsdam Europe

20 was carved up into spheres of influence by the victorious allies. Major changes followed the collapse of the Soviet Union in 1991. But the existing challenge to traditional alliances is unprecedented.

Madam Speaker, Gibraltar must keep a watchful eye on that picture. We are not an island. We are not isolated from external events. Whatever happens in the wider world outside will continue

25 to impact upon us here. That was obvious in 2020 with the pandemic. We saw it immediately afterwards with the economic crisis which followed. The war in Ukraine led to an increase in the price of oil. That increase in the cost of fuel fired an increase in the cost of transport. The global increase in transport costs precipitated in turn a cost of living crisis. Those inflationary pressures were felt everywhere.

30 So the lesson is clear. The knock-on effect of events on the other side of the world will be felt in Gibraltar too. And in that new world order that is now upon us, a very real realignments have come into being.

The United Kingdom left the European Union in January 2021. It is now moving back to fill the leadership vacuum so apparent in the old Continent. The bitterness of Brexit has given way to a new, friendlier relationship. That reset was epitomised by the summit held in Brussels in the

35 middle of May.

The point is that the UK and the EU have been driven closer together precisely by the demands of this changing global landscape - the signals that the US may retreat from Europe; Russia already operating a war economy; Germany expanding its wartime bunker network; the United States and others preparing for conflict with China; and only a few days ago the United Kingdom National Security Strategy urged “active” preparation for a “wartime scenario” in its homeland. And the House will know that the European Union has urged its citizens to be self-sufficient in food and water for 72 hours in case of potential conflict.

All this reflects the geopolitical instability around us. So we need to be conscious of the world we live in.

Madam Speaker, there is much that Gibraltar can contribute to a wider debate on defence, intelligence and security in partnership with the United Kingdom. We have done so for centuries. Indeed, this was reflected in the recent Strategic Defence Review.

But Gibraltar is not immune to cyber-attacks or other potential sabotage from hostile state actors or their proxies.

I know that hon. Members will not have missed the reference to “a shared commitment to European security” contained in the Joint Statement which announced the agreement on a Gibraltar Treaty on 11 June. And given the context, there was probably not a better political moment in which to settle our own relationship with the European Union.

Madam Speaker, it is true that our agreement for a Treaty was a long time coming. In part, because it fell hostage to international events. In part, too because we have gone to great lengths to ensure that any outcome was safe, secure and beneficial for Gibraltar.

The Government could have signed up to a Treaty in five minutes in 2021 if we agreed to everything that the other side wanted. But that was never a realistic proposition. It is worth recalling that the Referendum on whether to remain in the European Union or to leave took place in June 2016. And that the people of Gibraltar, expressed a desire for continued membership of the European Union. We voted overwhelmingly for a relationship with the EU. That relationship can no longer be membership because the UK has left. So what we have done, is to deliver as close a relationship to membership as we possibly could. That was a take-away from the 2016 Referendum. It is what people voted for Madam Speaker. And the Government responded to that outcome.

In its first phase, to safeguard the position in relation to the United Kingdom, in the area of market access for Gibraltar companies, home tuition fees for our students and free healthcare.

The second phase was to ensure an orderly and sensible departure from the European Union through a Withdrawal Agreement. That included the benefit of a transitional period which matched the UK’s own.

The third phase was the negotiation with the UK and Spain of a Framework Political Agreement for a potential Treaty. That was complete at the end of 2020.

The fourth and final phase commenced in October 2021. That was when the European Union agreed to open negotiations with the United Kingdom on the future relationship of Gibraltar.

Madam Speaker, in all that time, the Government participated in many hundreds of meetings. We have devoted thousands of hours to protect the position of Gibraltar. And, importantly, we have cushioned Gibraltar from the worst effects of Brexit.

This was achieved in a number of ways: The inclusion of Gibraltar in the Withdrawal Treaty I referred to earlier; the unilateral application by Spain of a unique regime at the land border; and the initial extension of a number of measures in education, road haulage, reciprocal healthcare and ambulances. All that meant Gibraltar continued to enjoy certain benefits for a time after they were disappplied to us by the rest of the European Union. But without doubt, the single most important bridging measure is the one which has remained. I refer to the non-stamping by the Spanish authorities of passports held by Gibraltarians. This is an entirely discretionary measure applied by Madrid. And by and large, it has sheltered Gibraltar from the full impact of life outside the European Union. That alone was a significant tangible result of all those meetings and all those hours which I referred to earlier.

Madam Speaker, the UK TCA, the UK Zone Trade deal, met the ideological policy objectives and practical requirements of a Brexiteer administration in London. Our own were and remain very different.

First, Gibraltar voted overwhelmingly to remain in the European Union. So we wanted a closer relationship with the EU, for reasons we all know.

Second, Gibraltar has no manufacturing industry, no agriculture and no fishing industry.

Third, our main concern was the fluid movement of persons across the land border with Spain. In others word, the UK wanted trade deal focussed on goods. While Gibraltar wanted a very different trade and mobility deal focussed on persons. The UK wanted barriers, controls and check-points. Gibraltar wanted no barriers, no controls and no check-points. The UK wanted to curtail workers from the EU. Here 15,000 cross border workers contribute to the existing economic model.

So hon. Members should not underestimate the first challenge we faced. This was to ensure that the UK itself was on onside. And, Madam Speaker, this was achieved.

A succession of Prime Ministers and Foreign Secretaries came to fully understand it. Indeed, the position of Gibraltar became the negotiating position of the United Kingdom itself. Gibraltar Ministers have driven the agenda. We can proudly say that the Government of Gibraltar has been present in all negotiating rounds, whether at technical level, at Chief Negotiator level, at Sherpa level or at full Ministerial level.

This means that there were four distinct parties throughout: the Government of Gibraltar; the United Kingdom Government; the Commission of the European Union; and the Government of Spain - Those four parties met four times at Ministerial and Commissioner level in Brussels.

Earlier this year, the decision was taken to establish a Sherpa group. This new negotiating layer included the Ministers for Europe of the United Kingdom and Spain, the EU Chief Negotiator, as well as the Chief Minister, the Attorney General and I - That group met six times.

A number of virtual meetings were held too as the negotiations intensified over the last few weeks. That intensity was reflected in over twenty hours of negotiations during the weekend of Friday 6th to Monday 9th June.

So, the Treaty text, when settled and ratified, will reflect the political positions of the four entities which have negotiated it.

It will not be perfect.

It will blend together those four different dimensions which have been at play from day one.

And it will be unique. It will be a pragmatic arrangement which protects our sovereignty. Otherwise we would never have agreed it.

Madam Speaker, Gibraltar has been represented everywhere by Michael Llamas the Attorney General. His unrivalled expertise in EU law and his considerable experience have proved to be a real asset. It has been a privilege to work so closely with him.

He has led at an official level, very professionally supported by the Director of Gibraltar House in Brussels Daniel D'Amato. Their contribution has proved invaluable to Gibraltar. The political level has been led by the Chief Minister. Here I must pay tribute to the leadership and the vision that my hon. Friend has shown. His ability to find a safe solution to each new problem has guided Gibraltar safely through a potential minefield. His well-known personal contacts within the Spanish system have also been put to good use. We have laughed and cried together in the rollercoaster of emotions that the last few years have been. And we have experienced the tension, endured the stress, resisted the pressure, and shared many moments of high drama. This all-consuming process took its personal, mental, physical and emotional toll. And this can only be really understood by the people who have lived it.

Madam Speaker, this team had set out in 2011 to raise the profile of Gibraltar in Europe. Yet it ended up being the one which navigated us out of the European Union altogether. The irony will be lost on no one. But to those of us who lived through the experience day by day and hour by hour, it sometimes all felt oddly fated.

140 Here I have to give special thanks for the support received from my wife, my children and my family throughout this lengthy and complicated process. It simply would not have been possible for me function without this.

Madam Speaker, this agreement for a Treaty, seen through to its conclusion, will deliver certainty, security and stability to Gibraltar. There is no doubt about that. It will bring closure to the period of disruption which opened with the 2016 Referendum. And it will honour the result of that Referendum in the only way possible. Through a new relationship between the EU and Gibraltar which falls short of membership.

It will be a distinctive relationship.

A relationship which is bespoke.

150 A relationship, Madam Speaker, which is tailor-made. And one which will reflect our own political, geographical, constitutional, legal and economic reality. It is worth noting that the European Union has committed to certain outcomes here which they have not contemplated anywhere else. And Madam Speaker, nowhere is this point seen clearer than over the arrangements for the movement of people.

155 The House knows that Gibraltar will not join Schengen. We have instead negotiated what is effectively a common travel area with the Schengen zone. That entails the removal of immigration controls from the Land Border. No more passport or identity checks. In turn, that means that anyone in Gibraltar, will have access to the 29 countries of the Schengen zone. Residents of Gibraltar will enjoy unparalleled fluidity of movement into the European Union which we did not enjoy even when we were a part of it.

160 As my hon. Friend the Chief Minister has explained, the 90 day in 180 day rule will in theory apply to Gibraltar residents. Except that in practice it will be impossible to enforce. So we will enjoy the best of both worlds here. Access to the United Kingdom as we have it today. And fluid access into Spain and the European Union under the new Treaty.

165 Madam Speaker, this is not the only immediate benefit. The EU Entry Exit System, EES, is set to be implemented in October. This will provide for the electronic scanning of passports as opposed to traditional wet stamping. EES is an EU-wide measure where machines will replace immigration officers. The infrastructure has already been laid across many European external border crossing points. Those who have travelled through Malaga airport will have seen the booths and the scanners ready for use. However, there are serious concerns that the new electronic systems may collapse entry points in and out of Schengen. This is because a new two step process will come into play - First, travellers are expected to register in a booth. That will involve biometrics, fingerprints, facial scans and answering questions. Once that first step is complete, the traveller will then proceed to an e-gate to scan their passport in order to enter or leave the EU. That is the second step.

175 The first-time registration is expected to take longer. The next occasion when a traveller faces a booth a shorter interaction is envisaged. However, this two-step approach of booth followed by scanner will remain each and every time a non-EU traveller, or resident, enters or exits Schengen.

180 In the context of the Land Border between Gibraltar and Spain, that would have translated into lengthy delays for persons and vehicles in either direction. It would also have meant that the 90 day in 180 day rule would be strictly enforced by the new electronic systems. However, a new Treaty will spare us this hard border scenario. Residents of Gibraltar will be exempt from the EES. Dover and other EU facing ports in the United Kingdom will not be so lucky.

185 Separately, Madam Speaker, the EU will also introduce an advance passenger authorisation system called ETIAS. This is now expected to launch in late 2026 with full implementation in 2027.

It will operate like the ESTA process required to visit the United States. Or the ETA process launched in April of this year for non-British visitors to the United Kingdom.

190 ETIAS will be valid for three years or until the passport it is linked to has expired. The good news is that residents of Gibraltar will be exempt from ETIAS as well as from the EES. That will mean less bureaucracy, less delays and less cost.

Madam Speaker, I too want reassure the public on the question of border security. The removal of immigration or Customs controls will not lead to less security. In fact it will mean the very opposite. A new sub-police station near the border; Facial recognition technology; number plate recognition cameras; and law enforcement patrols; will serve to enhance the security of the border area.

Our geographical layout will assist with this. Points of access to the rest of Gibraltar will remain as they are today. There are only two routes in and out. The first through the Kingsway tunnel. And the second across the runway. Those narrow access points are a solid guarantee of our enduring safety and security. That geography will facilitate and simplify any electronic and physical monitoring of persons and vehicles.

But Madam Speaker, it is not unusual for people to worry about the prospect of change. The Government understand this. The message to the public from their Government is that the matter is in hand. And that there is nothing to worry about.

The House knows that a unique system of dual immigration controls will be implemented. Spain, as the nearest Schengen Member State, will be responsible to the European Union for the proper functioning and implementation of the Schengen regime. Gibraltar will remain responsible for its own immigration controls. This reflects the balance which was agreed in the framework political agreement of December 2020. The concept of a common immigration zone adjacent to the airport was also set out at the time. And my hon. Friend the Chief Minister has outlined the details of the new building which will straddle the border. Equidistant into Gibraltar and into Spain. This is the umbrella under which Gibraltar immigration controls and Schengen immigration controls will relocate away from the Land Frontier.

The airport will become the new border crossing point into the whole of the European Schengen area. Madam Speaker, the interplay between Schengen and Gibraltar responsibilities proved to be a complex part of the negotiations. On the one hand, the responsibility of Spain to the rest of the Schengen Member States. And on the other the responsibility of Gibraltar to our own laws and procedures. The dual controls are the most visible symbol of the proposed interaction between the Schengen authorities and ourselves. This is the centrepiece of the mobility aspect of the planned Treaty.

That outcome followed many years of detailed technical and political discussion. Again it is a unique solution. It is important to make the point, though, that for most passengers the physical interaction on arrival and departure will be with machines. This is similar to what happens in London Heathrow, for example.

Gibraltar residents who choose to fly from here to the Schengen zone, will enjoy another bonus of a common travel area. When flying to Paris, Rome, Madrid or Barcelona, they will not be subject to immigration controls at all.

So Madam Speaker, the package of benefits for Gibraltar residents is considerable. Gibraltarians and Gibraltar residents cannot be refused entry into Gibraltar.

The Schengen authorities will not be able to arrest or detain Gibraltarians or Gibraltar residents.

- No immigration controls at the border;
- No immigration controls on flights to the Schengen area;
- Exemption from EES;
- Exemption from ETIAS, and
- De facto non-application of the 90 day in 180 day rule;
- And as a result of all this, no Frontier queues.

Madam Speaker, I will say a few words about the movement of goods. It is obvious that controls on the movement of goods can impact on the fluid movement of persons. Gibraltar has endured a long and difficult history in this regard. For decades, delays to persons have been generated by disproportionate checks for goods. So although the Government's main interest lay in a mobility deal, it became obvious that agreement on goods was also necessary in order to secure full border fluidity. This possibility was foreseen in the New Year's Eve Agreement too.

A priority for the European Union throughout has been to protect the integrity of their Customs Union and their Single Market. My hon. Friend the Chief Minister has already given details of the bespoke agreement on goods and Customs. Gibraltar will not join the Customs Union. There will be no VAT. Instead, import duty by another name, a transaction tax, will be levied at the lowest rate in the European Union.

The elimination of customs controls at the border will benefit citizens and businesses. The plus side for our shops and restaurants will be more tourists. In addition to this, Gibraltar's retailers will enjoy access to a market of hundreds of millions of customers in the EU.

Madam Speaker, it is important to be clear. The alternative to a Treaty is not the status quo. The status quo is simply not an option it is not available. The Government has made this point for years. The alternative course to this Treaty is the challenge posed by a non-negotiated outcome, or NNO.

Over the years, we have briefed the business community on the issues raised by this way forward. Meetings have taken place with the Chamber of Commerce, the Federation of Small Businesses, the Finance Centre Council and the Gaming and Betting Association.

The Government has invited them to Table Top Exercises to test the planning for no Treaty. We have also assisted those organisations who wished it with Table Top Exercises of their own. Over fifty Technical Notices and two booklets have been published spelling out the details further still. This work is a product of the close cooperation between the Gibraltar and UK Governments. The workstream has been led through the NNO Board which is co-chaired by the UK Minister for Europe and myself. I want to formally thank all the UK Government Ministers and officials who have contributed to it over the years.

The Government is also very grateful to the many Gibraltar public servants who have helped to increase our overall resilience. I want to thank the Civil Contingencies Director Ivor Lopez who has brought all the different strands of work together.

It is important to note that it has not been possible to mitigate for every single NNO eventuality. And in many areas, the workarounds which have been identified would increase costs to the taxpayer.

Madam Speaker, adapting to a Treaty will be a test for citizens and businesses too. The Government does not underestimate this for one moment. It will require changes to the way in which interact with the European Union. Yet no Treaty at all would take this challenge to a whole new level. I think the business community has understood that.

So change is inevitable. One way or the other. Treaty or no Treaty. And one thing is abundantly clear. The certainty afforded by a Treaty outcome will be better for citizens and for businesses as well.

Madam Speaker, a few words on the proposed aviation chapter of the Treaty.

There are a number of major differences with respect to previous agreements on the airport.

The first is that this is a UK-EU Treaty.

The second that the Cordoba agreement did not remove the Schengen controls from the Land Border.

The third is that Cordoba provided for flights to Spain only and not to the EU.

And the fourth, importantly, was that in 1987 and 2006 although Gibraltar airport was part of the EU, our legal right to fly there was suspended.

Needless to say, we are now outside the EU with no such right. A new area of business is expected to arrive through Gibraltar airport. Flights between Gibraltar airport and points in the European Union have traditionally been blocked by Spain. The agreement will eliminate that veto. It will create the framework for new, direct connections to airports in the European Union. And it is expected to lead to an increase in destinations and passenger numbers.

hon. Members will recall that over the years a number of airlines have expressed an interest to take on routes to Spain and elsewhere. The Treaty will set out how we marry the requirements of the European Union for such flights to materialise. Flights to and from the UK will continue to be carried out by UK airlines, and flights to the EU will be operated by EU airlines. There will be a

295 UK-EU Specialised Committee on Aviation. It will have a supervisory role to ensure relevant standards are met and that the Treaty is complied with. This will only be the case while there are air connections to the European Union or in preparation for such flights. It will cease after that.

EU law will be applied by Gibraltar, and through our constitutional instruments, in four specific areas, those areas are: the rights of passengers with reduced mobility; airport charges; airport slots and ground handling.

A JV will be set up in Ireland on a 50/50 basis between Gibraltar and Spain.

The Irish company will award a tender for a separate commercial entity to operate the airport. It will not have ownership of the terminal. This will remain exclusively with the Government.

305 This arrangement is a step back from Cordoba where the Gibraltar-Spain 50/50 company was the one which actually run the terminal. The equal shareholding means no change to the existing arrangements are possible without our consent. The Treaty will provide for the JV or the commercial company to be litigated against in Gibraltar or in the court of any State to which relevant international conventions, such as the Hague Convention (Hague 19), apply. This closely mirrors the position which existed when we were in the European Union and the Brussels and Lugano Conventions applied.

310 Madam Speaker, opening up the airport will lay the foundations for Gibraltar to complement its existing route network to and from the United Kingdom with new flights to the European Union as well - Gibraltar will benefit from the best of both worlds for the first time ever.

315 Madam Speaker, moving on, the public can rest assured that there is no threat to our sovereignty. What the overall Treaty text will reflect is the complexity of squaring the Schengen circle.

Not to mention similar issues surrounding Customs and Goods.

It will contain a unique mix between the requirements of Gibraltar and those of the European Union.

320 But we must never lose sight of the context.

And we need to remember that it is a Treaty between the United Kingdom and the European Union. The Treaty is simply not about sovereignty. There is absolutely no threat to our sovereignty, jurisdiction or control.

None of it will make us less British.

325 None of it will make Gibraltar less British.

None of it will challenge our 300-year-old partnership with the United Kingdom.

So the Treaty is safe.

The Treaty is secure.

The Treaty is beneficial to Gibraltar.

330 A very tough opening clause will protect our position on sovereignty. And when people wake up the morning after the Treaty comes into effect, the flags flying over Gibraltar will continue to be the Union Jack, the Gibraltar flag and the flag of the Commonwealth.

Nothing will change.

335 There is, of course, a wider picture here too. On ratification, this Treaty will complete the final piece of the Brexit jigsaw. It will follow the TCA and the Windsor Framework on Northern Ireland. And it will mean that Gibraltar is the ONLY overseas territory of the UK, for which a future relationship deal has been concluded.

340 Madam Speaker, the ultimate indication of sovereignty is the ability to enter into a Treaty. The ultimate display of sovereignty also lies in the recognition that those Treaty arrangements can be terminated in the future.

So Madam Speaker, unsurprisingly, the external action of the Government over the last financial year was concentrated overwhelmingly on securing the agreement for a new Treaty.

Nonetheless, separate workstreams have continued to progress in Brussels, London, Washington and New York.

345 I will start with a report on our office in Brussels.

This is its tenth anniversary year. What a decade it has been! When we expanded the office in 2015, we were part of the EU. Now ten years later we are outside it. The office has dealt with that transition remarkably well.

350 The staff has assisted the Government with the process of EU exit and during the subsequent future relationship negotiations.

The Director of Gibraltar House, Daniel D'Amato, was present at all meetings at negotiator level and accompanied delegations for meetings at a senior political level. His valuable contribution stems from his unique expertise on how the EU operates largely acquired from ten years on the ground in Brussels.

355 In the months and years ahead, Gibraltar House may well become our centre of operations for the governance of the Gibraltar Treaty. And also in the daily interaction with Brussels which the Agreement will require.

360 Madam Speaker, I congratulate the team at Gibraltar house on reaching their ten-year milestone. In so doing, I would like to recall and thank Sir Graham Watson who was instrumental in establishing the office. And equally, my thanks also go to Daniel D'Amato who has led the office into the presence it has become today.

365 Gibraltar House Brussels enjoys frequent interactions with Members of the European Parliament and their staff. Hon. Members will know that the Parliament has seen significant changes. The traditional centrist coalition of parties remains in place, but a notable shift to the right has taken place. This is not positive news for Gibraltar. It will therefore be important to remain vigilant, assess threats where they appear and tackle challenges when they are presented.

370 In this financial year, Gibraltar House will continue to educate EU lawmakers against pervading narratives that exist about Gibraltar, as they have done in the past. But clearly, this has become more difficult after 2020, without any UK MEPs and without the Elected representatives of Gibraltar and South-West England.

Madam Speaker, the change of UK Government last year has led to a recalibration of the relationship with the European Union. This 'reset' means that there is renewed energy in Brussels with regard to the UK. And Gibraltar can only stand to gain from this.

375 Gibraltar House continues to work hand in glove with the UK Mission in Brussels on a wide array of issues. The team also keep very close ties with other UK offices there. This includes the Devolved Administrations, the Crown Dependencies and other UK Overseas Territories. The nature of the reset has started to take shape following the UK-EU Summit held in London on 19 May. That was followed by the Gibraltar Treaty announcement on 11 June.

380 Madam Speaker, another EU-UK forum, where Gibraltar has taken an active part since its inception, was extended this year. The Committee of the Regions - UK Contact Group was renewed in tandem with a new mandate for the Committee of the Regions itself.

385 This forum brings together local and regional politicians in a spirit of local cooperation and understanding. The UK Contact Group remains an important component of the Government's engagement with the regions of the UK and of Europe. It is worth reminding the House that this Group was the first formal forum of its kind post-Brexit. I have been pleased to represent the Government at a number of its sessions, both virtually and in person. All this points to a new beginning in UK-EU relations. An important step too is heightened collaboration between the UK Prime Minister and the Commission President at Summit level.

390 The team at Gibraltar House have made it a priority to follow and report on all aspects of this relationship. This will assist the Government to better determine where and how Gibraltar's interests will fit in.

395 Madam Speaker, Gibraltar House in Brussels has also been very involved in supporting the removal of Gibraltar from the EU list of high-risk jurisdictions. My Colleague the Minister for Trade and Industry will no doubt expand on this matter so I will only say a few words. Suffice it for me to say that Gibraltar's presence on the EU list has come about through no fault of our own. Gibraltar has met the criteria to be delisted time and time again. It is not even the fault of the European Commission, which has twice now proposed that Gibraltar should be removed. So the

problem is not one of substance. As often occurs in Brussels, it is pure politics. In short, the politics centres on an inter-institutional struggle between the European Commission and the European Parliament on how the delisting process should take place and who it should apply to. In April of last year, the European Parliament used its veto to block the Commission's decision to remove a number of jurisdictions from the EU list. Gibraltar was, sadly, caught in a crossfire aimed mainly at others. Having said that, there were elements in the European Parliament, particularly the usual suspects in the Spanish right-wing, who wanted to spin this objection with hostile language about Gibraltar - Another vote is expected soon. The staff at Gibraltar House will continue to work closely with the Ministry for Trade and Industry on this matter.

Madam Speaker, Gibraltar House in Brussels will continue its work in the post-Treaty landscape. A lengthy process of Treaty conclusion and ratification will follow over coming months.

This process will require that the Council and the Parliament scrutinise the Gibraltar agreement and give their consent. These things tend to take time. A case in point is the agreement reached by the EU with both San Marino and Andorra. That negotiation opened in 2015, and it concluded eight years later in 2023. But is only now, almost two years after that date and a decade since they started to talk, that the ratification process has commenced. The work of Gibraltar House in Brussels will remain central going forward. The compound effect of knowledge gathering, relationship building and political acumen gained in the past ten years will no doubt serve us well as we move forward into the future.

Brussels is a unique policy environment which requires specialist knowledge in order navigate it effectively. I am confident that the staff of Gibraltar House will continue to provide this expertise as Gibraltar's relationship with the EU evolves in the years to come.

Before moving on, I want to give a word of thanks to Olivier Wasnaire. He started work at the Bussels office in June 2006. And has retired this year after nineteen years of loyal service to Gibraltar. Olivier has provided the backbone of our administrative support in Brussels. I wish him a happy retirement.

I also want to thank Daniel D'Amato and the team for their work over a tense and stressful year.

Madam Speaker, I move on now to cover Gibraltar House in London.

Unsurprisingly, this is the centre of operations of our External Action in the United Kingdom. The Director of Gibraltar House, Dominique Searle, has also given notice of his forthcoming retirement. This has followed a decade of service.

He joined Gibraltar House in May 2015 as the Chief Minister's Special Representative to the United Kingdom. And in 2016 he became Director of Gibraltar House as well. In his time in London, Dominique has developed the role considerably. He oversaw affairs there during the terrible time of the Covid pandemic. And he was instrumental in setting out Gibraltar's position to Westminster during and after the Brexit Referendum. I know that the whole House will join me in wishing him well for the future.

2024 was a period of particular flux in the United Kingdom. Our team in London invested considerable time and energy in building strong ties with Labour when they were in Opposition. The objective became to ensure that they fully understood the details of Gibraltar's situation in the complex aftermath of Brexit. This translated over the years into countless meetings at all levels.

We engaged with Sir Keir Starmer when he was in Opposition as Shadow Brexit Secretary. We also met several times with Stephen Doughty, now the Shadow Minister for Europe. It was very helpful that both the Chief Minister and I already knew Stephen Doughty MP very well before he came into office. That meant he already enjoyed a good grounding on Gibraltar issues. He has understood every detail and every nuance of our situation. The Government is very grateful for his continued engagement and support.

Those relationships, and many others, built over time, served to insulate Gibraltar from a change of Government in London. That new Government also found itself thrust into an open negotiation with the European Union in respect of Gibraltar. However, Labour made two

important pledges. First that there would be no change of policy in relation to Gibraltar. Second that they would only agree with the EU whatever Gibraltar itself agreed to. This dashed the hopes of those who may have thought that waiting for a Labour administration would make the negotiation easier for them. It did not. Labour proved to be just as committed.

Madam Speaker, the UK General Election also impacted on the All Party Gibraltar Group in Westminster. Many traditional supporters of Gibraltar left active politics. Some lost their seats in the Election. Others retired. The reconstruction of the Group continues. Martin Vickers MP is now the Vice Chair of the APPG and is also Deputy Chair of the powerful Conservative 1922 Committee. He continues to bring considerable experience to a better understanding of Gibraltar in the House of Commons.

The House knows that within days of the Election Amanda Martin MP took on the role as Chair. Her background in Portsmouth comes with considerable knowledge of Gibraltar's own relationship with the MoD. She has visited several times and works closely with the Labour frontbench to reinforce the Gibraltar message.

There was some concern last year at proposed reforms to the rules Governing APPGs. This came about through the definition of the term "Foreign Governments". However, I am happy to report that representations made by Gibraltar House to the Parliamentary Commissioner for Standards resulted in it being agreed that Gibraltar, and by extension other British OTs, would not be treated as "Foreign Governments" under the new rules. This was an important challenge to overcome.

I know the House will join me in expressing thanks to both Amanda Martin MP and Martin Vickers MP for ensuring the continued success of the APPG.

I was also very pleased to see Dr Al Pinkerton MP join the group as the newly elected Liberal Democrat MP for Surrey Heath. I have known him for a number of years in his role as an associate professor at Royal Holloway, University of London. He has visited Gibraltar in the past and taken a keen interest in our affairs. The Government looks forward to welcoming them to Gibraltar on National Day this September together with other Parliamentary Colleagues.

Lobbying both Houses of Parliament is an important function of Gibraltar House. Another is sustaining a good working relationship with the Foreign Office and with Whitehall departments in general. This assumes even greater relevance when a new Government takes office in London. And it proved particularly vital in the long period of flux which engulfed the previous Conservative administrations.

Gibraltar House maintains regular contact with our former Governors. The Government was saddened to learn about the passing of Admiral Sir Derek Reffell. He was the first Governor I had dealings with after entering the political fray in 1991. May be Rest in Peace.

In addition to this, our Representative in London deals with organisations and diplomats with an interest in Gibraltar. This international networking provides another significant dimension to the role.

Madam Speaker, last year saw a very successful private showing of Stephen Cumming's documentary "Times of Closure" in Gibraltar House. This was attended by most of the FCDO staff with links to Gibraltar, including some of the Treaty negotiating team. Also present were some MPs, Peers, and Friends of Gibraltar. The screening provided them with a useful context of the problems and the challenges which Gibraltar has faced over the years.

Madam Speaker, the Government is very grateful for the ongoing engagement between Gibraltar House and the Office of the Speaker of the House of Commons. Sir Lindsay Hoyle has long been a firm supporter of Gibraltar and of the Overseas Territories. Indeed, the interaction with his Office led to the resolution of a number of outstanding matters. This assistance, for instance, covered the question of access to Parliament for Representatives of Overseas Territory Governments. It also extended to support for the continuation of the Girl Guide movement in the OTs.

Under the umbrella of the United Kingdom Overseas Territories Association (UKOTA), Gibraltar meets an average of twice monthly with the other OTs. Over this past year, Gibraltar House has

led the media subcommittee within UKOTA. The Overseas Territories are in constant contact with the UK Parliament. This has been enhanced further by the support of Mr Speaker. His interest led to OT delegates addressing the UK Youth Parliament during a specific session in February. This included James Vinet from Gibraltar. Two other representatives from Gibraltar, Johan Perez and Frank Devincenzi, participated in a separate meeting of young people from all the Territories which took place in London at the same time.

There is also monthly engagement between UKOTA and the Overseas Territory directorate of the Foreign Commonwealth and Development Office. That OT Directorate will now benefit from the presence at the top of Robbie Bulloch, who had led on the Gibraltar Treaty negotiations for years, and who is someone we already know very well.

Madam Speaker, Gibraltar House also supports wider Government work on the Environment. In particular this covers international fora like COP.

The team in London continue to work closely with relevant UK Parliamentary Committees. Those bodies are an important conduit for the engagement and interest which UK Parliamentarians take in our affairs.

Gibraltar House also briefs members of the wider diplomatic community based in London. In the past, this has led to a number of visits. The High Commissioner of Malta visited in June last year. The High Commissioner of India visited in December 2023 and again in May this year.

Gibraltar is invited to formal events such as the State Opening of Parliament.

This year Gibraltar was also represented once again at the Holocaust Memorial Day event hosted jointly by the Israeli ambassador and the Foreign Secretary.

Madam Speaker, Gibraltar, as usual, continued its presence at the party conferences of the main UK political parties. In the autumn of 2024, a Gibraltar stand was prominently located at the Liberal Democrat, Conservative and Labour Party conferences. The Gibraltar Government hosted an event for delegates, MPs and Peers at each of those. The Chief Minister hosted a Gibraltar reception at the Labour Party conference. I hosted similar well-attended events at the Liberal Democrat and the Conservative Party conferences.

A separate meeting on the impact of Brexit, where I sat as a panellist, took place at the last Lib Dem conference. This provided an opportunity to update friends and Parliamentary Colleagues on the political situation here.

In this new financial year, Madam Speaker, the Government plans to participate in these three party conferences in the same way. We also plan for two young people to form part of our delegation for the first time. The Liberal Democrat conference in Bournemouth from 20 to 23 September will be the first of the season. The second will be the Labour Party conference in Liverpool from 27 September to 1 October. And the third one in the diary is the Conservative Party conference from 5 to 8 October this time in Manchester.

The Gibraltar Representative to the UK also attended the DUP, SNP and Plaid Cymru conferences and took the opportunity to engage directly with their MPs. This year a presence at Reform will be added to the list. In 2024, the Government was unable to attend the Reform Party conference as it was called late and overlapped with Labour.

Madam Speaker, Gibraltar House again assisted with arrangements for Gibraltar Day in London during the last financial year. They also organised the Chief Minister's diplomatic reception.

This was yet again well attended by Ambassadors, High Commissioners, and diplomats as well as UK MPs, officials and Senior Military Figures. Additionally, the High Commissioner of India, organised and hosted a special event at India House. This was targeted at our business community.

It was designed to facilitate their engagement with leading Indian businesses and investment personalities. This High Commissioner came here at the end of May in order to build upon those commercial ties. Madam Speaker, that heightened connection with India reflects a closer engagement with the countries and organisations of the Commonwealth. This remains a key element of the external action of the Government. The policy was reflected further in the warm National Day video message to Gibraltar delivered last year by then Commonwealth Secretary General Baroness Patricia Scotland.

Our ties with the Commonwealth family remain important. I was pleased to reinforce that message at events around the Commonwealth Heads of Government meeting which took place last year. And I welcomed the opportunity to showcase Gibraltar's digital economy in an address to the plenary of the Commonwealth Business Forum. The next such meetings are scheduled for Antigua and Barbuda in 2026. My colleagues the Minister for Trade and Industry, the Minister for Business and the Minister for Tourism have all participated in different Commonwealth events over the last year. This has been made possible through our ongoing cooperation with the Commonwealth Enterprise and Investment Council. Significantly, the Minister for Economic Development hosted a meeting here of the Commonwealth Telecommunications Organisation in February.

Madam Speaker, the Government will continue to support, as a matter of policy, the engagement of our young people with the Commonwealth Youth Parliament and the Commonwealth Youth Forum.

In the last financial year, two delegates Oliver Whitmore and Johan Perez represented Gibraltar at the Youth Parliament in New Zealand. Two others, Karim Acolina and Cristina Cosquiere did so at the Youth Forum in Samoa. We have also continued to discuss the role of Gibraltar directly with the Commonwealth Secretariat. I was happy to meet the Deputy Secretary General in London at the beginning of March. At the time, I was also saw a number of High Commissioners including Australia, New Zealand and Canada.

Gibraltar was represented at various other events in London. This included the King's Commonwealth Mass, as well as the Commonwealth Flag raising event at Speaker's House,

and at the Memorial Gates. Additionally, there was also representation at events organised by the Commonwealth Enterprise and Investment Council and the Commonwealth Foundation. And our sporting community, Madam Speaker, will be looking forward to the next Commonwealth Games which will be hosted in Glasgow next year from 23 July until 2 August.

Madam Speaker, in Washington, the Government continues to work to raise the profile of Gibraltar. The political context has obviously altered radically. However, I should make the point that in the narrow issues which matter to us, there has always been strong cross-party support.

There is a long and historic relationship between Gibraltar and the United States. This dates back to 1801 when the US Navy conducted its first ever operations overseas from a base in Gibraltar against Barbary pirates. In World War One, a US Admiral, thousands of sailors and forty warships were based in Gibraltar to protect convoys transiting in different directions.

And during World War Two, General Eisenhower planned Operation Torch from headquarters deep inside the Rock itself. There is a powerful story to tell. And it resonates with Republican and Democrat Members of Congress. As does the principle of self-determination.

Madam Speaker, I was in Washington in May. This provided the opportunity to renew contact with old friends and to explain our case to new ones. The Government is very grateful to our US Representative David Liston who joined me for a hectic series of meetings over there.

The Government will continue our work at the United Nations in New York in the new financial year. We have persisted with the same dual approach. On the one hand, the set piece interventions. On the other, quiet diplomacy behind the scenes.

The former covers three areas. First, the annual Committee of 24 seminar in May. Second, the session of the Committee of 24 in June. And third, the 4th Committee meeting in October. This action is coupled with other less high-profile meetings behind the scenes. It has been the practice now whenever the Chief Minister and I have travelled there together.

Earlier this month, Gibraltar addressed the Committee of 24 for the first time since the Treaty announcement. The Treaty reset our relationship with the EU and with Spain. But we will continue to assert our right to self-determination, to a democratic decolonisation and to removal from the UN list of Non-Self-Governing Territories. Indeed, Madam Speaker, the Government expects that the settlement of our relationship with the European Union will allow more time to further develop other external action workstreams.

Madam Speaker, I move on now to report on the Gibraltar National Archives (GNA).

The increased availability of digitised archival content online has led to a proportional rise in the number of enquiries received by the archives. In 2024, the GNA received 277 enquiries, out of which 197 were via email and 80 were in person visits. In 2025, until the end of the financial year, a total of 87 enquiries were received, of which 58 were made by email and 29 were in person.

Last summer an important exhibition was held on “Llanito” at the Fine Arts Gallery in Casemates. The project was curated jointly by the University of Cambridge and the Gibraltar National Archives. It traced the origin and development of Gibraltar’s unique “Llanito” language. The outcome was based on serious academic research centred on the important node that was the eighteenth-century trading network of the Genoese. Modern mapping techniques were used to identify the languages of that network in 1777. This was overlapped with the birthplaces of the inhabitants of Gibraltar at the time. The result was a remarkable vindication of our linguistic heritage. The National Archives have organised many pertinent exhibitions over the years, and this one was no exception. The promotion of our linguistic history in this way reflects our multicultural origins as a separate and distinct people. I want to thank Professor Wright and Professor Post from the University of Cambridge and the Archivist Gerard Wood for the serious academic analysis that they have produced. It was a credit to them and to Gibraltar.

Madam Speaker, there have been numerous visits to the Archives on the part of individuals, groups and organisations over the last year. The Archivist too, as part of his outreach policy, has delivered lectures, attended conferences and participated in media engagements. The House will have seen that there was a call for volunteers with an interest in the history of Gibraltar to come forward and help out. There is now a long list of helpers ready and willing to be deployed to different tasks. I want to thank the Archivist Gerard Wood, the staff at the National Archives and the volunteers for their ongoing support.

Madam Speaker, a few words now about Civil Aviation.

The Director of Civil Aviation continues to develop a safety and security culture within all the organisations involved in Civil Aviation activities in Gibraltar. The International Civil Aviation Organisation audited the UK aviation safety oversight system in November 2022. The UK DfT has, in turn, declared its intention to conduct a regulatory oversight audit of the UK Crown Dependencies and of Gibraltar during the current financial year.

The Director currently maintains Compliance Checklists and Protocol Question responses for the applicable Annexes to the Chicago Convention, against current regulations, in readiness for audit. The continued update of compliance checklists and protocol questions will remain a high priority moving forward. Gibraltar’s interests continue to be represented on the UK State Safety Board and the State Safety Board working group. These provide assurance to UK ministers that the UK is meeting its ICAO commitment of compliance with ICAO Standards and Recommended Practices. A key part of this assurance is provided by the development of a State Safety Programme and a Gibraltar National Aviation Safety Plan. These documents provide an overview of how aviation safety is managed within Gibraltar in the context of both UK and global goals.

Madam Speaker, in February of this year, the DCA was for the first time able to publish the two sections of the Gibraltar Aeronautical Information Publication on the Civil Aviation web page. This extensive document ensures that the aviation industry has all the necessary information to operate civil aircraft in and out of Gibraltar and meets our ICAO obligations. An audit programme of activities at the Airport is ongoing as part of the safety and security oversight responsibilities of the Director of Civil Aviation. Those Audits are undertaken by UK CAA Inspectors.

In addition to the Airfield Fire and Rescue Service audit, the Civil Aviation Authority and Military Aviation Authority Inspectors witnessed the first night airfield emergency exercise.

The exercise, which simulated aircraft wreckage on land and sea, saw a large emergency services reaction, supported by all levels of the command-and-control structure. The Inspectors were impressed with the standard of the response. They stated that many aspects of what they witnessed contained best practice that they would commend to Airports in the UK.

Madam Speaker, drone activity has remained steady in the last year, with five local commercial operators and a larger number of recreational operators registered. In addition, there is a steady stream of film companies coming to Gibraltar wishing to incorporate drones into their filming activity. The support of stakeholders in helping to make these flights possible is greatly appreciated. This year there has been an increase in requests to fly more advanced drones and to fly them beyond the normal visual line of sight. While no such permits have been issued during the last 12 months, it is anticipated that this trend will continue. Unfortunately, Madam Speaker, not all operators are compliant with Gibraltar's requirements. The House will recall that the Airport suffered interruptions to service on two evenings in January as a consequence of unauthorised drones flying near it. Since the incidents, the Authorities at the Airfield have revised their contingency plans. A UK expert has briefed them on the drone countermeasures which can be applied.

The Director and the Airport Authorities are consultees to the Development and Planning Commission and continue to advise on the potential impact of building developments on aircraft operations. Madam Speaker, I would like to thank the Director of Civil Aviation Chris Purkiss and his team for his support over the last financial year.

Madam Speaker, the Northern Defences have now been transferred from my office to that of my colleague Professor Cortes and the Ministry for the Environment who manage all the tourist sites. Nonetheless, I would welcome the opportunity to say a few words on the subject.

The programme of work there has led to important historical discoveries. That in turn will lead to the creation of a spectacular heritage and leisure complex. Over the last decade or so, it has been a genuine privilege have observed progress and to have shared the moment when something of value has been unearthed.

Madam Speaker, the transformation of the site has been truly exceptional. We inherited a rubbish dump. Indeed, a jungle, in every sense. Overgrown vegetation everywhere; An accumulation of construction rubble; Household items like fridges and mattresses; Even the odd motorbike featured among the assortment of items uncovered.

I am delighted that this radical transformation is set to continue. This will be boosted by the investment and ideas of the private sector company selected after a public Expression of Interest process.

Work at the Northern Defences shall focus on several key areas this financial year: clearing and exposing of historic walls; provision of utility services and public safety; and research and education; which will all culminate in a new tourist product. I understand that my colleague the Minister with responsibility for Heritage and the tourist sites will be expanding on this further.

Madam Speaker, I am proud to confirm the completion of the exterior refurbishment of Parliament House. The quality of the works are clear for all to see. And this building has finally received the care and attention it deserved.

I am especially grateful to you and to your team who have been extremely patient during the restoration process. Stripping out and demolitions works have now been completed in the interior. This has allowed for a review of the true condition of the building under that layer.

Works to the interior will consist of the provision of new offices, meeting rooms, storage areas, accessible toilet facilities and a lift for those with limited mobility. Those designs were shared with hon. Members opposite some time ago, before they were submitted for planning approval.

The most significant disruption has been planned for the summer recess. I am told that this next stage will start once the Budget session has come to an end. In this way the inconvenience to Members and to staff will be limited.

The works will continue to be overseen by same team who have already demonstrated their skill in taking forward a very complex and sensitive project.

Madam Speaker, as always, the project director Carl Viagas will be at your disposal should you have any queries.

While on the subject of Parliament, I welcome the reference yesterday to the work of the Select Committee on Parliamentary Reform. The refurbishment of the physical fabric of the building is

already running in parallel with discussion on our working practices, legislative framework and connected matters. The policy of this side of the House in relation to Parliamentary Reform was set out during the 2023 General Election. Hon. Members are aware that there is some overlap between us.

I agree with the Leader of the Opposition when he said that the Committee has acquired a degree of pace. That is true. I do not know quite what to make of the comment, though, that he is not sure whether the Select Committee will go far enough. The Committee has actually worked very quietly and very well behind the scenes. I am grateful to all the Members who serve on it.

The last project which I would like to mention is The Mount. This was the home of our most famous Royal Engineer, Cornel William Green. It also housed some of Gibraltar's notable women such as Mrs Miriam Green and Mrs Sarah Angelina Acland. The House knows that the Government has been cautious in its approach towards this project. Work has been gradual, controlled and phased - as it was in the Northern Defences. In effect that means smaller, more manageable projects have progressed on the site, within the published overall masterplan.

Those phases are:

- (a) the path to the Upper Rock Nature reserve;
- (b) the Porters Lodge;
- (c) the Events Hall;
- (d) the terraced gardens and
- (e) the main residence.

I propose to say a few words about each of them. Having cleared the historic paths within the grounds, this project will allow visitors to not only explore the gardens but also connect to the existing Upper Rock Nature Reserve trails which have been recently repaired. Completion of this is estimated by the end of summer. I am pleased to announce that the refurbishment of the Porter's Lodge is now complete. The extensive refurbishment allows for this building to be part of the facilities available at the Mount. It can operate as a management or Registry Office. This will be the first step towards creating the necessary amenities to manage events at this location which can include weddings. Another great addition to our tourist product.

But the greatest challenge this year has been the refurbishment of the events hall. Located next to the main residence, the events hall was surveyed, designs produced, tender awarded and its refurbishment completed within a period of months. This is nothing short of remarkable, not only in terms of timelines but also in terms of quality and taste. This high standard is something which the Government has come to expect from the team. My sincere gratitude to the architects, project managers and to GJBS.

A special mention must go to the Parasol Foundation, to Ruth Parasol in particular, and also to Nyreen and to Stefanie, who have delivered and managed the funding for this complex restoration.

As previously mentioned, together with the Porter's Lodge, the intention is for this charming building and outside space to be used once again to host functions and ceremonies within a historic garden setting.

Works are also envisaged to continue along the terraced gardens and tennis court after summer. At the same time, designs and investigations will be carried out at the Main Residence as we consider a new use. The refurbishment of The Mount is an important example of safeguarding our heritage. Yet at the same time it involves the repurposing of a historic asset to a modern use.

In this context, I have to thank the project director for the Northern Defences, the Parliament and The Mount Carl Viagas. His enthusiasm and experience in this kind of specialised, heritage-led work speaks for itself.

Madam Speaker, the Government continues in negotiation with different preferred bidders over a number of projects. These include the old GBC site, the Eurotowers car park and the AHQ building.

The Rooke site was granted full planning approval by the DPC last week. A balance of £10 million will be paid when vacant possession is made available. A total premium of £8 million will be paid for the Devil's Tower Road car park site, with a balance of £6.5 million due shortly.

The EOI in respect of the Old Air Terminal site will now be reviewed in the context of a successful outcome to the Treaty negotiations. The Government has different requirements, including a sub-police station, as made clear by the Chief Minister.

Madam Speaker, I take this opportunity to thank the management and staff of Land Property Services Ltd and the Lands Office at No 6 Convent Place.

And so, in conclusion, Madam Speaker, the agreement on a Gibraltar Treaty between the European Union and the United Kingdom has brought an important journey to a close.

Gibraltar now has certainty and stability and only an enduring Treaty could deliver that. There will be a gap between when the agreement is signed and when it comes into effect. Then a new path will open. That path will take Gibraltar towards the detailed implementation of what has been agreed. Some of that will be physical infrastructure. Some will be administrative. And some will result in a new legal framework. But none of it will affect our British sovereignty, jurisdiction and control or our right to self-determination.

Madam Speaker, I want close by thanking you, the new Clerk and the staff of the House. I am also eternally grateful to my personal staff in No 6 Convent Place for their loyalty and support over very many years.

Thanks to my Principal Secretary Stephen Britto, my previous Principal Secretary Ernest Francis and my Personal Secretary Coral Schembri.

Thank you, Madam Speaker.

Adjournment

Chief Minister (Hon. F R Picardo): Madam Speaker, with gratitude to the Deputy Chief Minister for his very kind words, can I ask that the House should now adjourn until 3pm this afternoon, when the Government's intention is to deal with the speech of the Minister for the Environment. I have apologised to him because I will be unable to be in the House this afternoon, but I shall be assiduously listening

Madam Speaker: All right, we will adjourn until 3pm this afternoon.

The House adjourned at 12.15 p.m.