PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 10.30 a.m. – 2.07 p.m.

Gibraltar, Tuesday, 7th July 2026

Contents

The Gibraltar Parliament

The Parliament met at 10.30 a.m.

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

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

SUSPENSION OF STANDING ORDERS

Clerk: Meeting of Parliament, Tuesday 7th July 2026. Suspension of Standing Orders. The Hon. Chief Minister.

Chief Minister (Hon. F R Picardo): I beg to move under Standing Order 7(3) to suspend Standing Order 7(1) in order to proceed with the laying of documents on the table.

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

PAPERS TO BE LAID

Clerk: The Hon. Chief Minister.

Chief Minister (Hon. F R Picardo): Madam Speaker, I have the honour to lay on the Table: the TGEU (State Aid Independent Authority) Regulations 2026; the Air Traffic Survey Report 2025; the Tourist Survey Report 2025; the Hotel Occupancy Survey Report 2025; and the Employment Survey Report 2025.

Madam Speaker: Ordered to lie.

Clerk: The Hon. Minister for Justice, Trade and Industry.

Minister for Justice, Trade and Industry (Hon. N Feetham): Madam Speaker, I have the honour to lay on the Table: the Proceeds of Crime Act 2015 (Investigations Ancillary to a Criminal Investigation or Proceeding under the TGEU) Order 2026; the Proceeds of Crime Act 2015 (Investigations in a Civil Context under the TGEU) Order 2026; the Proceeds of Crime Act 2015 (Requests and Orders under the TGEU) Order 2026; the TGEU Implementation (Mutual Legal Assistance) Regulations 2026; the TGEU Implementation (Police Cooperation Information Exchange) Regulations 2026; the TGEU Implementation (Europol) Regulations 2026; and the TGEU Implementation (Eurojust) Regulations 2026.

Madam Speaker: Ordered to lie.

Clerk: The Hon. Minister for Education, the Environment and Climate Change.

Minister for the Environment, Sustainability, Climate Change and Education (Hon. Prof J E Cortes): Madam Speaker, I have the honour to lay on the Table TGEU Implementation (Road Transport) Regulations 2026 and TGEU Implementation (Annex 27) Regulations 2026.

Madam Speaker: Ordered to lie.

BILLS

FIRST AND SECOND READING

APPROPRIATION BILL 2026 – FIRST READING APPROVED

Clerk: (ix) Bills – First and Second Reading.

A Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2027.

Madam Speaker: Yes, before the Chief Minister speaks, just a little bit of housekeeping. hon. Members will know that it is my preference not to interrupt Members during the Budget debate speeches. I will endeavour not to do so unless Members disregard rules. In particular, I urge Members to avoid casting personal imputations on each other's character. One matter which I suspect may be discussed and upon which I urge caution is the Openshaw Report. I remind Members of Rule 45(4) of the Standing Rules and Orders which reads that:

> References shall not be made to any matter on which a judicial decision is pending in such a way as may prejudice the interests of the parties thereto.

Certain findings of the Tribunal in particular as they impact upon the Honourable the Chief Minister are awaiting judicial review. The matter is before the Supreme Court, and those proceedings are therefore active. Comments should not be made on the findings of the report which are being reviewed by the Supreme Court. There is no way of knowing to what extent any such comments may prejudice the interests of the parties; therefore, they must be avoided during this debate. For the avoidance of doubt, I will allow reference to general principles but not the detail of the substance of the matter before the Supreme Court. We can now proceed with the Hon. Chief Minister.

Clerk: The Hon. Chief Minister.

Chief Minister (Hon. F R Picardo): Madam Speaker, I have the honour to move that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2027 be read a first time.

Madam Speaker: I now put the question, which is that a Bill for an Act to appropriate sums of money to the service of the year ending on the 31st day of March 2027 be read a first time. Those in favour? (**Members:** Aye.) Those against? Carried.

Clerk: The Appropriation Act 2026.

Appropriation Bill 2026 – Second Reading approved

Chief Minister (Hon. F R Picardo): Madam Speaker, I move that the Bill be now read a second time.

Madam Speaker, as I move the Appropriation Bill today, I do so before this House and before the people of Gibraltar for the last time as their Chief Minister. This year, in late April, draft Estimates Book No. 1 was delivered to me for the last time by the Financial Secretary.

I had not quite appreciated the importance, Madam Speaker, of the number on the top right-hand corner of the book 16 Budgets ago when I stood not where I stand now but on the other side of the House. I was the Leader of the Opposition then. I told this Parliament that Gibraltar could be more than it was being allowed to be. I said we could grow our economy faster than anyone in the GSD believed was possible. I said it knowing I had the best economist in Gibraltar by my side to deliver it, Sir Joe Bossano. I said we could pay our lowest paid workers a more decent wage and raise it year upon year, not just when it suited the GSD. I said it, Madam Speaker, knowing I had the man who introduced the minimum wage in Gibraltar by my side to deliver it, Sir Joe Bossano. I said we could build the homes, the schools and the hospital wards that a modern nation requires and do it without mortgaging our children's future. I said it knowing I had the man who had invented affordable home ownership on the 50-50 basis by my side, Sir Joe Bossano. I said we could owe less in proportion to what we earn than the Government of the day by spending no more than we earned, the golden rule that runs through GSLP politics. Needless to say, Madam Speaker, I said that because it had been done before by Sir Joe Bossano. I said that a small people on a small Rock could stand amongst the richest and the freest on the face of the earth. Because in every appropriation debate since he joined this House in the year I was born, and in particular since he became Chief Minister in 1988, Sir Joe had made the same point. Our greatest assets are our scarce land and our talented people. We were accused, Madam Speaker, of an optimism bordering on the reckless. I was told it could not be done.

The position of the GSD was literally that our proposed GDP increases were impossible, that our economic plans would not work. Well, Madam Speaker, today I lay the annual accounts before this House for one last time, and today I let the figures answer those charges. Today it is clear, Madam Speaker, once again that we were right and they were wrong. Because Madam Speaker, this is once again a budget that demonstrates that Gibraltar is more than the sum of its parts, that we as a people can do more than Members opposite are capable of even imagining, and that with the right leadership, this nation of ours can continue to prosper as it has to date. That is why, Madam Speaker, for more than a decade I have had the honour of presenting Budgets that sought not only to balance accounts, but to balance ambition with responsibility, fairness with discipline, and hope with realism.

This community has entrusted me with its confidence, its concerns, and its aspirations. I have never taken that trust for granted, and I have never let our people down. For 15 years we have made the choices that got us where we are today, and where we are today, Madam Speaker, is no bad place to be. So, as we embark on this, Madam Speaker, my last State of the Nation debate as our nation's leader, I want to set out matters that need to be set out in marking the moment when I start to let go of the reins of Office.

As I prepare to cede the latter, the teller, I reflect on where we were when I reached the bridge of HMS Gibraltar, and where we are now, and how we got here. Because this is much more than just a budget, Madam Speaker. It is a State of the Nation debate, just as our nation comes to its most propitious moment. But our UK-EU Treaty is not the only thing happening in the world, and it is not the only thing that will affect our economic performance. What will be constant, however, is our cast-iron commitment to the observance of the Golden Rule. That is non-negotiable, even in a pandemic when we were specific in seeking only a limited exception from its necessary strictures. Because, Madam Speaker, no budget is delivered in a vacuum. This one, least of all.

So let me set the figures I am about to present against the world in which they were earned. It has not been a gentle year for the global economy. The war in Ukraine has ground on, keeping its hand on the throat of European energy prices. When that seemed hard enough, the unthinkable happened, and war broke out between the United States and Iran, with the Straits of Hormuz representing a further choking of global energy supplies. The conflict in the Middle East has continued to disturb the flow of oil, the cost of a barrel, and the long supply chains on which a small, open, importing economy such as ours depends for almost everything on its shelves.

Across the world, the politics of tariffs and trade barriers have returned, and with them an uncertainty that every finance minister on earth has had to plan around. Yet, hold those headwinds in your mind, Madam Speaker, and look at what this economy has done in their teeth. Inflation, which tore through the world at 7.9% in January of 2023, was held in Gibraltar to an average of 3% in 2024, 2.8% in 2025, and a forecast of just 2.4% for 2026, beneath the United Kingdom's own rates.

Interest rates, having peaked, eased over the year from 4.5% to 3.75%. Yet, in preparing these estimates, we have prudently assumed no relief from our borrowing costs, because this Government plans for the storm and is grateful for the calm. We did not import the world's inflation when we could shield our people from it. We held the duty on fuel down to 14 pence a litre, rather than let the turbulence of distant wars pass straight through every Gibraltarian household. We held off that burden for our people. We chose to deplete our coffers to ensure our people did not suffer even greater costs of living problems at the pump. Not every government, even socialist ones, Madam Speaker, were as quick to act. But in my mind, in our minds, on this side of the House, that is what governments are for. To stand between the nation's families and the storm. To stand between the Gibraltarians and the worst of the world's events. Not to fill the Treasury coffers more, just to come here to be able to say we have more in the kitty or in the surplus. That is not our style or our approach. But to know when to ensure that the kitty and the surplus are at the disposal of our people. This Government has stood there in the storm without flinching all year long.

Facing down international events and helping our people through them. Facing down also national events when unreasonable claims have been made that Members opposite have appeared to back without regard to cost, consequence or fairness. Facing down, Madam Speaker, three pandemics.

A health pandemic, which was COVID. The consequences of that which require no elaboration. Madam Speaker, suffice to say that I continue to feel deeply the loss of every life that we suffered. I continue to feel deeply the effects of all our decisions at that time. Not least the financial ones, but especially those that deprive the public of their freedom of movement about our territory. None of those decisions was made lightly, but they were made in the best interests of all our people, our elderly in particular.

A political pandemic, the second one, which was Brexit. We have now turned that corner a decade since that ill-fated referendum. Despite it all, Madam Speaker, there are positives in all of the aftershocks of that dreadful, misguided decision of the British people and the Gibraltarians together. Not least, Madam Speaker, the fact that we voted with the rest of the United Kingdom in that referendum. We were part of the franchise despite the result that really matters massively.

Then the third pandemic, Madam Speaker, the pestilence of *Señor* Margallo’s period in the Spanish Government. A pestilence that affected the health of all the families in the region. That affected the daily lives of workers and their families. That divided families. A period just shy of the troubles caused by the despicable dictator Franco's assault on our people. Both with one fundamental aspect in common, an inability to accept the will of the Gibraltarians, which is to remain forever British. Whatever coercion may be brought to bear upon us, our free will shall prevail.

Anyway, all that we have dealt with and more, of course, in the past 15 years. In addition, we have had to deal with the issue of the Grace I, which occupied us in the long, hot summer of 2019. Which was a dress rehearsal for our beloved Royal Marines with Gibraltar on their cap badge for the brilliant work that they are now undertaking in intercepting the Russian shadow fleet. After the Grace I, Madam Speaker, Assad was not long for his autocratic throne. Perhaps the omens may repeat themselves.

The defining issue of this decade has, of course, been Brexit. Our success on Brexit is, in its way also, our cross to bear on this side of the House. Because by working with our colleagues in the Foreign Office and across Whitehall to keep the worst effects of Brexit away from our shores, we ensured that the people of Gibraltar never felt the demons that so many had feared.

The United Kingdom left the European Union on the 31st of December 2020. The transition period ended on the 31st of December 2020. From the first day of 2021, the full reality of Brexit took hold. Yet here we are. More than five years on now. Our people have lived those years largely unburdened by the consequences that haunted the rest of the continent. That is a profound achievement, Madam Speaker. It carries a paradox with it. For when you spare people the pain, you sometimes also spare them the understanding of just how close that pain came. The sheer magnitude of the negotiation that has occupied this Government for the better part of 10 years.

First, with the United Kingdom, in the context of the notification and the Article 50 of the Treaty on the European Union, given by Mrs May as Prime Minister on the 29th of March, 2017. Then, in the negotiation of the withdrawal agreement that began immediately after. It was our inclusion in that agreement, fought for by the way, not gifted, that kept the worst of Brexit at bay. It was that inclusion which preserved our people's largely unimpeded access across that Frontier. Difficult though those times were for our different colour civilian registration card holders. It was that inclusion, Madam Speaker, which allowed our businesses to keep trading. With some changes, yes, but effectively and without any collapse.

Last year, Madam Speaker, I addressed the House 18 days after we reached final agreement in Brussels on the Treaty between the UK and the EU. Now this year, I addressed the House 7 days before I head to Brussels with the Deputy Chief Minister to attend the signature of that same Treaty. Madam Speaker, this year we are living a moment unlike any other in the modern history of this House. Even as I speak, the ink is being prepared for a signature that generations of Gibraltarians longed for and never lived to see. This very week, the European Union took the formal final step to adopt the Treaty between the UK and the EU in respect of Gibraltar that will remove the final vestige of the various sieges of our people.

The lawyer linguists have completed their work across the 24 languages of the Union. The Council has spoken. The European way is now clear for that Treaty to be signed within days and to be provisionally applied from the 15th of July. The European side have crossed their Rubicon. They are ready to sign. So, Madam Speaker, will we be. In coming days, I will lay in this House the concordat between the United Kingdom and Gibraltar that I have consulted the Leader of the Opposition on. I can confirm to this House that when I lay it, I will be satisfied that the concordat ensures that, in keeping with the provisions of the Gibraltar Constitution and the principle of consent in the Double Lock, the relevant UK powers in the agreement can only be exercised in accordance with the wishes and consent of the Government of Gibraltar and that the people of Gibraltar have the right to determine, in referendum, whether the agreement should be terminated in future.

Those are the terms, Madam Speaker, of the motion that the House unanimously agreed earlier this year. Incredible, really. For more than 300 years, since the Treaty of Utrecht made this Rock legally British in 1713, the Frontier with Spain has been the defining fault line of Gibraltarian life. Even then, 313 years ago, the cession in the Treaty was without, and this is a quote:

> without any open communication by land with the country roundabout.

I think that is a translation from the Latin come Spanish, *alrededor*, roundabout.

That Frontier became the flashpoint of sieges. The line was fixed by the reach of cannonball. It was the line down which a dictator slammed the gates in 1969, dividing families, stranding a generation, and condemning our people to 16 long years of the final siege of Gibraltar by iron gate and locked padlock. It is also the fence that made us believe it kept us safe just because it kept us captive for a generation-defining era. It is that fence, Madam Speaker, that scar across our story as a people, which this Treaty will now begin to dissolve. Unlocking at last the movement, the fluidity and the prosperity that our geography always offered and that history for so long denied us.

What is past, Madam Speaker, as the poet said, is prolonged. Three centuries of that Frontier are the prologue, and the chapter that opens now of an open Frontier, a flourishing economy, and a Gibraltar that remains wholly unmistakably and forever British is the one it falls to this House and to this budget to begin to write in human poetry. What is going to make us safer is the live facial recognition technology, the CCTV coverage, the investment in more police officers, the professionalism of our law enforcement agencies and our borders and coastguard officers, and the provision of a joint tri-service headquarters at the airport facing the Frontier.

Our Treaty is not all that is happening around us. Even as we prepare to enter into this Treaty, the tectonic plates of politics are moving around us, in particular in Spain. The dice are rolling. The knives are out. I see every bad sign in the book.

In relation to the United Kingdom last year, Madam Speaker, I referred to the fact that the many headwinds we had faced included changing Prime Ministers faster than the seasons. I had thought, Madam Speaker, perhaps foolishly, that Zakir would be the last Prime Minister of the United Kingdom I would see in No. 10 in my time in Office in No. 6. Now, in fact, we know that there is to be a new incumbent of No. 10 by the 10th of July. It is now increasingly likely that it will be the Rt Hon. Mr. Burnham who will be our new Prime Minister. It is also likely that No. 10 Downing Street will no longer be the only seat of power in the United Kingdom, with No. 10 in the North also being established. How things have changed, Madam Speaker, in the last decade and a half. All of that we have navigated with calm, with careful logic and political agility that comes from a Deputy Chief Minister and I having been in a partnership for almost 35 years. Madam Speaker, that is longer than all my marriages put together.

Indeed, Madam Speaker, I do not think there has been a more successful political tandem than ours. With the clear purpose of always making the best of a very mixed bag for the people of Gibraltar and the Rock that is our home. Because if I have learnt one thing about Gibraltar, its trajectory and our struggles in 15 years, it is best encapsulated by a phrase from that well-known capitalist, Aristotle Onassis. Not a person frequently quoted by socialists in budget speeches. He said this about how to succeed in the struggle of life:

> We must free ourselves of the hope that the sea will ever rest. We must learn to sail in high winds.

Almost better than Orwell. That is what we have done. Learned to sail in high winds. We have done it well enough, Madam Speaker, that our biggest detractors, our biggest battles have been here. Here, in this room. In this chamber that we turned from the dark panelled hall that pushed out the prying eyes of cameras. In this place, which we opened up to live video transmission against the wishes of the former leadership of the GSD. That our battles have been here is no bad thing. It is almost *de rigueur*. Because elsewhere, in the real world, we have achieved much for our people and have been recognised for achieving much for our people.

That is what has enabled us to deliver. The reality has been far different from the Alice in Wonderland style rabbit hole that the Opposition try to lure us to in this place where they say that everything in Gibraltar is wrong. Where everything would have been done better if it had been done, but by them. But where the reality is that everyone in this House knows, Madam Speaker, even Members opposite, at least if they are being honest with themselves, that they are mostly not up to the task. So, Madam Speaker, before I come to the figures, let me save the Opposition a little of their breath. For I have heard their speech every year for 15 years. If I could, Madam Speaker, the House were to allow me, I could even deliver it for them. Because I know what I am about to hear.

I am about to hear that the figures in this Budget are a mirage. That they are an oasis that vanishes as you approach it. That there are really two sets of books. That there is a parallel treasury. A parallel government. In their flights of greatest fancy, even a parallel Chief Minister. There are two of you.

I have no doubt, Madam Speaker, that I am about to hear that Gibraltar is buried under a Himalayan-style mountain of debt. That we are, as the Hon. Leader of the Opposition said some years ago, in the financial intensive care unit. That there is a jungle of opaque companies in which the truth is hidden from the people. I have heard it all before. I have heard it from the other Mr Feetham. I heard it from Mr Phillips. I hear it still from Mr Azopardi. Above all, year upon year, I hear it from the hon. Member whose estimate of our so-called true debt has climbed so repeatedly that one could set a clock by it. The Hon. Mr Clinton.

So let me deal with it now, at the outset, in the daylight, and not leave it only to my reply. Because my Government is confident of its record. We have no issue with Opposition attacks, Madam Speaker. We set out the truth and let us see how on earth the Opposition dispute it now, with 15 years of real performance behind us. So let us start the economic analysis.

Madam Speaker, I remember Gibraltar, the entire economy of which was just £1 billion. In 2010-2011, the year before this Government took Office, our Gross Domestic Product (GDP) stood at £1,082 million. That is to say, in American terms, £1 billion. This year, our GDP is forecast to be £3.252 billion. Three and a quarter billion pounds. We have very nearly trebled the size of the Gibraltar economy in a decade and a half. An increase of more than £2,000 million. £2 billion in the American parlance. An increase of over 200%. We have done it, Madam Speaker, through the storm of the century. Through a pandemic that closed the world and cost our economy £425 million. That is to say, nearly half a billion pounds. We have done it through the wars that I have described, and through a Frontier that for too much of our history was used as a weapon against us. Let me give the House the figures year upon year, for they tell their own story.

In 2010-2011, £1.082 billion; In 2011-12, £1.2 billion; In 2012-13, £1.3 billion; In 2013-14, £1.479 billion; In 2014-15, £1.6 billion; In 2015-16, £1.8 billion. They said it was not possible when we predicted those figures in 2011, but we did it. In 2016-17, £2 billion, that was the year that we passed £2 billion; In 2017-18, £2.268 billion; In 2018-19, £2.456 billion; In 2019-20, £2.568 billion; and Stop!

They said all that was too ambitious and unachievable, but we did it, Madam Speaker. Then the pandemic came. Even in the teeth of that pandemic, we fell only to £2.417 billion. In 2020-2021, we climbed straight back to £2.53 billion. In 2021-22, £2.749 billion; In 2022-23, £2.9 billion, £2.898 billion; In 2023-24, £3 billion; and In 2024-25, this year which is being predicted, £3.25 billion. £3.25 billion of GDP.

The only difference, Madam Speaker, is in the narrative. It cannot be in the economic growth. The difference is that at least they have stopped saying that our predictions are not going to materialise. They have been so embarrassed in that respect that that one, they have stopped doing. These figures, Madam Speaker, are not just a line on a graph. They are 15 years of hard work. By all means, let us be very clear, not just by me. By every member of my Cabinet in that period. More importantly, by every active worker in the economy. By every Gibraltarian and cross-Frontier worker. An economic success built by the team who make up the economically active workforce of Team Gibraltar. A success guided by our economic policies. Delivered by the hard work of all of us together.

That is the growth, Madam Speaker, between the Gibraltar I inherited and the Gibraltar that I hand on. I want to make one thing clear, Madam Speaker. That has been the case as every Chief Minister has handed over to another. The growth may have been bigger or less big. We have had many differences about how to do things. Each of us has handed over an economy bigger than we inherited. Long may that last. Forever may that be the case, whatever the Party that may alternate in power. Because none of us is entrusted with the Office of Chief Minister for any purpose other than to grow our nation as our respective generations can. As I deliver this Budget address for the last time as Leader of the House, I could not be prouder to have delivered this growth.

For my generation, I genuinely believe it is growth to be proud of. Growth delivered for the purpose of our national development as a people. Growth aimed first and foremost at making the lives of our people even better than when I took Office that bright autumn morning of 9th December 2011. Even though then, and in 2011 in particular, the GSD said it could not be done.

Madam Speaker, the size of an economy is one thing. The wealth it represents for each person within it is another. Here, the achievement is greater still. Average earnings in Gibraltar have gone from £25,831 in 2011 to just shy of £40,000 now. £39,511 to be exact. That is an increase of just under 53% in average earnings. I remember, Madam Speaker, Gibraltar where our GDP per head stood at around £34,000. £34,247 in 2010-11 when the population was only 32,000 people. This year, dividing our forecast Gross Domestic Product across a resident population of 38,200, it stands at £85,145 pounds per head. We have more than doubled the wealth this economy generates for every man, woman and child on the Rock. The growth in GDP per capita has been just shy of 150%. 148.62% in fact. Let me put that figure where it belongs. On the league tables of the nations and of the world. Always with the caveat I make every year that the figure is not one that puts food on anyone's table. Before I hear sniggering and cynical smiles about this statistic from Members opposite, let us trace how that statistic came into this debate.

In 2003, Sir Peter Caruana gave Gibraltar's GDP per capita as £15,120 against £14,962 for the United Kingdom, concluding of course that Gibraltar's was slightly higher. Our GDP then in 2003 was £158 higher than the United Kingdom's GDP per capita. Today, our GDP is £27,537 above the UK's GDP per capita. The gap has grown from £158 higher to £27,537 higher than GDP per capita in the UK. In 2005, Sir Peter in this debate declared our GDP per capita at £32,393, saying we stood 11th out of all the countries in the world. Saying that as a good thing, as a demonstration of magnificent GSD economic performance. Tellingly, Madam Speaker, the Father of the House then objected on the spot that comparisons with the rest of the world were not permissible before 1996, reminding us in his note in Hansard that such comparisons are only allowed in GSD world when the GSD is in Government and not when they have to hear these statistics from Opposition. Because from Opposition, they say that these statistics mean nothing, as they will no doubt say in the course of their replies. I want to remind them that when they are in government, these statistics appear to mean everything to them.

In 2006, Sir Peter Caruana went further, boasting in terms of personal influence that our GDP per capita is now 10th in the world. Again, statistics matter. It showed GSD prowess in the management of our economy. In 2008, my predecessor, the then leader of the same GSD that now calls this calculation irrelevant, called GDP per capita the usual measure of a country's prosperity. So then, it really mattered. It was the usual measure, the measure to follow. It ranked Gibraltar 9th in the IMF world rankings and 10th in the World Bank list, alongside a survey placing Gibraltar 4th in the world for combined political stability and economic prosperity.

Well, Madam Speaker, the fact is that even now, the IMF ranks every economy in the world by a GDP per capita ranking in United States dollars, and I invite the House to look very carefully at where Gibraltar now sits. Converted into United States dollars, on the calculation which they do for the IMF basis, Gibraltar's GDP per head this year amounts to $126,015 USD. 126,015 United States dollars. On that measure, Madam Speaker, Gibraltar stands third after Luxembourg and Liechtenstein, among the sovereign nations of the world. Third in the whole world. Gibraltar remains comfortably within the top five wealthiest places on the planet. We stand above Ireland. We stand above Switzerland. We stand above Singapore, a byword for prosperity. We stand above Norway. We stand above the United States of America, the largest economy on Earth. We stand above the United Kingdom, and we stand far above the Kingdom of Spain, whose governments have for 300 years told the world that we cannot survive without them. Gibraltar's GDP per head is almost three times that of Spain now.

I have always cautioned the House, Madam Speaker, these international comparisons are not an exact science. They turn on differing national methodologies and on fluctuating exchange rates. On any honest measure, Gibraltar now stands amongst the very wealthiest places on the face of the Earth. I know all hon. Members opposite will be saying that this measure does not matter. It was the measure with which they would try to win elections. In 2003, when Sir Peter first used the measure of GDP per capita, the Leader of the Opposition, now the Hon. Mr Azopardi, was Deputy Chief Minister, and he was nodding along in agreement. Collective responsibility and all that. Now, he comes here, Madam Speaker, to say that the measure he valued so much then means nothing now. Well, it shows you how reliable and consistent their views are. So giddy and unfirm. So much sooner lost than won than ours are, Madam Speaker.

These numbers are an indication of just how thriving a democracy we have become, Madam Speaker. Not only are we a place of a plethora of opinions, just in the Opposition alone, there are people who hold contradicting positions on the same subject, Madam Speaker. It does really beg the question that Gibraltar is some strange dictatorship. Strange, barren Rock, this, on which prosperity is rampant, although we have no water of our own and no agriculture of our own. These numbers, Madam Speaker, this performance, this is no mirage, Madam Speaker. This is our reality.

Madam Speaker, our economy, the GDP, the figures in this House, none of it is an abstraction. It is people in work, earning a living, raising their families. On that too, the record that we can boast of is one of transformation. Because I remember, Madam Speaker, a Gibraltar with 22,247 employee jobs, as they are referred to in the Employment Survey. That is the Gibraltar that I was elected to lead in 2011. This October, 15 years later, the Employment Survey recorded a new all-time high of 32,206 employee jobs on this Rock. That is almost 10,000 jobs more than when I took Office. An increase of 44.8%, driven overwhelmingly by the private sector, that this Government set out to set free. I remember that Gibraltar, Madam Speaker, where the average worker took home under £26,000 a year, £25,831 to be exact, in 2011. Those were average earnings then. Today, average annual earnings, as I said before, are £39,500, an increase of more than half, 53%. Crucially, earnings rose this year by 5.8% in cash terms and 2.8% in real terms after inflation. Wages, on the Rock, Madam Speaker, are not merely higher in the statistic pages and in the arguments that I put here. They are higher in the pockets of each worker.

At 53%, with inflation at 46%, that is already an inflation-busting increase. This is not just inflation, Madam Speaker. In the entry grades into the public service, they have gone from £15,168, 15 years ago to £24,413. An inflation-busting 60% increase, Madam Speaker. The same is true of the lowest paid in our economy. Because, Madam Speaker, I come now to the measure of which I am most proud in 15 years of Government. I am not going to wait until I announce all measures at the end of my speech. I am going to deal with it now, although I do an exercise later on in respect of the minimum wage.

And that is not, Madam Speaker, that we are proud of the trebling of the GDP. Of course we are. Of the third place in the world. No. When the Government came to Office, the minimum wage in Gibraltar, the legal floor beneath the lowest paid worker on the Rock, stood at £5.40 an hour. £5.40 an hour. Now, it is £9.50. Now, it is £9.50 which represents an increase of 75%. Today, Madam Speaker, I announce to this House that the minimum wage will rise again.

In the first measure I will announce to assist working people today, I am proud to announce that the minimum wage will today go up by a further £0.50 to £10 an hour. £10 an hour. Let the House do the arithmetic, because it is worth doing slowly.

This year's increase from £9.50 to £10 is a rise of 5.26%, comfortably ahead of inflation. Which means the very lowest paid workers in Gibraltar will be better off in real terms this year, as they have been in every year of this Government. From the £5.40 we inherited to the £10 I announce today, the minimum wage in Gibraltar has risen by £4.60. That is an increase of 85.2%. We have very nearly doubled the minimum wage of this country. With inflation in that period at around 46%, the minimum wage has increased by almost double inflation. Despite all the complaints we might hear, no business in Gibraltar has gone out of business because of the increase in the minimum wage. Working people are substantially better off, because these increases matter.

That is why we did not increase the minimum wage in the year just before an election and then take the rest of the budgets off for three years, like the GSD used to do. We did it again and again and again, every single year. At every single budget, this Government has delivered an increase in the minimum wage.

Fifteen budgets bar Covid. Fifteen times we have stood by the lowest paid. Not one budget has passed in which this Government failed to lift the floor beneath the worker who has the least.

During Covid, Madam Speaker, we actually sent them that money home, even though we did not require them to go to work. Because here is what I believe, and what this Government has always believed. We do not grow this economy for the few at the very top.

We do not labour for 15 years so that the league tables of the IMF flatter the wealthy in Gibraltar. We grow this economy so that the cleaner, the carer, the kitchen porter, the shop assistant, the security guard takes more home this year than last, and more next year than this. The men and women who rise before dawn and keep this Rock running deserve no less. Alarm clock Gibraltar deserves no less. Because a rising economy that does not reach the lowest paid is no achievement at all. Our economic success has reached the lowest paid every single year, Madam Speaker. 85% higher than the wage that we found. That is what protecting working people looks like. Not in a slogan, but in the wage packet every single week, of every single month, of every single year since we were elected.

Let me say, Madam Speaker, plainly, to those who sneer, that this is just typical socialism. It is the proudest socialism I know. The proud tradition established by the GSLP in 1989, maintained by the GSLP Liberals since 2011. A key plank of every single one of our budgets. Delivering social justice to the lowest paid. It has been delivered alongside the fastest economic growth in our history and the third highest GDP per capita on earth. We have proved, Madam Speaker, on this Rock, that you can have both. That the Government can both grow the cake and share it more fairly at one and the same time.

That is the GSLP Liberal achievement. No one, Madam Speaker, can take it from us. Because in the end, whatever is said in this place, the figures speak for themselves. The pay packets speak for themselves. There is no more real politics than what people are feeling in their pockets at the end of each month. That is real politics because that, Madam Speaker, is real life. Real life effects on the lives of thousands of people are the consequences of what we do here. Madam Speaker, I turn now to a victory 35 years in the making that has had a massive effect on the lives of tens of thousands of people, in particular the lowest paid.

Since 1991, since before some Members of the House were born, I think, Gibraltar has sat on Spain's list of so-called non-cooperative jurisdictions. Its tax haven blacklist. We sat there through every reform for 35 years. We sat there, even though Gibraltar has been on the OECD's white list for tax transparency since 2009, and even though Gibraltar has never once appeared on the European Union's own list of non-cooperative jurisdictions.

We are transparent. We are cooperative, and we are compliant. Still, that designation hung around our necks like a slander that would not be retracted. Costing our businesses, complicating the lives of our cross-Frontier workers, staining our reputation, we had done nothing to deserve.

It was the tax Treaty between the United Kingdom and Spain in respect of Gibraltar that resolved this matter. The Treaty that this Government negotiated and that entered into force on March 2021, which finally stripped Spain of every excuse. We did that, Madam Speaker, in the face of scathing criticism from Members opposite, the Leader of the Opposition in particular. Under that treaty, Madam Speaker, Spain committed to remove Gibraltar from its blacklist within two years. The commitment was not honoured on time, and I made it publicly clear that Gibraltar would consider withdrawing from the treaty altogether if Spain did not keep its word. Now, Madam Speaker, Spain has kept it. After 35 years, Gibraltar has been removed from the Spanish blacklist.

This is a magnificent result, and all of Gibraltar should celebrate it. It is the formal recognition, at last, of what we have always been. A serious, transparent, well-regulated jurisdiction of the first rank. It carries a real and human dividend. For local families who have personal business to transact in Spain. For local businesses who transact businesses in Spain. For the cross-Frontier worker resident in Spain, who may now at least access exemptions on employment income that the blacklist had denied them. More money in the pockets of the very workers who cross to build our economy every day. Money that is put there by the Spanish state, no longer picking their pockets for double taxation.

I record, Madam Speaker, the gratitude of this House to the negotiating teams who delivered it on the record where it belongs. From Albert Mena, who was then Financial Secretary, to Mr John Lester, who as Commissioner for Income Tax led with Albert on the technical negotiation, and Mr Terrence Rocca, who advised throughout on the legal detail of the deal and its effects. I express to them the sincere gratitude of this House.

I remind the House and those listening how important this development will be in the context of future assessments of Gibraltar by the FATF and other international bodies. Needless to say, the naysayers were wrong. Again.

Madam Speaker, speaking of naysayers, I turn now to the charge I know is coming, that all of this has been built on a credit card. Let me meet that accusation head on. In this, my last Budget, I once again invite the public to follow the debate with me and see the Estimates Book for themselves. It is online. I have just put the link on my relatively disused social media accounts. With the books open and visible to all our people, like no other government has done before us, let us look at the numbers.

As at the 31st of March 2011, the inheritance, the total cash available to the Government of Gibraltar, stood at £264.4 million. Within that figure sat borrowing of £91.5 million. Remember, that was not the direct debt of the Government. That was £520 million when we arrived and over £100 million of debt in the companies, that is 2011. Strip that borrowing out and the true free cash position the GSD left behind was £173 million pounds. That is one of the elements of what the Hon. Mr Bossino has previously called the golden legacy of the GSD.

As at the 31st of March, the total cash available to this Government stands at £282.7 million. That is a 65% increase in the available cash in a period when inflation has been 46%. In real terms, that is a 20% increase in available cash. By the Hon. Mr Bossino's measure, I guess that should amount to a platinum legacy from this GSLP Liberal Minister for Public Finance. How is it made up? Consolidated fund balance of £156.9 million, an improved development fund of £39.8 million, and reserves of £86 million at Gibraltar Savings Bank, available to dividend up to the Government at will. Remember, of course, Madam Speaker, that the £86 million in the Savings Bank has been built up from practically zero, £1,444, which we inherited from the GSD. Not so golden a legacy, Madam Speaker. Within that figure that I have just given the House sits borrowing of just £51.5 million. Strip the borrowing out and the true free cash position today is £231 million pounds. Let the House mark that well. More cash in the bank than in 2011, and less borrowing with it.

We have more in reserves and we are less against it than the day I walked into No. 6 Convent Place. That is not profligacy, Madam Speaker. That is a demonstration of our effective stewardship of our public finances. Madam Speaker, therefore that might be a good place for me now to turn to the year just ended, 2025-26. Let me say that I do so with huge pride in our economic performance.

Total revenue for the year reached an outturn of £883.468 million. The highest level of revenue ever achieved in the history of Gibraltar. We have for the first time passed £880 million pounds.

For comparison, Madam Speaker, when I became Chief Minister in 2011, the total revenue reported to the House that year that July had been £393.7 million. We have increased the total revenue of the Government by almost £500 million. £487 million to be exact.

Madam Speaker, that is an increase in direct revenue to the Government of 125%. In that time, inflation has been 46%. A remarkable demonstration that despite the many headwinds we have faced, we have been able to increase the revenue year by year with a dip only in the extraordinary pandemic period.

Revenue that we have grown in the way we can be truly proud of on this side of the House and outside it. The surplus, Madam Speaker. This time last year, in this House, I estimated a surplus of £5.324 million. I am delighted to report today that we have not merely met that estimate, we have very nearly trebled it. The forecast surplus for 2025-26 is £15.712 million. That is the largest surplus this Government has delivered since the pandemic.

It is the third in a row, also interrupted only by the pandemic, without which we would have had an uninterrupted period of 15 years of surpluses. I remind the House, Madam Speaker, that it was under the GSD that we fell into deficit, that we had an unforced error. Under the GSD, a party of Members opposite, the nation slipped into deficit in 2007.

Not because of a pandemic. There was none, or a worldwide financial crisis did not come until the year later, Madam Speaker. It was a result of overspending by the GSD in the run-up to a General Election. I think, Madam Speaker, that by the standards of accusations that they tend to throw at us, that is what you call buying votes. Buying votes to such an extent that you fall into deficit. Madam Speaker, that is history.

This surplus, these £15 million, is not history. It is not a mirage. It is not a fiction. It is a fact. A fact measured in cold, hard cash. It adds to the roll call, a hat-trick of consecutive surpluses. £1.908 million in 2023-24 as we were recovering from the pandemic. £9.78 million in 2024-25 and £15.712 million this year. Each surplus in the past three years larger than the last. Not yet close to our record surplus of £83 million pounds in the financial year 2018-19.

With continued GSLP Liberal leadership, Madam Speaker, even those massive surpluses will return. Of that, I am confident. Madam Speaker, cast your mind back just 12 months. You have been with us for long enough now, Madam Speaker, that you can.

The Hon. Leader of the Opposition rose in this very Chamber and pronounced our surplus an annual fiction. Figures, he told this House, that were unrealistic and would never materialise. He was half-right, Madam Speaker. He was right. Something has failed to materialise this year, Madam Speaker. It is not the surplus. The surplus that we predicted at £5 million has gone on to be £15 million. Three times over. 5 plus 5 plus 5 is 15. The only thing that has failed to materialise, Madam Speaker, is the Hon. Mr Azopardi's deficit. The Hon. Mr Azopardi's deficit fiction misjudgement.

He asked this House last year whether we were dealing in fiction or whether we simply could not add up. He said, Madam Speaker, that we would fall into deficit because we could not achieve our own figures. Now, Madam Speaker, this year the answer is plain for all to see. The only work of fiction in this Chamber was the one that he wrote.

Ironically, Madam Speaker, the Hon. Leader of the Opposition, having been so fond of Orwell last year, and the year before, and the year before, and the year before, in his attack on us. I could go back to 1984 saying the year before, Madam Speaker. He has made it seem that the only books he has ever read were 1984 and Animal Farm. Last year he reached for Orwell not once but twice, branding our stewardship a euphemism of monumental proportions.

Let me hand figuratively, I have not got a copy with me, Madam Speaker, 1984 back to him because it is only he who is living in its pages. I suppose it would be played by John Hurt in the film. It was Orwell who wrote that:

> The citizen's ultimate command from the bad, controlling Government was to reject the evidence of your eyes and ears.

In 1984 the theory is that the Government is a terrible thing and that it tells you that you cannot believe your eyes and that you must say the opposite of what you are seeing. That is the concept of 1984. This is the novel that he keeps quoting at us. Reject the evidence of your eyes and ears. So saith the Government in Orwell's 1984.

That is not what is happening in Gibraltar, Madam Speaker. It is the opposite. It is the Opposition that is asking the citizens to reject what they can see and they can hear. To reject the evidence of their eyes and ears. To disbelieve the figures which are produced not by Ministers but by honest and hardworking civil servants, and instead the public are told to take his fiction on trust.

As the Leader of the Opposition is no doubt aware, given the number of times that he quotes it, Madam Speaker, Orwell said this also in 1984 that freedom, I think it was Winston who said it in 1984:

Freedom is the freedom to say that 2 plus 2 make 4. If that is granted, all else follows.

It is the Leader of the Opposition, Madam Speaker, who is asking the House and the public to believe that 2 and 2 make 0. He and his team are asking our people to accept obvious logical contradictions as the truth. Such as declaring that where there is an obvious surplus, the public should believe his fiction that there is a deficit.

With the Opposition's view, Madam Speaker, objective truth would cease to exist. We predicted a surplus of £5 million. We delivered £15 million. 3 times the promise. 5 plus 5 plus 5 equals 15. Objective truth, Madam Speaker. The evidence before our eyes and ears is of surplus, not of deficit. You just have to walk around Gibraltar to see the value of that. To see the investment we are making. You cannot pay construction companies with air. You have to pay them with money. You cannot put money in people's pockets if you have no cash, Madam Speaker.

What the objective truth shows is what the public's eyes and ears will show them when they move out of this Chamber, or indeed when they look at the refurbishment of the Chamber beyond the area that we refurbished in 2011 to 2015. That is a fact, not a fiction. Because 2 and 2 still make 4. However, upside down the Hon. Mr Azopardi and Clinton may hold their scientific calculators, Madam Speaker. The only work of fiction in this Chamber last year was the one that the Hon. Mr Azopardi authored. Because a nation in the Financial Intensive Care Unit, as he recklessly suggested that we were in 2021, does not run three rising surpluses in a row. It does not sit third in the world of GDP per head. The diagnosis is not merely wrong, Madam Speaker. It is the opposite of objective truth.

In 2021, the hon. Member pronounced Gibraltar dead on arrival at the Financial ICU. The hon. Member fancied himself the physician of our public finances. Although he holds an undoubtedly well-deserved doctorate in constitutional law, although I disagree with him on his verdict in respect of what joint sovereignty in respect of Andorra means, he is no medical doctor, especially of public finances. Because, Madam Speaker, the only thing in this House that has flatlined was his diagnosis. Madam Speaker, the patient he wrote off has just walked out of the ward with a £50 million surplus in his pockets.

I almost asked, Madam Speaker, the Financial Secretary to add the words the parable of Lazarus to the front page of the Estimates Book for this year. Madam Speaker, the Hon. Mr Bossino can look at the Estimates Book and feel an affirmation of faith. Another miracle, at least by their standards.

In fact, when the Hon. Leader of the Opposition put Gibraltar in the Financial ICU, all he was doing was crying wolf again, Madam Speaker. Something which I will come to in a few moments. Because he has been wrong at the top of his voice every year, then and in between.

The patient, Madam Speaker, Gibraltar, our nation, our people, are thriving. It is only really his financial judgement that will never recover. Let me tell the House how this was done.

How the surplus was done. Let us be very honest and open about it. Because there is no other way.

Personal tax receipts reached £281 million against an estimate of £260 million. £21 million, almost 10% above forecast. Well done to the taxpayers, every single one of us.

Well done to the Tax Office and the Minister for Taxation. Revenue up, although we reduced personal taxation sooner after the pandemic than we had expected. Higher PAYE, not through any increase in rates, because we cut the rate of personal tax by 25% and kept a manifesto promise not to raise personal taxes.

Increases delivered through growth and fair and proportionate enforcement. More people in work, more earnings, more revenue from a lower rate. Corporate tax receipts reached £252 million against an estimate of £170 million.

That is £82 million above forecast. The total forecast outturn for revenue from income taxation is £103 million above the estimate. I look forward to hearing the congratulations of Members opposite to the Hon. Mr Feetham.

They will say, well done, well done. You did better than Picardo, so we congratulate you for that, but it is just exceptional. When something is exceptional, Madam Speaker, year after year after year, it is no longer exceptional.

It becomes the norm. Madam Speaker, I will say something that the House may now have come to expect from me, because I want to acknowledge again with genuine respect that the corporate tax strategy designed and implemented by the Hon. Mr Nigel Feetham during his time in this Government has borne precisely the fruit intended. If the hon. Member, Madam Speaker, will forgive me for the slip in protocol and into the vernacular, and allow me to refer to him by his first name only with your permission, Madam Speaker, *buena* Nigel. *Buena* Nigel.

Where good policy is delivered, this Government is always proud to say so. A smaller success, but a telling one, Madam Speaker: the personalised vehicle registration plate scheme has now raised £5 million since its launch. Revenue raised not by reaching into a single taxpayer's pocket, but by a little imagination. This will be a gift that will keep on giving, because Madam Speaker, we have an entailed interest here when any number plate is sold on. I should note we may even have to tighten those provisions up a little.

Madam Speaker, in total, revenue is up £110 million above the estimate. £110 million pounds. A remarkable performance. Yet despite that, in this debate, the Opposition's favourite word is opaque.

We have, they say, a parallel treasury. We have, they say, a jungle of opaque companies. Some people might believe that, especially the least thinking in our community that hear something and believe it, Madam Speaker. Let me put the facts on the record before they rise to spare them the need to make more mistakes again this year. The Government, this Government, the GSLP Liberal Government, publishes the accounts of its companies.

On the 2nd of April 2024, in fulfilment of a clear manifesto commitment, we published online the accounts of every one of our companies. A level of transparency never before enjoyed in the history of Gibraltar, I think, except in relation to one company, which is the main holding company, where there is a reconstruction of the accounts. We now publish information on 63 companies, and the total of full accounts and balance sheets we have placed before the public has reached 840. 840 fascinating full accounts and balance sheets there for inspection, although I think there is only one person inspecting them or thinking that they are fascinating, Madam Speaker.

Indeed, I am told, Madam Speaker, by the Chief Secretary, that G80R3 is available, Madam Speaker, if the Hon. Mr Clinton would like to buy it. 840 sets of accounts available to any citizen, any journalist, any accountant, retired or otherwise, any Member of the House, free of charge.

Of these, 550 are a combination of full accounts or balance sheets that have been completed, audited and filed at Companies House. The remaining 289 are currently pending finalisation, audit and subsequent filing, but they are online anyway, so that people can see them. There is a total of 25 companies which are up to date with their filing requirements, and we are working actively to increase that number over the next year.

This continued publication of company information demonstrates our ongoing commitment to openness, accountability and ensuring that financial information is accessible to the public at the earliest opportunity. Hon. Members might say, oh well, but you have not done this, or you have not published that, and I do not like it because of this, because you should publish a little bit more of that, or a little bit more of this. Well, look, they can say that.

How many, how many did they publish in the 16 years that they were in Office? The Hon. Leader of the Opposition was in Government for 8 years. For 8 years.

Next to nothing. They went to the public with a leaflet that said, we will publish all the company accounts, they published them in one year, they changed the law to force everyone to publish their company accounts, and they published no more. They did not even comply with the filing laws they had written and passed in this House.

It was left to us to turn on the lights that they switched off. Madam Speaker, with all the lights on, let me turn to expenditure, and let me continue to be candid, because candour is the companion of confidence.

Consolidated fund charges for the year came in at £103.4 million against a less than £124.6 million. An overspend of £5.7 million, driven principally by pension costs, and by the repayments of revenue that we make as a matter of principle to put money back in the hands of people to whom it belongs. The House will find the detail at page 16 of the Estimates Book.

On departmental expenditure, the outturn of £722.3 million stood at £78.7 million above the original estimate, just over 12%. I will take the House through it head by head in a few moments, but before I start doing that, I am advised by the Financial Secretary that following the printing of the draft Estimates Book, an error was identified in the description of Head 57, Transfer from Government Surplus. This does not affect the figures contained in the Appropriation Bill. However, I am advised by the Financial Secretary that a minor correction is required to the Bill in respect of Head 57, together with amendments to six pages of the Estimates Book affected by this error.

The version of the Estimates Book published online has already been updated with the corrected pages, Madam Speaker. I will give notice of the proposed amendments at the Committee Stage.

Madam Speaker, as I do every year, I now invite all those watching and listening who wish to follow the economic part of the debate to have the Estimates Book open before them. They can click on the link on my social media. I will refer to the relevant pages and Heads as I go.

The House will see alongside each head four columns. The estimate for the year 2026-27, which is the year that we are here to debate; the Forecast Outturn for the year just ended; the original estimate for that year; and the actual figure for 2024-25. Where the forecast outturn rises above the original estimate, there has been an overspend. In the Estimates Book, we report to the House and the public, Head by Head, exactly where that money went and why.

We do not hide, massage, or masquerade a single line of it. Let me begin with the three areas where this Government has invested most and most proudly.

Just before I do, I want to alert the House to the fact that I will be laying a report, as I have done in the past years, which sets out the detailed progress of the departments I am responsible for. Given that a lot of that does not relate to financial performance, I am again laying those reports instead of reading them, and I will do that, Madam Speaker, before I reply.

Madam Speaker, the single largest head in the entire estimates of this Government, larger than any by any other distance, is Health and Care. The original estimate for the year just ended was £224 million. The forecast outturn is £256.1 million. That is an overspend of £31.827 million. That overspend represents the expansion of services and the many changes that health services in Gibraltar have undergone this year, with more changes to come. It also represents the relentless rise in the global price of medicines, medical supplies, and pharmaceuticals. It is also the additional clinical staff recruited to meet growing demand, and it is our unbroken promise that every Gibraltarian who needs treatment abroad shall receive it.

That, Madam Speaker, really does set us apart from any other Overseas Territory and even the UK. I do not think that people quite understand that, Madam Speaker. It is important that I emphasise that our health services are really second to none.

There are mistakes, of course. Medicine is not an exact science, but the fact is that the service afforded is, in most cases, exceptional. In saying that, we are also clear that there is room for improvement.

The Minister for Health and the new Chief Executive of the GHA, Mr Bossio, are clear about that. That should not persuade us that we are not already at an extraordinarily high standard. As I leave the role of Minister for Public Finance, Madam Speaker, I do want to reflect on the journey that our health services have been on during my time as Chief Minister.

Under successive, talented Ministers for Health, with the medical and allied health professionals, we have together improved the GHA. We have provided the money, they have provided the commitment and the expertise, and together we have made a better GHA. Again, Madam Speaker, I believe that is a boast that every Chief Minister of Gibraltar could also make before me.

We have built upon the foundations of the work done by the post-war political generation that created these structures that we take for granted today. We should never take the Group Practice Medical Scheme for granted. We should treasure what it provides.

Not for us, an American-style system of private care. It is not just an American system. There are many other countries that do not provide free healthcare at the point of delivery universally to their people.

We do not retreat, Madam Speaker, at all in the year ahead. For 2026-27, we estimate £236.396 million for health and care, £12.123 million more than this year's estimate. Almost a quarter of a billion pounds, Madam Speaker, on the health and care of a community of our size. A scale of investment in the well-being of our people that would have been unimaginable in 2011. When we hear the usual complaints from the Opposition, as we no doubt will, about overspending, I ask them to debate with honesty and tell us only one thing. Which treatments should we no longer provide?

Is it IVF for same-sex couples? Is that the one that they would stop? Which patients should have been turned away? Is it those seeking PrEP prescriptions to avoid HIV? Of course, none of the Members on the benches opposite will tell us anything of the sort. They will not, because they cannot.

Because the argument that we should reduce cost is a false one. In this area of spending, what they are asking us to do is to reduce treatment, not cost. To reduce care, not cost. To turn patients down, not to cut costs. In the end, I am sure that none of us would do that. Unless Madam Speaker, you only see life as a spreadsheet. That, Madam Speaker, is no life at all.

Madam Speaker, where there are efficiencies to be made, we will be ready to make them. Never at the expense of our patients. Because let us remember, every single one of us is a potential, likely future patient of the GHA. Every patient of the GHA is one of us. A fellow Gibraltarian or contributor to the Group Practice Medical Scheme. Often, a more elderly one of us who reaches the age when more is required.

The care of our elderly and our most vulnerable runs through the Social Security Head and through the Social Assistance Fund that funds Gibraltar Community Care. The original estimate for this year, just ended, was £15 million. The forecast outturn is £25.9 million. An overspend of £10.8 million. The bulk of it the additional contribution to the Social Assistance Fund paid through Community Care. From our strengthened reserves, the Government contributed a further £30 million to that same fund this year. In the year ahead, we will go further still. The 2026-2027 estimate for this head is £30.4 million. Which is £15.3 million more than this year's estimate. We have very nearly doubled it. When this Government says that the dividend of growth will reach the pensioner and the most vulnerable first, that is not rhetoric. It is Head 11 of the Estimates Book and the figure has doubled. Our elderly will see increased state pensions. They will see equality of pensionable age, which I will detail later in my speech. They will see continued commitment to excellent elderly residential services and domiciliary care. Which is not just good. It is not just better than in most places. Let us be clear, Madam Speaker. Our ERS and domiciliary care provision is unparalleled as an unfunded public system of elderly care. Free to contributors. That is a demonstration that we invest where it matters. We have increased the payments for domiciliary care and the funding for Community Care to provide it. That is a service that is not perfect, but my goodness, it is amongst the very best in Europe. Provided at no cost to the user.

When hon. Members opposite do their job in holding us to account for the service, no complaint about that. That is what they are here to do. They must do so with honesty. That is to say, they must do so accepting that this is something which we do, which is a very good thing.

It is something they did not do in any meaningful way. That would be a fair reflection of reality. They used to provide £760,000 for domiciliary care. Less than a million pounds a year. We are now providing £7 million for supported living in the community. That is the order of the turnaround that we have delivered. That should be recognised, even as we are held to account for the spending of every penny.

If there is one thing that is true, Madam Speaker, it is that we have looked after our pensioners, not just those with excellent gold-plated civil service pensions. We have to look after those just with state pensions who will now be paid earlier, in particular men who will be paid from the age of 60. We have to do it conscious of why Community Care was created 30 years ago.

As we enter into what we can call our treaty era, we are free to do more on equalisation as a result of the result of our negotiation. We must also continue to be careful how we do it. As we must also be careful, Madam Speaker, to protect our security in the treaty era. We will be safe. We will be safer than ever before because we will invest in that safety.

A chain-link fence could not keep out the world. I ask my fellow Gibraltarians to remember this, Madam Speaker. The IRA bomb threat of 1988 happened with a Frontier and with passport checks. It took the SAS to stop that threat in its tracks. The passport checks and the chain-link fence did nothing to deter them. The Al-Qaeda terrorist who was in Algeciras planning an attack on a shopping centre in the Campo de Gibraltar came into Gibraltar every day whilst we had a Frontier and passport checks. The passport checks and the chain-link fence did nothing to deter him. So let us understand that the chain-link might have made us feel safe, but it added very little security beyond the psychological. So now, we have invested in cameras, we have invested in live facial recognition, but what is more important, we are investing in people.

The original estimate for policing in the year just ended was £17.09 million. The forecast outturn is £19.050 million, an overspend of £2.041 million, invested in the men and women who keep this community safe. And in the year ahead, for the first time in the history of Gibraltar, the policing estimate passes £20 million. £20.046 million for 26-27, £3.037 million more than this year's estimate. Set that against the £10.5 million that GSD spent in their final year in Office in 2011. £10.5 million in 2011. Inflation is 46%. Now it is £20 million.

We have doubled what we invest in the Royal Gibraltar Police and a 100% increase in funding when inflation has been 46%, and a 54% real-terms increase. The establishment has grown from 226 officers when I took Office to a planned 289 in the year ahead. 63 more officers since we took over. 30 more, 32 more officers in a single year as we resource the force for the new frontier the treaty brings and less officers doing desk jobs or jobs which civilians can do because the 226 were not out doing policing, many of them were shackled to a desk. And because we have now introduced the ability of the police to recruit civilians directly to do jobs police officers do not need to be doing.

When the Opposition complains in one breath, Madam Speaker, that we spend too much and in the next that the police are under-resourced, I will ask them simply, now from now on, Madam Speaker, to turn to Head 35 and let the figures answer for themselves. Because on policing, as in relation to Customs, our law enforcement agencies, both of them, have never been better resourced.

On Customs, Madam Speaker, we have 65 more Customs officers than when we were elected. A 57% increase. And on funding, from £4.725 million to £11.7 million a 148% increase. Again, remind ourselves that inflation was 46%, so a 102% above-inflation increase in funding. That is a remarkable increase in people, resources and funding that our public servants in Customs and the RGP need to be aware of, lest the siren calls of Members opposite might persuade them that we are investing less in them. It is not true. The figures speak for themselves.

You would not want anyone in Customs or the police to actually believe for one moment that the GSD resourced them better than the GSLP Liberals. Given that both of those law enforcement agencies have investigation branches, they would just need to look at the publicly available information to see that it would be misleading and untrue to suggest the opposite.

Yes, there may be changing styles required to how they do their jobs in weeks to come, but there is no change in the importance of what they do. Quite the opposite. And indeed, the importance of what the men and women of the BCA do. And with the men and women of the BCA, they will continue to be our front line as we enter this treaty era.

And so, Madam Speaker, I was very happy to see the muscular presence we have resourced for our law enforcement agencies was becoming a reality on the ground with the arrival of 4 4x4 vehicles for each of the RGP, Customs and the BCA.

That gives them additional resources to police our land entrance to Gibraltar. Soon we will also acquire a vessel for the joint border surveillance at sea. Again, gone are the days, Madam Speaker, as under the party of Members opposite with the current Leader of the Opposition as Deputy Chief Minister, when our Police and Customs officers had to rely on confiscated vessels as their maritime assets. Confiscated vessels.

So, the police in Gibraltar under the GSD did not have vessels bought for them, interceptors etc. bought for them by the Government. They had to get on to the RHIB that they confiscated from the drug trafficker. And the same was true of Customs when the Hon. Mr Azopardi was the Deputy Chief Minister — he was not here for 16 years, but he was here for 8, and it was as true in the first 8 years as it was in the second 8 years of the GSD Government. Confiscated drug traffickers' RHIBs were the only maritime assets the police had. I am not surprised they do not want to meet my gaze as I remind them of that. Confiscated assets of drug traffickers, because the Government bought them no maritime assets. That is an under-resourced law enforcement agency. And the same was true in Customs. Less officers, less resources, less money. Not such a golden legacy, Madam Speaker. Quite the opposite.

Now, we have acquired, Madam Speaker, under the GSLP Liberals, bespoke vessels for them, resources and support, with new headquarters to come. Yes, we are delayed on that, but for very good reason, with new headquarters to come. That is what law enforcement agencies need, Madam Speaker, and that is what they are getting from the Government.

And on policing in particular, Madam Speaker, I welcome Commissioner Owain Richards. What a breath of fresh air, Madam Speaker. A different RGP already, at last, thank God.

In that respect, Madam Speaker, if I had a message to leave this House with, it is that we should not be afraid of external recruitments to key jobs, especially in the police, in the post-colonial era. And I look forward, Madam Speaker, to the publication of a command paper and a Bill on police reform in coming weeks. A reform that must make the police accountable to other people, who is who they have to be accountable to.

Now, Madam Speaker, let me walk the House through the relevant parts of the rest of the book. Consolidated Fund charges, the recurrent ones, came in at £130.4 million against an estimate of £124.7 million and an overspend of £5.710 million. The drivers are plainly visible.

Pensions at £64.3 million against an estimate of £61.8 million and £2.5 million, as our pension and population is properly provided for, and repayment of revenue at £17.5 million against £15 million, up £2.75 million money returned deliberately to the taxpayers to whom it belongs. And for the year ahead, Madam Speaker, recurrent Consolidated Fund charges are estimated at £138.9 million, with the repayment of revenue provision raised to £25 million, £10 million more, so that refunds reach our people promptly and in full and a further £5 million provided for the repayment of public debt.

Madam Speaker, I want to come to Education also, in Head 44. The estimate was £68.16 million, the outturn £77.997 million, and an overspend of £9.837 million. And let me tell the House, Madam Speaker, and the people of Gibraltar, exactly what drives that figure, because the Opposition will call it an overspend, and I will call it by its proper name.

It is the cost of more Gibraltarians than ever before studying at university, here and abroad, on the most generous scholarship scheme of any people on the face of the earth. It is the cost of having excellent provision for special educational needs in our schools, and of maintaining low class sizes that would be the envy of schools in England and Wales, our main benchmark, and most of the European Union. On scholarships, Madam Speaker, it can never be repeated enough that it was only as recently as 1988 that Sir Joe Bossano and the GSLP swept away the old gatekeeping of grades and points and made the scholarship mandatory.

That is what led to every Gibraltar student with a place at university having their tuition, their maintenance and their travel, paid by the Government as a right, not as a favour. And when the

GSLP returned to Office as the GSLP Liberals in December 2011, we did not rest on that achievement. We extended it, making the first master's degree a mandatory scholarship too, so that the Gibraltarian's education need no longer stop at a first degree.

That, Madam Speaker, is what the education chapter of this book represents. Funding for generations of our children and young people studying better in schools, further in university, and beyond at higher levels than any generation before them, and coming home to continue to build and strengthen this Rock. When the Opposition sees an overspend that they want to complain about, Madam Speaker, I see a doctor, an engineer, a teacher, a lawyer in the making, and a child fulfilling their potential in school.

And what I see, compared to 2011, is a remarkable turnaround. Every school in Gibraltar built by this GSLP Liberal administration, or the first GSLP administration, and those schools — St Joseph's already being entirely refurbished, and the Jewish school to follow. For the year ahead, we estimate £73.126 million, £4.966 million more than this year's estimates, together with provision for the new school buildings. And at Head 49, the University of Gibraltar, we have doubled the provision, from half a million to a million, because the education of our young people is the best investment the nation can ever make, and that Gibraltar University is one of our proudest achievements. Madam Speaker, you will forgive me, I cannot compare it to anything in 2011, because despite the promises and the fanfare, they never built or opened a Gibraltar University.

Madam Speaker, analysed, Head-by-Head, departmental expenditure for the year just ended came in at £722.350 million, against an original estimate of £643.638 million, an overspend of £78.712 million, just over 12%. But that is not waste, Madam Speaker. It is investment. Every line of it. And where there is no case to spend, we did not. That is why we have applied the new mechanism for controlling overtime, for example. That is discipline. Not the refusal to invest, but the judgement to know precisely where investment belongs and where it does not.

And for the year ahead, departmental expenditure is estimated at £689.2 million, £33 million below the outturn just recorded, and yet still providing more, not less, for the things that matter most. £12 million more for health and care, £15 million more for community care, £5 million more for education, over £3 million more for the Royal Gibraltar Police, and more besides for the airport, the borders and the Frontier, as we ready this nation for the Treaty.

A prudent book, Madam Speaker, a disciplined book, and above all, Madam Speaker, a caring one.

Madam Speaker, a strong year is measured not only in the surplus it reports, but in what that strength allows a Government to do. This year, our strongest position allows us to absorb the Public Sector Pay Award, to receive the final £4.7 million repayment from the Care Agency, to contribute £3 million to the General Sinking Fund — our rainy day reserve, strengthened deliberately against future borrowing costs — a contribution to the easing of interest rates this year was made possible, and to reinstate the £15 million contribution to companies, strengthening the entities that serve this community day in and day out. And from our strengthened reserves, we have made two further contributions of real significance. £30 million to the Social Assistance Fund, flowing directly to Gibraltar Community Care, and £56.5 million to the Improvement and Development Fund, which will meet the cost of implementing the Treaty, while funding the capital and infrastructure projects that will serve this community for a generation.

Because strong revenue performance, Madam Speaker, does not just produce headline numbers. They provide Government with the capacity to increase reserves, meet commitments, invest in essential services, and prepare for future challenges and opportunities.

And on returning money to the people, let me be clear about the deliberate choice. We hold a provision for tax repayments — £50 million last year, rising to £25 million the year ahead — so that refunds reach taxpayers promptly and in full. We could suppress these refunds and report a still larger surplus to flatter ourselves at this dispatch box.

Put simply, Madam Speaker, if we had not made those repayments this year, we would have had an extra £15 million. The surplus could have been £30 million. We chose not to do that.

That accusation, when levelled against us, is false. It was levelled against us, Madam Speaker, some years ago by the Hon. Mr Clinton. But it is true of the party of Members opposite, who even when they reported a deficit in 2007, were doing so despite hanging on to taxpayers' money, long after it should have been refunded to them.

So even their deficit was flattened by the failure to repay taxpayers the amount that they owed them. Money owed to the people of Gibraltar belongs in the hands of the people of Gibraltar. And there, without delay, it must go.

Madam Speaker, because when an economy is truly thriving, apart from creating tax revenue for the Government, it creates opportunity, I want to now look at issues that relate to employment. Nowhere is that more evident than in our labour market. And even before I turn to the figures, let me say this. The success of any employment policy is shown when the people who are seeking work are actually able to find it. That is the true test by which any employment strategy should be judged. It is the benchmark against which every Government should be measured. And by that measure, Madam Speaker, this Government undoubtedly continues to deliver. I am therefore immensely proud to report to this House that the yearly average for Gibraltarians registered in unemployment was just 16. 16. To put that figure into its proper historical perspective, the comparable figure for 2011 stood at 442. 442. And I am not describing England's formation in the World Cup, Madam Speaker. I am giving the GSD's unemployment figures. A difference of 426.

Madam Speaker, that is the equivalent of a whole year of live births of Gibraltarians. That is the number of people who were unemployed on their watch. An extraordinary 96.4% reduction in unemployment has been delivered since 2011. One of the key differences between us. One of the key demonstrations that we care about people, compared to what they used to do.

Madam Speaker, their Minister for Employment did not even used to go into the Office. He used to sit at Time Out, smoking, and would not go to the office. Of course, the unemployment figures were going to be high. The man charged with dealing with unemployment was not going to the office. Imagine how things changed when I put Sir Joe Bossano, the Hon. Sir Joe Bossano, and the Hon. Neil Costa in charge of things. Hyperactive work to ensure that people were in employment.

I will tell you something, Madam Speaker, if I was registered unemployed, and it was Neil Costa and Joe Bossano on my back, I would take the job. It worked. That number tells the story of a Government that has consistently created opportunity, strengthened confidence in our economy, attracted more employers, and helped therefore more of our people into work.

And we have done so in the teeth of an Opposition that has been talking down that same economy as often as they could at every turn. So we are trying to attract people to Gibraltar. The official Opposition in Gibraltar is just saying how terrible Gibraltar is now that they are not in Government. At every turn, and in every respect. And yet despite that, Madam Speaker, perhaps a more real figure than any other, our unemployment figure demonstrates that our success is not temporary. It is not accidental, and it is not a one-off. It has been sustained year after year. And we continue to build on that, Madam Speaker, as we have over the last decade and a half.

During the second quarter of this year, unemployment has continued to fall, despite being already at historically low levels. The average for the second quarter of this year has fallen even further to just 7. 7. From 442 to 7. That is a 435 real person difference, Madam Speaker. A 98.6% reduction in unemployment, compared to what we inherited from them. The rotten legacy of the GSD, Madam Speaker. And at the end of the period, at the end of June 2026, the number is 9, Madam Speaker.

These are not just statistics for the House to record. These are people who need a job. People who will not be left behind by us as they were by them. These are our people, Madam Speaker, and we will find them jobs. We will go to the office. We will not go to Time Out to smoke another cigarette and let our people down, as was the case under the GSD. We have found people work. We have given families greater financial security, futures that were brighter than before and that, Madam Speaker, is what success really looks like.

These are not results that come about by magic, Madam Speaker, or by chance. This has not happened overnight. They are results of clear policy and different priorities between them and us. We have remained focused on creating job opportunities, focused on ensuring those who want to work are able to do so. That is exactly what we have to do, what we have done, and exactly what they have criticised. So, these results have happened, not thanks to them, but despite them.

We called our focus policy priority the Future Job Strategy. They turned around and said, ah, that is a false job strategy. Say it to the 435 people who have jobs today who did not have them then. And remember, that is a cumulative number. That was the number then. But if we had not put in these policies, that number would have continued to grow as it was growing under them, with GSD Ministers not going to the office, not going to work, just sitting around smoking, not knowing what to do.

So whatever hon. Members opposite say about our policies, we will continue to deliver our policies because our policies create jobs. We will keep standing up for every worker, for every business, and for every opportunity that strengthens Gibraltar's economy and continues to create that prosperity for our people. Because our work does not end here, Madam Speaker.

We have come too far now to stand still. However funny hon. Members may find my reminding them that GSD Ministers did not go to work, that they just went to a bar to smoke. Not funny at all.

That is why our people are better off with us, because we continue working to invest in our people, because our objective is simple and clear: to continue to ensure that Gibraltar remains a place where opportunity exists for everyone who is prepared to seize it. A Gibraltar with a job market that is stronger, more resilient, more ambitious, and full of opportunity. That is the Gibraltar we are building, and that is precisely what this Government will continue to deliver.

And that is possible, Madam Speaker, because the job market has grown to a record high, without needing to create any canals in the centre of our city, Madam Speaker. The number of jobs in Gibraltar is up to 32,206. The number when we took over was 22,247.

We have added 10,000 jobs, Madam Speaker, in 15 years, without having to take the opportunity that the Hon. Mr Sacarello presented us with at the last General Election of creating canals in the centre of town, Madam Speaker, and turning Gibraltar into Little Venice. None of that nonsense, Madam Speaker. We have added 10,000 jobs, an average of 664 jobs a year in the past 15 years, Madam Speaker. And of those, Madam Speaker, that we have added, 6,500 have been for non-residents, which is the largest accessible pool of labour. But the balance has gone to residents, Madam Speaker. That is why we have 7 unemployed in the first quarter of this year, 9 at the end of June. These are incredible results, Madam Speaker, and I could not be prouder of them.

Before I conclude there, Madam Speaker, on the issue of employment, I want to place on record my sincere appreciation to the brilliant officers of the Department of Employment, led by the indomitable Debbie Garcia, and the many other public servants across Government whose professionalism, commitment, and tireless work makes these achievements possible. Much of what they do is never seen, but the great results are there.

I thank them for serving their community with distinction and dedication every single day, and with their work showing up, Members opposite, for the terrible legacy that they left of huge numbers of unemployed. They have every reason to be proud of what they have helped to achieve, despite the Opposition's opposition to us finding Gibraltarians jobs, and how lucky they are to have the Minister as committed and effective as the Hon. Christian Santos to be working with.

Madam Speaker, I now turn to the year ahead, 26-27. A summary of that year is set out, of course, on page one of the Estimates book. For the current financial year, we project a surplus of £11 million, comfortably above the £9.7 million we achieved in 24-25, more than the £5 million that we predicted for this year, Madam Speaker. We maintain our estimate prudently below the exceptional £15.712 million of this year just ended, because that is the right thing to do. Because, Madam Speaker, a higher surplus than the estimate is never an invitation to abandon discipline.

It is a reason to keep faith with the prudence that delivered it. We estimate revenue at £854.1 million, which is some £29 million below the outturn just achieved. And that is not any hint of pessimism about our anticipated performance. It is prudence. That is why this Government does not over-provide its revenue.

We estimate below the revenue, deliberately. So if the world turns against us, we are not caught short. And Madam Speaker, in these past 15 years, the world has turned against us more than once.

But the year ahead brings two structural changes to the architecture of our public finances. The first is a new line in the estimates. The global minimum tax.

As Gibraltar implements the OECD's Pillar 2 framework, we estimate at least £25 million will be collected in the year ahead. Gibraltar meets its international obligations in full. With the Hon. Mr Feetham setting tax policy and the brilliant team at the Tax Office, we turn those international obligations to our advantage.

The second is the economic effect of the systemic change coming to our Frontier next week. The old order gives way to the new before our eyes. And this Budget is the bridge between them.

Import duty, which has for generations been a key pillar of our national revenue, is estimated this year at just £20 million. That reflects, Madam Speaker, only the 3 months of the financial year before the Treaty takes effect. Because import duty now becomes the past and, in its place, we implement an entirely new line, Transaction tax. That is conservatively estimated at £80 million for the remainder of the year.

This year, the rate will be fixed at 15%. Next year, it will rise to 16%. Then it will settle at a rate which is no lower than the lowest of the 80 in the EU. That is currently the 17% applicable in Luxembourg. We anticipate, therefore, that 17% will be the rate of transaction taxes from year 3 of full application of the Treaty. But we must always remember that the rate is set by the formula.

It is not cast in stone. On expenditure, we project a total of £843.134 million. Departmental Expenditure of £689.2 million sits £33 million below the outturn just recorded, while still providing for substantial new investment in the things that matter most. And although interest rates fell over the year from 4.5% to 3.75%, I will have something to say about that and the Hon. Mr Clinton later on we have prudently assumed our borrowing costs will hold broadly level. That is also an important way in which we protect ourselves economically in an uncertain world, by planning for the storm, although we hope it will not come.

Madam Speaker, now let me turn directly to debt and take it head on, because I will not leave the field open to those opposite who love to trade in fear.

The full cost of the COVID-19 pandemic to the economy of Gibraltar was £425 million. And yet, through disciplined control of spending and carefully judged reopening of our economy, we never needed to draw the full £500 million facility we established to weather it. In March 2025, we even repaid £1.5 million of it from surplus, because this Government reduces its debt whenever it responsibly can. We have now drawn a further £51.5 million under that same facility, not for COVID, but for the Treaty for the security infrastructure and the measures required to keep this community safe as a new Frontier regime begins. That brings total borrowing under the facility to £475 million. Henceforth, it will be shown as the COVID, Treaty and Security Facility.

And that money can be seen to have been borrowed for truly cross-generational purposes and here are the figures the Opposition will not read into the record, so I shall read them myself. Personal taxation as a share of the economy has fallen from 13.5% of GDP when I took Office to 9.8% today, a smaller slice of a very much larger cake. Madam Speaker permit me, in this final Budget, a word about my predecessor's practice in this debate. Sir Peter referred in this House to a sound economic doctrine, and I will quote him exactly. It is, he said, in his 2006 Budget:

> Economically speaking, misconceived to judge the size of the state by absolute pounds and pence.

He said that the true measure is its cost as a percentage of GDP. He was right, of course. And in his final Budget in 2011, he measured his own legacy by that yardstick, telling this House with pride that the personal income tax burden had fallen by over 50%.

Of course, Madam Speaker, he did not know it was his last Budget, because he went on to fight the next election to try and make it just another one of his budgets.

The measure itself, Madam Speaker, he had borrowed, as he then graciously acknowledged in his very first budget, from the criteria devised by the Father of this House, Sir Joe Bossano.

So, let this final Budget of mine be judged by the same standard the standard of Bossano, adopted by Caruana, and now reflected in what I am about to report to the House.

When we took Office, personal taxation in Gibraltar amounted to 13.5% of Gross Domestic Product. Today, it stands at 9.8%. We have cut the share of the nation's income taken from personal income by more than a quarter, whilst tripling the size of the economy, multiplying the health budget and delivering record surpluses. And consider, Madam Speaker, what the rest of the world was doing in those same years.

Across the OECD, the personal income tax take rose, according to its Revenue Statistics publication for 2025. It rose in 31 of the OECD's 38 member nations. That includes Britain, Germany and Spain. While the great economies of the world reached deeper into their citizens' pay packets, this small nation reached less. And remember what the citizens of those countries pay on top of income taxes. They also pay capital gains tax, inheritance tax, social charges, etc. That provides a total direct tax burden of 34%, 37% and 38% respectively in those nations as a share of GDP.

The Gibraltarian pays no capital gains tax, no inheritance tax, no wealth tax. There is no death duty on Grandma's flat and no levy on a lifetime's savings. That is not an accident of geography. It is the work of decades of Gibraltarian self-Government. And so, Madam Speaker, judged by the doctrine of the man who successfully led the party opposite for 23 years, the Government has not merely maintained the low tax economy. We have delivered the lowest personal tax burden as a share of what Gibraltar produces in the modern history of Gibraltar. I might also describe him, Madam Speaker, as the only successful leader of the party opposite.

But we did it, Madam Speaker, on this side of the House, whilst improving our public services. Not for us the austerity of places elsewhere. Not for us the austerity promoted by the Hon. Mr Clinton and enthusiastically adopted by the Hon. Mr Azopardi. Less tax as a share of GDP without austerity. Better by the standards of their former and only successful leader. And without having fallen for the siren calls of their current, repeatedly failed leadership.

I certainly commend that performance to the House, Madam Speaker and on debt, despite the constant refrain from Members opposite, we have also done extraordinarily well. Net public debt stands at 21.4% of GDP. Aggregate debt at 27.5%. As the House should be aware, and the public too, the borrowing ceiling is 40% of net debt. That is not something we decided, Madam Speaker. It was decided by them. Madam Speaker.

It is provided for under the GSD's statutory provisions contained in the Public Finance (Borrowing Powers) Act. Section 3 specifically says this, under the title Power to Borrow. 3(1):

> Subject to the provisions of this Act, the Government may, with the prior approval of the Minister, from time to time, in addition to any other sums of money that it is for the time being authorised to borrow under any law, borrow any sum or sums of money, provided that the Government shall not draw down or incur any additional public debt, nor without the leave of the House by resolution, draw on the cash reserves in a manner that will cause: (1) the net public debt after such borrowing or drawing to exceed the higher of £300 million or 40% of Gibraltar's gross domestic product; or the annual debt servicing ratio to exceed 8%.

The only change we made to that, Madam Speaker, was we changed £300 million to £200 million, well beneath the borrowing limit. We have a headroom, Madam Speaker, of £604.5 million of further borrowing which we have no intention of taking. But we have it should it be needed, Madam Speaker, and that is essential, because in the event of a crisis and we know we cannot discount these we have that option if necessary.

So be very sceptical, Madam Speaker, when Members opposite rise to tell you of a mountain of debt, of a true debt of £1 billion or £2 billion or £1.8 billion, whatever figure hon. Members have settled on this year, for it changes with the weather. And I ask, therefore, Madam Speaker, of the House to remember this: the same voices made the same predictions every year for the past 15 years. They told us, under different leadership and different faces, that the bubble would burst. That bankruptcy was around the corner. Every single year, despite that, the sun came up over the Rock, Gibraltar was richer and the worker was better paid.

There is a word for a prophecy of doom that fails 15 times over. The word is wrong. But I want to take matters a little further this year and set out the position in Hansard now, at the tail end of my premiership. Madam Speaker, for that reason, I have asked the Financial Secretary to produce a certificate under section 3, subsection 2 of the GSD's Public Finance (Borrowing Powers) Act of 2008. That subsection reads as follows:

> For the purposes of any person, including but without prejudice to the generality of the foregoing, the lender of any public debt, a certificate of the Financial Secretary shall be conclusive as to the level or extent at any time, or in respect of any specified period of time, of any of the following: (1) Aggregate public debt; (2) Gross Domestic Product; (3) Consolidated Fund Recurrent Annual Revenue; (4) Annual Debt Servicing Ratio; (5) Net Public Debt.

So, Madam Speaker, I produce for the House as conclusive evidence a certificate from the Financial Secretary which sets out the following. I, Charles Santos, Financial Secretary of His Majesty's Government of Gibraltar, in exercise of the powers conferred upon me by section 3.2 of the Public Finance (Borrowing Powers) Act 2008, the Act, hereby certify that as at the 1st of April 2026, the following figures are the official figures for the purposes of the Act: 1. Aggregate public debt: £893.2 million; 2. Gross domestic product: latest estimated figure for 25-26: £3,256 million; 3. Consolidated Fund recurrent annual revenue, year ended 31st of March 2026: £893.5 million; 4. Annual debt servicing ratio: 3.89%; and 5. Net public debt: £696.5 million.

And therefore, Madam Speaker, those are the legally conclusive figures. There is no workaround. There is no argument, Madam Speaker.

These are in keeping with the GSD's own piece of legislation, unamended by us in this subsection in any relevant respect the conclusive figures. Madam Speaker and look at the very precise wording of subsection 2, which binds any person. Anyone in this House who considers themselves a person is therefore legally bound to accept these figures by the application of the GSD's own legal principles.

They made this law, Madam Speaker. I know that they have always considered themselves paragons of democracy. So, what better than a dose of GSD democracy when it comes to a legally conclusive position on debt?

Although Madam Speaker, the principles of GSD democracy always reminded me of that long-awaited Guns N' Roses album, Chinese Democracy. Not their best, but an excellent illustration of conflicting principles.

Anyway, Madam Speaker, the debt position is conclusively clear. Our net debt is £696.5 million. We wanted it to be much less, but as we all know, something happened, the pandemic happened that led us to having to borrow more than we ever expected. Had it not been for the pandemic, our net debt now would be in the region of £200 million the £696 million minus the £500 million of borrowing for the pandemic.

I remind the House that we added the pandemic debt with the support of Members opposite. We did that in order to fund the payment of salaries to all our workers and Frontier workers. We did that to get our GHA funded in the COVID period. We did that right here, in the right way, with the full support of the whole House. And Madam Speaker, we did it with the full support of our bankers.

We had loan facilities available literally at our request at that time. In those very, very difficult times, Gibraltar could draw £500 million literally by picking up a phone. But I still remember those dark days, the long hours with the former Financial Secretary, Mr Mena.

And I remember also, Madam Speaker, calling the Financial Secretary to the Treasury in London, Mr Jesse Norman, as he was then, and securing a UK Government sovereign guarantee in support of that borrowing. A sovereign guarantee that was agreed within hours. It was agreed by the Financial Secretary to the Treasury on the phone, because I told him I was coming to this Parliament.

And it was supported by the Foreign Secretary, the Chancellor, and the First Lord of the Treasury, the Prime Minister and that guarantee has continued, Madam Speaker. I am very happy to report to the House that the UK has confirmed it is prepared to continue the said sovereign guarantee. I will come to that in a moment. But the important thing now is the refinancing. As the House knows, in 2023, with the full support of the UK Government, we rolled over the 500 million facility for a further three years.

At that time, interest rates were rising rapidly. The markets were volatile. It would not have been prudent to lock the Government into a long-term fixed arrangement under those market conditions.

This was the direct aftermath of the Liz Truss mini-Budget. To be honest, Madam Speaker, I do not often think of it as a mini-Budget, in my mind. I think of it as a huge something else.

I will leave to the imagination the two words that follow huge in my mind when I think of Liz Truss and that Budget. Indeed, it is worth remembering that had we followed the advice of hon. Members opposite, Gibraltar would now be facing significantly higher borrowing costs over the next 20 years. I have previously explained that in detail to the House, and I did all that sum for the House last year.

I took the House, indeed, last year through the additional millions it would have cost the taxpayer each year if we had followed Mr Clinton's advice. Because the Hon. Mr Clinton was panicking, Madam Speaker. The Hon. Mr Clinton was telling us to fix at that time, even though interest rates were at a high.

He told us, Madam Speaker, that in his view, that was prudent. In fact, Madam Speaker, the Hon. Mr Clinton has continually pretended to instruct this House, without rest, for three years on when and how we should refinance the Covid debt that we took together. The House will recall the positions that it set out.

Indeed, it is all there in Hansard. When in December 2023 we declined to shackle this country into a 25-year facility at the very summit of the interest rate cycle and took instead a three-year facility running to December 2026 so that we might refinance for the long term once rates had fallen, the hon. Member pronounced it as reckless. He demanded that we lock in there and then.

He mocked my judgement that rates would be lower by 2026. Did I have a crystal ball, he said, and could he borrow my crystal ball? Then he called all this a fig leaf.

Madam Speaker, he clearly relied on his crystal ball gazing as more reliable than mine. He told this House I could not possibly know where rates would stand in three years' time, because my crystal ball was not as good as his crystal ball. All about crystal balls, Madam Speaker.

Well, Madam Speaker, the three years are all but up and the House may now judge whose balls were more reliable. The crystal variety, of course. When Mr Clinton implored me to fix this country's borrowing for a generation, the Bank of England base rate stood at 5.25%. Today it stands at 3.75%, a full point and a half lower. And here is the part, Madam Speaker, that the hon. Member will care for the least. I did not need rates to keep tumbling to be proved right. Even though the rate has been held at 3.75% throughout this year against the backdrop of conflict in the Middle East and the pressure on global energy supplies, it still sits a point and a half below the level at which he begged us to get chained in. All I had to do, Madam Speaker, was to refuse to borrow at the top of the market, which is what I did. It was a no-brainer, but the hon. Member could not see it. For me, it has never been a quarrel about pride as I think it was for him.

It was a quarrel about money. The people's money. The cost of the people's money. On the very arithmetic I set out before the House last year, Madam Speaker, which was simply this: some £55 million saved across the life of the facility for every half point of interest. Refinancing a point and a half below the course Mr Clinton pressed upon us is a saving of the order of £165 million.

One six five. £165 million less that we have to pay for doing it our way and not his way. £165 million more than his way would have cost, Madam Speaker.

For nothing. To the banks, Madam Speaker. He would have dressed it up as prudence. I call it a demonstration of the cost of him panicking. I call it, Madam Speaker, a hugely expensive mistake. I call it what he himself has proved it to be - Unaffordably wrong. And if any Member doubts that Gibraltar can refinance on better terms, they need only turn to Mr Clinton's own speech of last year in which he noted with evident discomfort that the £75 million facility which fell due in 2025 had been refinanced at a margin of just 15 basis points over the Bank of England's rate. Better, as he was good enough to concede, than the terms once obtained under a United Kingdom sovereign guarantee.

Better than under the UK sovereign guarantee. So, Madam Speaker, the refinancing that he was teaching us all to dread has now arrived. And it arrives on precisely the terms he assured us were beyond our reach.

I said it was right to wait. I was right to wait, Madam Speaker. Because then as now I back the judgement of the Government and the current and former Financial Secretaries and the standing of Gibraltar over the panicked counsel of the hon. Member opposite.

Now we are as close as possible to the 35-year average of interest rates. Now is the time to fix. I have always maintained, Madam Speaker, that before the end of my term as Chief Minister I would secure what I believe to be the best possible long-term financing arrangement for the people of Gibraltar in respect of this £500 million borrowing.

To achieve this, we tested the international market to assess investor appetite for Gibraltar and to identify those willing to take on this debt at the right price and on favourable terms to both parties. Over the past six months we have worked with our bankers at NatWest Bank and engaged extensively with several leading international investors, both UK and US based, all of whom have expressed a strong interest in investing in Gibraltar. The level of support has been unprecedented.

Investor demand has significantly exceeded the £475 million we sought. That is a clear demonstration not only of the strength and resilience of our economy but also of the confidence that major financial institutions and investors have in Gibraltar and in our long-term prospects. All this, Madam Speaker, despite the constant talking down of our public finances and our economy by Members opposite who do nothing to help our covenant.

Because Madam Speaker, Mr Clinton does not just get it wrong when he says that we should fix our repayments when he suggests that we should he gets it wrong on so much else about the whole scheme of our finances. Luckily the real experts, the lenders who assess borrowers all the time, do not agree with the pretend experts, namely them. Most importantly we have secured this level of market interest at the same rate as we would have had with the UK sovereign guarantee, without the requirement of a UK sovereign guarantee.

Let me read that again for the House and for those watching. We have had this interest which has been the same as if we had had the UK sovereign guarantee even if we do not have a requirement for a UK sovereign guarantee. We have secured this level of market interest at the same rate, Madam Speaker, and that is not because the UK Government is unwilling to support Gibraltar, quite the opposite is true.

The UK has made clear in writing that it remains open to exploring the further renewal of the guarantee exactly as we have consistently said would be the case. Indeed, politically it had been agreed. Whilst the UK Government has supported Gibraltar over the past six years in relation to the £500 million facility, we must all be very proud indeed to have demonstrated that we can borrow on the same terms now on our own two feet. It is also true to say that the level of support we have received from a Conservative and a Labour administration on this is a testament to the confidence there is in the public finances of Gibraltar under our stewardship and the economy of Gibraltar.

I take this opportunity to thank the current and previous UK Governments for all their support in relation to the COVID-19 facility over the past six years. This is a sincere thanks on a quick count, Madam Speaker, to the four Prime Ministers we have had in that guarantee period. Simply, Madam Speaker, at this time we were advised that there would be no difference whatsoever in the interest rates that we would be offered with or without the UK sovereign guarantee.

We are borrowing at the same rates without it. That is to say, Madam Speaker, Gibraltar would be able to borrow at the same rates as the UK. And that has happened for two reasons.

The first is obvious. For six years we have been paying our way with the sovereign guarantee in place, not even having to be remotely even thought of. There has been no question of resort to the guarantee.

Additionally, Madam Speaker, the second reason arises as a result of the transactions we have been involved in having been rated by an international rating house. I will explain those transactions in a moment, Madam Speaker. The rating given to Gibraltar has been of a grade sufficient to enable us to borrow as if we had a UK sovereign guarantee but without it.

That is incredible really, Madam Speaker. Whilst here we are being talked down by the hon. Members opposite, in the real financial world, institutions who are x-raying our economy, our public finances and our borrowing directly and indirectly through government companies are rating us highly. Documentation has now been agreed. We are pricing literally in the next 24 to 72 hours and the transaction that we are going to enter into is structured across three maturity tranches to align both His Majesty's Government of Gibraltar and its investors. It is comprised of three separate tranches of 15-year, 20-year and 25-year maturity.

The 20-year tranche features scheduled annual amortisation. Most of the financing is concentrated within the 20-year maturity profile reflecting the strongest investor demand at this tenor and matching His Majesty's Government of Gibraltar's demand for a 20-year private placement note. The inclusion of the shorter 15-year and longer 25-year tranches accommodates a different investor appetite across the maturity spectrum while supporting efficient execution and a diversified funding profile.

I will have a final rate to report to the House by the time I reply. Indeed, I am hopeful that by the conclusion of this Budget we will have entirely completed the long-term financing arrangement that refinances this debt. So, therefore, Madam Speaker, in another respect also, job done.

I am happy to have resolved this matter for our people before I depart the Office I have proudly held for nearly 15 years. The facility we have negotiated is unique both in its repayment structure and its overall terms. hon. Members may also have noticed the inclusion of £5 million under repayment of public debt in the 2026-27 estimates on page 1 of the Budget book. Today I am making a clear commitment that from this financial year onwards His Majesty's Government of Gibraltar will make a minimum annual contribution towards reducing public debt of £5 million or 10% of the annual surplus, whichever is the greater.

This marks the beginning of a disciplined and sustained programme of debt reduction ensuring that Gibraltar continues to strengthen its public finances whilst investing responsibly in its future. It is not the only debt repayment plan we have, because I expect we will have more than enough money to repay this debt thanks to another GSLP Liberal innovation.

Madam Speaker, I already told the nation in my New Year's statement that we have established a Gibraltar Sovereign Wealth Fund. Today I am able to give the details of this nascent but important development. As I will demonstrate with the explanation I will provide, the Sovereign Wealth Fund we have established for Gibraltar is currently conservatively estimated to grow to provide between £700 million and £1,000 million. That is to say, one American billion pounds in the next 35 years.

Those numbers are calculated based on assumed average growth of capital value of the underlying assets of between 3.5% and 5% over the period. More than enough to pay off the Covid debt and to have up to double left over. The first investments our fund has made are in the United Kingdom elderly care sector, and I emphasise the use of the word our in my explanations here, as I want to be clear that this fund belongs to every single one of us, even the ones who talk down our economy and make our jobs harder.

My purpose today is to record the facts plainly, to set out how the investments are structured, the value that secures them, the protections the Government holds, and the income and value that will accrue to the people of Gibraltar over time. There is one feature of this programme that I want the House to understand from the outset because it is the heart of what makes it prudent. The Government has not spent a single pound of the people's savings to acquire these assets.

It has not committed capital. What the Government has done is lend its credit, and only its credit, to support the financing that acquired them. Our credit is valuable for the very reasons I have just explained to the House that we can dispense with the UK sovereign guarantee because we are now able to borrow at rates associated with a very high private rating.

In return for that support, Gibraltar receives a dependable annual fee and a substantial share of the assets themselves over time. That is the innovation, Madam Speaker. Value created for our people without capital drawn from the public purse.

Madam Speaker, I want the House to understand that the approach we have taken is neither novel nor untested. The use of public credit to support privately financed assets, known in the United Kingdom as private finance, is long established and widespread. For decades, central Government, the National Health Service and local authorities across Britain have used structures of this kind to fund hospitals, schools, roads and care infrastructure.

It is today a mainstream instrument of public finance in one of the most sophisticated economies in the world. We are not inventing something that has not been done before. We are applying a proven approach.

The difference is that in these structures we are not receiving private money for public buildings or services in Gibraltar. We are supporting private finance and the supply of services in the United Kingdom in a manner that makes the finance less expensive for the private sector entities that provide it. The Government has deliberately chosen the most defensive corner of the market: regulated elderly care homes, underpinned by statutory demand and secured against tangible real estate.

These are assets whose income is steady and predictable, resilient through economic cycles and underpinned by an ageing population. We have applied a well-established approach to them conservatively in a manner designed throughout to protect the public purse. The financing structure that the Government has put in place is by any proper measure a sound and well-secured commitment.

It is supported at every level by substantial protections: cash reserves, a rated insurer, the operator's own capital and real estate whose value considerably exceeds the obligations it underpins. This is a carefully layered security structure of the kind that any prudent institutional investor would recognise as robust. On the strength of that structure, the Government has secured for the public both a dependable stream of fee income today and, of equal importance, a growing ownership interest in the underlying properties over time.

These are real, income-producing assets that will deliver enduring value to the public balance sheet. The portfolio is under the stewardship of experienced professionals operating within a framework of protections that the Government has insisted upon and put firmly in place. Taken together, the quality of the security, the calibre of the management and the tangible returns flowing to the public make this precisely the kind of careful and deliberate investment the Government ought to undertake. One that strengthens the national balance sheet and does so in terms that are prudent, transparent and designed to serve the long-term public interest.

Each portfolio was acquired using debt raised in the capital markets, not money from Gibraltar. The financing was provided through notes issued by dedicated ring-fenced issuing companies and through institutional lending totalling some £544.7 million across the three portfolios. The Government advanced no cash. Our role is that of credit support provider. Through a payment deed for each portfolio, it stands behind the rent that services the debt and for each one of the entities it fronts a dedicated rental indemnity insurance policy.

The capital was provided by third-party note holders and lenders. The financing is structured to repay in full over its term. At the end of the term, the real estate is unencumbered.

Madam Speaker, I want to be precise about how the Government support works. Under the payment deed, the Government's obligation is a direct primary one. Where there is ever a shortfall or delay in the repayment due, the Government can be called upon to make it good.

What makes the position safe is that the financing is surrounded by layers of cash, mutual support and insurance that protect from any sudden exposure. These layers reduce the chance of a call and provide the means of recovery. In practice, the payment obligations in cases of any shortfall would be met as follows.

A shortfall is met first from the available cash held in the care homes in that particular portfolio. The portfolios support one another so the others stand behind it by applying the available cash in those portfolios and noting that some portfolios have unencumbered properties with an estimated value in aggregate of between £26.7 million and £37.5 million, affording further asset cover. Dedicated and segregated cash reserves set aside by the portfolio, not Government monies, are held in deposit accounts for this protective purpose and are drawn on until they are used up.

This applies to the sum of the portfolios and, in the case of another, a rated insurance policy presently serves the same purpose. Any further amount is shared equally, half from the Government's surplus earned and accumulated from the portfolio to date and the other half from the vehicles of its fellow investors, until the Government's earned surplus is used up. Anything still remaining is met in full by the vehicles of its fellow investors.

In short, therefore, the Government's exposure is very limited. Where its obligations are triggered, these arrangements work to repay it, with His Majesty's Government of Gibraltar only remaining partially liable under the reinvestment waterfall, liable up to the amount of its earnings after the use of the available cash across the portfolios and after the dedicated and segregated cash deposits or insurance amounts, in the case of one portfolio, are exhausted. The investments are in the United Kingdom elderly care sector.

This sector is defensive, resilient through economic cycles, underpinned by ageing demographics and secured against tangible real estate. For a Government committed to protecting the vulnerable and guaranteeing dignity in ageing, standing behind professionally operated regulated care home portfolios aligns both our financial and social objectives. The three portfolios are diversified by operator, region and type of care, spanning general residential, nursing and dementia, and specialist provision.

Underpinning the demand for these homes is a statutory foundation. In the United Kingdom, local authorities are under legal duty, principally under the Care Act 2014, both to arrange care for those assessed as needing it and to meet its costs where the individual cannot. A substantial portion of the residents in these homes are funded on precisely this basis.

This is not discretionary expenditure that can be switched off in a downturn. It is a continuing legal obligation to provide and to pay for the care of an ageing population. We have validated both the existence of that duty and the public funding that stands behind it, and it is that which gives the income securing its financing its defensive through-the-cycle quality.

The debt supported by the Government totals the £544.7 million I mentioned earlier, secured against care home real estate valued today at £722.9 million. This leaves a surplus of value over debt of £178.2 million, a surplus already equal to one third of the debt itself. Because the Government's exposure is to the debt rather than to invested capital, a relevant measure of safety is the value of the property against the debt that finances it.

On that measure, the position is conservative and has strengthened. At acquisition, two of the portfolios were financed at a discount of approximately 9.2% to valuation, equivalent to a loan-to-value of roughly 90.8%, with a debt sized at a 5.23% debt yield against a 4.75% valuation capitalisation rate. On today's valuations, the blended loan-to-value has fallen to 75.3%, and to 72% once the cash reserves held for two of the portfolios are netted off, with the assessed value exceeding the debt by the £178.2 million I just referred to the House.

A further measure of safety is rent cover, which is the operating earnings of the homes relative to the rent that services the financing. United Kingdom care home leases are typically struck at around 1.8 times rent cover. Across the three portfolios, the blended cover is 2.3 times, comfortably ahead of that standard, and every home is trading and paying its rent in full. The latest quarterly investor reports confirm, across all three portfolios, that all scheduled rent and additional rent has been paid in full and on time, with no covenant breaches, no events of default and no amounts outstanding under the Government's payment deeds. Occupancy is running at 92-94%. The strength of this financing has also been recognised externally.

The bonds have been rated at a high rate. Because the rating is private, I am not at liberty to disclose the name of the rating agency or the grade, other than to tell the House that it is one we should all be very, very comfortable with. Separately, an analysis conducted across the whole portfolio illustrates the headroom that protects the Government's position.

Occupancy would have to fall from the current 94% to 53% and remain at that level over time before the Government would need to put its hand in its pocket and pay the first pound under the payment deed and noting the substantial package available for the Government to obtain reimbursement from even were that to be the case. This is well below even the COVID-19 low of 79% occupancy, the most severe stress test the sector has experienced in living memory. It is precisely to absorb any such shortfall that the cash reserves and the rental indemnity insurance are held.

Beyond the order of loss absorption set out earlier, the Government's support is wrapped in a layered package of legal, security, insurance and governance protections. In one of the portfolios, His Majesty's Government of Gibraltar is being insured under a 15-year investor rental protection policy from AmTrust Europe Limited, identifying the expected rent due under the payment deed up to £5.85 million in each 12-month period, index linked to RPI, behind the first loss excess that builds from £1.5 million. That portfolio transfers the rent risk to a rated insurer for those 15 years.

Dedicated reserves totalling £24.2 million are held and invested conservatively in investment-grade bonds, guilds and short-dated funds, providing standing liquidity to meet rent before any call on the Government. Risk is further spread across the three portfolios, multiple operators, several regions and different types of care, and the security within each financing is cross-collateralised so that the income of the wider portfolio rather than any single home stands behind the rent.

The cash reserves and insurance therefore diversify the Government's risk rather than concentrating it on any one asset. The financing is also secured by legal mortgages over the freehold and leasehold property of each portfolio, supported by independent valuations. In addition, four of the properties in one portfolio are held unencumbered outside the financing security, providing further assets to cover the Government. The property cannot be sold to repay any part of the debt.

The Government benefits from first-ranking charges over the shares of both the property and operating companies on identical terms and enforceable where the Government has made payments to meet a rent shortfall but has not been reimbursed, allowing it to step in and take control of the assets in a default. It also benefits from call options over the shares of these companies, exercisable at nominal value upon a material breach. Security is held by an independent issuer security trustee, and the asset and healthcare management arrangements include duty of care and step-in rights, so the homes continue to operate through any change of manager.

The Government holds a special share in each operating company, carrying veto rights over reserved matters and observer rights, with detailed quarterly investor reporting on occupancy, earnings, cash, covenants and care quality. Additionally, the joint venture arrangements contain dividend restriction policies that limit distributions to counterparties in circumstances where the Government is out of pocket or the cash reserves have not been restored to their required levels. At financial close, the Government and the security trustee receive representations and warranties from the issuers and the borrower group, covering the financing itself, the due incorporation, capacity and authority of each entity, the validity and issue of the notes and the creation and first-ranking priority of the security.

Good title to the properties, the leases and payment deed being valid and in full force, the accuracy of the valuations and financial information, the absence of undisclosed litigation, default or insolvency and compliance with regulatory CQC requirements. Under each payment deed, the Government's obligation is an independent primary obligation, and all security and financing documents are governed by English law with values independently assessed so the Government's rights are enforceable. For lending its credit and without committing capital, the Government earns in the two ways I have referred to before: a dependable annual credit support fee on the one hand and, additionally, a retained share in the value of the real estate once the financing has been repaid.

The Government receives a fee equal to 20% of the principal rent across the portfolios paid quarterly. On the contracted rents now in place of £27.85 million per annum, this produces approximately £5.6 million in the first year alone. The leases carry annual rent reviews linked to inflation. The fee therefore grows with the rent over the 35-year term.

Because the financing fully amortises, the Government also retains a share in the property companies that own the real estate: a 24.9% interest for two portfolios and a 20% interest in the third. At the end of the 35-year term, the assets are unencumbered and the Government's share crystallises, worth approximately £180 million on today's values in property and materially more on modest growth. Madam Speaker, to summarise this in terms to be better understood by the House and the public, the fund we have created will very likely, estimating very conservatively, produce between £700 million and £1,000 million for our people in the next 35 years.

That means that we will likely be able to entirely fund the repayment of the Covid debt from the sums that we can accumulate over the relevant period of the loan. Those estimates are based on rental income and capital growth of between 3.25% and 5% per annum. We may even see higher rates, which would be normal.

The programme delivers income, security and growth at once and does so without drawing on the public purse. It provides a contracted annual fee that strengthens the public finances. The backing of real assets worth materially more than the debt, with cash reserves, a rated insurer, cross-collateralisation and enforceable security that reduces the likelihood of any call on the Government and, even where there may be such a call, provides substantial recourse for its recovery, and a growing share in real estate that becomes unencumbered over time.

The financings are independently administered with security held by an issuer security trustee and performance reported to note holders every quarter. The most recent reports confirm all notes performing, all rent paid and no claims under the Government's support. Madam Speaker, this is a conservative programme, carefully structured and fully documented.

The Government has lent its credit, not its cash, to acquire real income-producing assets at a comfortable margin of safety, with the protections of cash reserves, a rated insurer, cross-collateralisation and enforceable security reducing the likelihood of any call ever and providing for recovery, and the long-term upside of an owner. It is designed to deliver dependable income now and a growing store of value for the generations to follow, without spending the savings of our people.

I commend these arrangements to the House and to our people and I say this, Madam Speaker: I hope we will do more of these transactions and that they will enhance the sums that we will have growing for all of us in a Sovereign Wealth Fund for all our collective futures.

Indeed, Madam Speaker, it was Sir Peter Caruana who said in 2015 in his valedictory statement to this House as a backbencher, in this debate, that the one thing that Joe Bossano had said whilst he was still an Opposition Member of this House before he became Chief Minister that had always stuck with him was as follows.

> There is no political security without economic self-sufficiency. In other words, that this community, challenged and threatened as it is politically, could not, without independent economic security, safeguard its political security.

Sir Peter went on to say that he had adopted that mantra because it struck him as absolutely right. We, on this side of the House, welcome the GSD's adoption of our principles, Madam Speaker, even if that is only confessed on the brink of departure from this place as Sir Peter did just before he left. For that reason, we very much hope that we will enjoy the support of Members opposite in growing the Gibraltar Sovereign Wealth Fund.

Madam Speaker, the figures, the money, the Sovereign Wealth Fund — all of these are the means. The people are the purpose. To protect them, we will strengthen the General Sinking Fund with a further £3 million.

The Savings Bank, the People's Bank, holds reserves of £86 million, up £3.5 million on the year. Stronger than it has ever been. From the 1st of August, public sector fees and charges will rise in line with inflation, modestly and predictably, as sound administration requires.

On the safety of our community, the record speaks for itself. Investment in policing has risen from £10.5 million in 2010-11 to over £19 million this year and over £20 million in the year ahead. Very nearly doubled.

Our police establishment has grown from 259 officers to 301 and rises to 347 in the year ahead. A safe Gibraltar is a prosperous Gibraltar, and this Government has never once flinched from paying for it. Now, Madam Speaker, to the morning that comes after this one.

This Budget is delivered on the cusp of historic changes. Next week, the Treaty between the United Kingdom, the European Union and Gibraltar enters provisional application. For 300 years, the Frontier at the foot of this Rock has been a place where the prosperity of Gibraltar could be choked at another's whim.

Next week, we begin to close that chapter. Not by surrendering one inch of our British sovereignty, our jurisdiction or our control, but by securing the fluidity at our Frontier on which thousands of jobs and a generation of growth depend. Not one grain of our sand, not one drop of our water, not one breath of our air has been lost. There will be those who counsel fear.

There always are. This House, Madam Speaker, did not build the third largest economy on earth per capita by flinching at that decisive moment. Because this Budget, this growth, these results, they are built on the work done to deliver the Gibraltar that Sir Joshua Hassan worked to deliver.

Built on the burst of energy of Bob Peliza's three-year Government and his seminal campaign to get Gibraltar full British nationality. Built on Joe Bossano's game-changing repositioning of the economy, and perhaps most importantly of our collective psyche as our people, the Bossano years built the modern Gibraltar and laid the foundations for the future of Gibraltar. Built on Peter Caruana's perceptive understanding of how Gibraltar's presentation to the world had to change, and how we needed to move from flaking paint to investment in new facilities and new services.

Built on all the help that Fabian Picardo has had in his time in Office. Today's economic success is the fruit of the collective endeavour of the Governments of Gibraltar since we started to have them after the Second World War. It is the fruit of all our labours, and a fruit we must never take for granted. Now is the moment when we will set out how we will share out those fruits this year.

Madam Speaker, I have already set out that we will increase from £9.50 to £10 the minimum wage under this GSLP administration, because it has gone up every year. Because we do not want an economy of many low-paid employees. We want an economy of many well-paid employees. This is the best way to ensure that the minimum wage in our economy does not seriously lag behind the lowest wage in Government. As a result, Madam Speaker, based on the 37.5-hour week, the minimum wage will go up from £18,525 to £19,500, an increase of £975 per annum. Based on 39 hours a week, the minimum wage will go up from £19,266 to £20,280 per annum, an increase of £1,014 per annum. And it means, Madam Speaker, that on a 39-hour week the minimum wage in Gibraltar crosses £20,000 a year for the first time in our history.

The minimum wage is thus still only 51% of average earnings, which are, for the employment surveys I told the House earlier, £39,511. The work of closing that gap must and will go on. Madam Speaker, as this is the last time I shall have the honour of announcing an increase in the minimum wage from this dispatch box, the House will permit me the perspective of the full 15 years I have been here.

When I took Office, Madam Speaker, in 2011, the minimum wage in Gibraltar stood at £5.50 an hour. So, the increase that we have delivered to £10, or £4.60 an hour, is an 85% increase in a period where inflation is 46%. For the person who is working a 39-hour week, that is £390 a week where before, under the numbers opposite, they used to get £210 a week. £180 a week £179.40 exactly a week more in the pay packet. £20,280 a year where before they used to take £10,951 a year. That is £9,328.80 more a year under the GSLP Liberal Government.

On a 37-hour week it is £375 a week where before they used to take £202.50 a week. £19,500 a year where before they used to take £10,500 a year. Because prices in Gibraltar over those 15 years have gone up by 46%, Madam Speaker, there is no illusion of inflation here. The lowest paid worker in our economy today enjoys real purchasing power more than a quarter greater than the day we took Office. Every single year of this Government without exception, the floor beneath Gibraltar's working families has been raised. Raised in recession. Raised through Brexit. Raised through a pandemic. Raised through a war-driven inflationary shock because, Madam Speaker, that is what socialist parties do. We do it in the teeth of social democrats who try and talk us down, Madam Speaker. It is not what chest-thumping social democrats do when they are in Office. Because the record shows that they raised the minimum wage the year before a General Election but not throughout their time in Office.

Madam Speaker, this year all benefits paid by the Government other than employment benefits will be increased by the rate of inflation. The age for entitlement to eligibility to collect the state pension will also be reduced for men to 60. It will remain at 60 for women. The constraint we have had on the date of introducing harmonisation of social security pensions for men and women has been caused by uncertainty over the numbers that would be able to benefit from the change. It is a benefit for male contributors because we are committed not to increase the pension age for women as every other country in the EU has done but rather bring the pension age of men down to 60. This will operate as from the 1st of July and benefit male contributors aged between 60 and 60.11 months. The cost of introducing this is estimated at £8 million and there will be some 1,400 male pensioners who will benefit. This will apply to those employed and residing in Gibraltar and in Spain who have contributed to the social security scheme in Gibraltar and have a minimum period of time which under EU law is one year in another Member State of contributions.

It will not apply in other EU states except for those nationals that have acquired rights from employment in Gibraltar which entitle them to benefit prior to the termination of our membership of the EU.

In line with our long-standing policy, Madam Speaker, I am pleased to inform the House that His Majesty's Government of Gibraltar is once again upgrading old age pensions and survivor's benefits to counteract inflation. This year's 2.5% increase takes effect on the 1st of August 2026. Consequently, a single individual will receive a maximum of £603 and a minimum of £156, whereas the upper limit for couples scales up to £904.75.

The old age pension, Madam Speaker, has risen under this Government from £398.76 a month in 2011 to £588.30 a month today for a single pensioner, and for a couple from £598.18 to £882.65 a month. That is £248.47 more every single month in the pocket of every pensioner couple in Gibraltar, over £3,400 more every year. Not once in 15 years has the pension been frozen. Not once has it been allowed to fall behind the cost of living. I ask all citizens to remember that we have 13,644 claimants of the old age pension. Of these, the numbers break down as follows: We have 8,461 residents. 5,183 are not residents. So over half, Madam Speaker, are not residents.

These numbers will go up by approximately 1,400 once equalisation at 60 is in effect. These numbers should help the public understand why this benefit cannot increase greatly. Indeed, many will understand the role that is played by the independent charity, Community Care, set up by independent trustees. As a result, the Government will be giving more to Community Care this year to enable them to substantially increase the household cost allowance.

Occupational pensions under the Pensions Act will increase by 2% as provided in law. Building on our record of annual pensions increases, the Government will fully disregard the new 2.5% pension uplift when assessing eligibility for the Minimum Income Guarantee. This measure prevents any reduction in supplementary support for our seniors. It serves as further evidence of our steadfast policy to protect and sustain the financial well-being of Gibraltar's elderly in the community.

I am pleased to announce that disability benefits will rise by 2.5% to match inflation. This will increase the maximum upper limit payable to £512.65. I must remind the House that our landmark 2015 reforms permanently removed the unfair treatment for a person to be born with a disability. We will replace the old system with a completely restructured, objective assessment process that ensures fair entitlement. Today, the Department of Social Security, working closely with medical specialists, continues to refine and improve its framework to better serve our community.

We want to accelerate the speed of decision-making, but let us be clear: we are being vastly more generous than the party of Members opposite. Vastly more generous. Madam Speaker, as a direct result of the reform implemented by this Government in 2015, the number of individuals receiving the disability benefit has increased by approximately 150%.

Updated statistics indicate that at the end of May 2026 a total of 577 persons were in receipt of this benefit. To support this growth, His Majesty's Government of Gibraltar is increasing the budget for this benefit by a further half a million pounds. This significant budgetary expansion stands as clear evidence of this Government's unwavering commitment to a social welfare framework that protects our most vulnerable.

It is very easy, Madam Speaker, to ask for more. But when hon. Members do that, they seem to forget just how much we have increased the cost by already. Those are the costs that they complain are the costs that go up.

Madam Speaker, two years ago I told the House of a Union colleague's observation that the climate was not quite right to do more than the Golden Rule will permit, and of the need to be prudent even as we try to give something to those on lower salaries in the public sector. Last year, I returned to that theme and noted happily that the mood music was a little better than the year before. This year, Madam Speaker, I am not here to talk about mood music at all because what I am about to set out to this Chamber is not just another year's adjustment, made cautiously and incrementally as the public finances allow.

It is the product of a sustained, serious and at times difficult negotiation. A negotiation conducted jointly and in good faith with Unite the Union, the GGCA, the NASUWT Gibraltar and the Gibraltar Police Federation. It represents, in my judgement, a seminal moment in the history of public sector remuneration in this jurisdiction, the effects of which will be felt long after the recovery period itself is closed.

Let me first pay tribute to the process that has got us here, Madam Speaker, because it has not been an afternoon's work. Over recent months, the Minister for Industrial Relations, Leslie Bruzon, who has worked so hard on this matter, the Chief Secretary, the Financial Secretary, the GDC Secretary and the Chief Statistician alongside the Industrial Relations Team, have sat and corresponded sometimes long into the evening with representatives of all four Unions. They have examined, line by line, the question of how this Government should respond to the involuntary erosion of real-terms purchasing power experienced by public servants since August 2019.

I want to put on record my gratitude to all those officials and representatives of all four organisations for the rigour, the patience and, dare I say, Madam Speaker, the occasional good humour with which that process was conducted. It will not surprise the Chamber to learn that the Unions did not arrive at identical positions. Indeed, Madam Speaker, it would have been a rather suspicious negotiation if they had.

What unites all submissions, Madam Speaker, and I use that word advisedly, is the following. All three Unions accept the Gibraltar Statistics Office weighted average figure of 12.6% as the quantum of real-terms purchasing power loss suffered by public sector employees between August 2019 and 2025. All three proposals also accept that higher earners should see a reduced rate of recovery, though the Union positions varied as to where the line should be drawn and how steeply the taper should fall. All three proposed a mechanism to protect public servants against a recurrence of the very erosion we are now moving to repair, whether in the form of a cap on annual awards with defined recovery or a floor beneath which no employer's increase can fall.

The Government has now considered each of those positions in full and is in a position to set out definitively the settlement it has reached. Let me first deal with what is agreed, because it is substantial, Madam Speaker, and because it is genuinely without precedent.

The Government has always been an advocate of the principle that public sector employees are entitled to recover the real-terms purchasing power lost between August 2019 and 2025. We accept the Gibraltar Statistics Office weighted average figure also. We do not propose to argue — with those that might have wished us to that this recovery is some unaffordable extravagance.

We propose instead to deliver it in full, consolidated and pensionable across a multi-layer framework that will give every public servant in Gibraltar certainty as to what they will receive and when, for years to come. That, Madam Speaker, is itself the seminal change. For too long public sector pay in this jurisdiction has been negotiated, as it were, from one estimate to the next a year-by-year exercise.

What we are proposing today breaks that cycle. It establishes, for the first time, a structured, multi-year settlement that takes the recovery of lost purchasing power as its central organising principle and binds this Government and succeeding governments to a framework that endures well beyond the life of its recovery period. Madam Speaker, this Government has determined that the recovery of lost purchasing power will be delivered over five years, running from financial year 2026-27 to financial year 2030-31.

We have taken this decision deliberately in the interest of fiscal prudence and have given public servants the longest possible runway of certainty. An annual recovery increment of 2.5% will apply across all salary bands up to the relevant threshold in every one of those five years, and the Government commits today to honouring that increment in full for the duration of the framework regardless of the pressure of any estimates. A five-year horizon allows this Government to deliver the full 12.6% recovery without recourse to borrowing against recurrent revenue, in keeping with the Golden Rule that has guided every decision I have brought to this Chamber. I would rather give public servants five years of guaranteed, reliable uplift than gamble on a shorter timeframe that this or any future Government might struggle to sustain. That means that by the end of this five-year agreement, every eligible public servant will have recovered in full the 12.6% loss of purchasing power identified by the Gibraltar Statistics Office.

Recovering yesterday's losses is one thing. Preventing tomorrow's is quite another, and it is here that I think this settlement does something genuinely new. In addition to the five-year recovery period I have already announced, the Government will also increase public sector salaries by the rate of inflation in each of the five years of recovery, subject to a break clause where inflation exceeds 2.5%. Where that is the case, the Government will have the option of deferring the amount above 2.5% for the following 12 to 36 months. If affordability is the issue, the Government will meet with Unions to determine any other necessary period of deferment.

All of this will be structured and built in. Madam Speaker, this is a demonstration of our ongoing commitment to our public service. In effect, what we are doing is protecting against any recurrence of the erosion we are now repairing by introducing a potential annual cap on inflation-linked pay awards of 2.5% per annum. We have set the cap at this level rather than lower because inflation in Gibraltar is rarely in practice below 2% in recent years. In fact, since the year spanning April 2020 to April 2021, a cap set too conservatively would generate deferred balances in almost every single year of this framework an administrative and psychological burden on employer and employee alike that serves nobody. A 2.5% cap has the further practical advantage of being similar to the inflation figure recorded for the year ending April 2026, meaning that not a single percentage point will be deferred in year one of this agreement and public servants will feel the full benefit of this settlement from the very first August pay slip. As with any cap-and-defer mechanism, where inflation exceeds 2.5% in a given year the excess is deferred, not lost, and is recovered in years where inflation runs lower, with any balance remaining at the end of the framework continuing to be recovered at the final year's rate until it is extinguished in full. This is a mechanism designed not merely to exist on paper, but to function year after year exactly as intended.

Madam Speaker, I want the House to understand the significance of what has just been announced. For the first time, the public sector pay rise settlement has not simply asked what is owed for the past. It asks: how do we stop this happening again? This is quite a seminal aspect of this new approach, we are not just closing a historical account; we are building an architecture that will govern the relationship between inflation and public sector pay for years, possibly decades, to come. That gives us all certainty to plan. Government, Unions, public sector employees together with this approach we can better understand where we will be in years to come on an earnings basis.

Madam Speaker, full recovery under this settlement will apply to every public servant earning up to £100,000 broadly, above the Senior Officer grade and below. Above that figure, a reduced rate of recovery will apply. The Government has settled on £100,000 rather than a higher figure because we believe that the line between general public service pay and senior remuneration is properly drawn at above Senior Officer level, and because every pound saved by drawing the threshold here is a pound that strengthens recovery for those earning less. This is, Madam Speaker, a settlement that asks more of those better able to give it and gives more in consequence to everybody else.

Madam Speaker, above the threshold of £100,000 I have just announced, recovery will be delivered at a flat rate of 50% of the identified loss for every public servant, regardless of how far above the threshold their salary sits.

The Government has chosen simplicity deliberately. A flat rate is a rate every public servant can calculate for themselves, I am sure they are already doing so, and that every payroll officer can apply without ambiguity and that cannot be accused of hidden complexity or of favouring one band of senior staff over another.

Fairness, Madam Speaker, is not always served by complexity. Sometimes it is best served by a single transparent rule applied equally to all who fall within it.

Madam Speaker, the recovery period runs from August 2019 to 2025. The Gibraltar Statistics Office weighted average figure of approximately 12.6% that I referred to before is the quantum on which the entire settlement rests. Recovery will be consolidated, not a one-off payment of the kind we were obliged to make in 2023-24, but a permanent uplift to base pay carrying through into pension entitlement for every year a public servant remains in service. The Government has also received detailed representations from the Unions that the Superannuation Pension Fund cap requires attention as part of this comprehensive settlement. The Government is prepared to consider a review of the current cap on the Superannuation Pension Fund with the Unions.

I am setting up a working group with the Minister for Business and the Minister for Economic Development and the four Unions to consider with them what changes might be made to the caps on the pension fund. That working group will also consider which allowances should be pensionable.

Madam Speaker, I committed two years ago that this Government would never lose sight of those on the lowest salaries, even perhaps especially in years when public finances were tighter even than now. I am pleased to say that commitment is reflected squarely in this settlement. Furthermore, Madam Speaker, this Government has further agreed to raise the minimum entry salary across the public service to £24,413 per annum, and that rise will be in keeping with the rises in the United Kingdom and will now every year rise automatically on 1 April to ensure that we remain in step with the United Kingdom.

In doing so, we have consciously prioritised those public servants who are most vulnerable to the effects of inflation and rising costs of living. Those on lower incomes have the least capacity to absorb economic shocks and it is therefore right that they should benefit from enhanced protection. This measure reflects our belief that a fair settlement is not simply one that rewards service but one that provides meaningful support where it is needed most.

Madam Speaker, this Government will also bring forward an increase in the annual leave allocation for public sector workers, set at an additional two days of annual leave after 15 years of service, as part of this settlement's broader improvement on terms and conditions and work-life balance across the service.

Before I end this part of my address, I want to dwell for a moment, Madam Speaker, on the process itself, because I think it tells us something important. This is not a settlement that was handed down. It is not a number plucked from the air in a ministerial Office and presented to the Unions as a fait accompli. It is the product of genuine, detailed and at times robust negotiation with Unite the Union, the GGCA, the NASUWT Gibraltar and the GPF. These are four organisations with overlapping but distinct memberships, distinct priorities and distinct views on how a shared problem should be resolved. The Government has listened to each of those institutional judgements, weighed them with the rigour they deserve and arrived at the settlement I have set out today — definitive, in full and ready to be delivered.

Madam Speaker, what is before the House is not an incremental adjustment of the kind I and others have announced in years past. It is a five-year, structural, novel settlement negotiated jointly with Unite the Union, the GGCA, the NASUWT and the GPF that for the first time addresses both the recovery of historic losses and the prevention of their recurrence within a single coherent framework. I believe, Madam Speaker, and I say this with confidence, not bravado that the terms I have set out today will shape the relationship between this Government and its public servants long after the last instalment of the 12.6% recovery has been paid. That is what I mean when I say this is a seminal moment, Madam Speaker. Not seminal in the sense that we will speak of it fondly in years to come although I rather think we will but seminal in the sense that the architecture we put in place this year will still be governing public sector pay long after recovery itself is a matter of historical record. Because the structure of continued inflation-based rises being agreed, capped at 2.5% and caught up within 12 to 36 months, is one that would work for all sides.

Madam Speaker, I am also equally delighted to announce that the Unions have agreed in principle to a moratorium on sectorial claims, save where there has been a material change to terms and conditions of employment or to job descriptions. That is a significant achievement. It provides the public service with a period of stability and certainty not seen for many years.

It allows Government managers and employers alike to focus on delivering public services rather than engaging in continuing negotiations and disputes. More importantly, it demonstrates what can be achieved when a Socialist Liberal Government and the Unions work together in a spirit of mutual respect and partnership. We have not agreed on every issue, nor would anyone expect us to, Madam Speaker, but through constructive dialogue we have reached a long-term settlement that delivers for employees, protects the taxpayer and provides a stable foundation for the future of the public service. That, Madam Speaker, is industrial relations at its best.

Finally, Madam Speaker, as this will be my last Budget address, I wanted to ensure that this settlement looks beyond the immediate challenge of recovering lost purchasing power and provides genuine long-term certainty for the public servants of Gibraltar. Today, I am not merely announcing a five-year agreement. I am setting out a framework that extends for a decade. Having committed to the full recovery of the 12.6% loss of purchasing power between 26/27 and 30/31, this Government will go further. A further four years to have a deal that is future-proof for 10 years. Therefore, from 2031-32 to 2035-36, public servants will continue to benefit from annual pay awards linked to inflation plus an additional 1%. In doing so, we are providing certainty not just for the next budget cycle, not just for the next Parliament, but for the next decade of public service employment. I would recommend, Madam Speaker, that at the end of that period it should be continued. At the same time, we will continue to exercise the fiscal discipline that has underpinned Gibraltar's public finances for almost 16 years. Accordingly, these annual awards will be capped at 4%, striking the right balance between protecting public servants from the effects of inflation and safeguarding the long-term sustainability of the public finances.

Madam Speaker, when taken together, this agreement delivers 10 years of certainty, 10 years of protection, and 10 years of partnership between Government and public servants. It is a commitment unprecedented in its duration, unprecedented in its scope, and one which reflects this Government's unwavering belief that those who dedicate their careers to public service deserve stability, fairness, and the confidence to plan for the future - That is the legacy of this agreement. Not merely the recovery of what was lost, but the protection of what has been regained for many years to come. I commend this settlement to the House in its entirety, Madam Speaker.

As ever, I expect the Opposition will say that they support a fair and overdue recovery for public servants, but that they will vote against it. They will say that they would deliver it faster if I was not judicially reviewing some findings. Nonsense. Obviously, Madam Speaker but they will say it.

Public servants will see that this is a genuinely good deal. Better than has ever been put to them, and good for the taxpayer too. Every public servant is also a taxpayer, Madam Speaker.

Certainty, clarity, and commitment that is what this Socialist Liberal Government is providing, and that is worth defending in the face of camouflaged austerity that is lingering in the wings like a bad smell one cannot get rid of.

Furthermore, when we pass these estimates with the Government majority as the Opposition will very likely vote against this pay rise and all aspects of these investments in our community and the public servants that serve it we will start the process of filling the vacancies accepted as part of the 2026-27 complement. That will mean up to 57 new public servants will be recruited at the post of AA in the civil service or equivalent.

Madam Speaker, when I was Elected in 2011, I promised the civil and public service respect, support, and commitment. I genuinely believe I have delivered on my personal commitment to them. The full stop in my time in Office is designed to end my time as the Minister with responsibility for the public sector with a demonstration of that respect, support, and commitment, and entrenching that going forward.

Madam Speaker, I turn now from the public service as a whole to one part of it that asks something distinct of the men and women who serve within it, the Royal Gibraltar Police. I record my gratitude to the Chairman of the Gibraltar Police Federation, Mr Callum Bruce, and the Federation's representatives who put their members' case to the Chief Secretary and to my Industrial Relations team with conviction, with evidence, and with the seriousness that the matters deserve. The Chief Secretary will be contacting the Federation directly to address and settle their concerns on a number of areas.

Madam Speaker, I do want to address here what I regard as the most significant of the measures that relate to the Royal Gibraltar Police today. Last year, this Government announced a housing bursary for the Royal Gibraltar Regiment — a measure that gave young Gibraltarians choosing a career in the Regiment the same financial helping hand towards a home that we have long given to those who choose the path of university study by way of scholarship.

It was one of the measures of which I am most proud in this Government's time in Office because it spoke to something simple: that service to Gibraltar in uniform should open the same doors as any other path in life and ought perhaps to open a few more. Today, Madam Speaker, this Government extends that same housing bursary to the Royal Gibraltar Police. Let me explain to the House how it will work, extrapolated from the Regiment's scheme to the circumstances of the police.

The bursary will be set at £30,000 the approximate cost of a university degree over three years and it will be applied as a deposit upon the successful completion of the purchase of a residential property by the officer, whether on the private market or through one of our affordable housing schemes. It will be available to new entrants to the Royal Gibraltar Police who have not previously taken the education bursary, which this initiative is designed to substitute, and who have not previously purchased an affordable home. As with the Regiment, the bursary will be released from the third year of service and will carry a commitment to a total period of eight years of service to the Royal Gibraltar Police.

It will not be applied retrospectively. It is an instrument to recruit and to retain the officers of the future, and it is to them that it is directed.

The eligibility conditions will mirror those of the Regiment's scheme. An applicant must hold a valid Gibraltar Red ID card, be registered with the Civil Status and Registration Office, and meet the residency requirements, with the finer points of eligibility confirmed in the usual way. Madam Speaker, the logic that justifies this measure for the Regiment justifies it no less for the police.

A police force is only as strong as its ability to attract and keep good people. By linking this support to a career in the Royal Gibraltar Police and to a commitment to serve, we tie the helping hand we extend directly to the service to what the officer gives in return — and we give a young Gibraltarian weighing a career in policing a real and material reason to choose it and, having chosen it, to stay.

Madam Speaker, our commitment to the Royal Gibraltar Police does not end with pay and conditions. We remain committed to ensuring that the force has the people, the resources and the equipment it needs to continue protecting our community. Recruitment to approved vacancies will continue as part of our wider commitment to strengthen the public service, and we will be continuing to invest in training, technology and operational capability so that the Royal Gibraltar Police and all essential services remain equipped to meet the challenges of modern policing. Gibraltar continues to be one of the safest communities anywhere in Europe. That is not an accident. It is a result of the professionalism, commitment and courage of our police officers, supported by a Government that recognises the importance of investing in public safety.

As ever, Madam Speaker, I expect the Opposition will tell the officers of the Royal Gibraltar Police that they support them. At the end of this debate, they will vote against every measure that is designed to help them.

Now we must also consider, Madam Speaker, not just the work of our law enforcement agents, but also the work of our law drafters. Madam Speaker, the Gibraltar Government Law Officers have done considerable work on the legislation required to bring the Treaty into effect in our laws. A large number of regulations have been published; others will be published in coming days. I cannot thank them enough, Madam Speaker, for the excellent work that they have done. Today, here during this debate, I am going to sign the Notice of Commencement, which will kick off the application of all these new rules with effect from midnight on the 15th of July the date when we commence the provisional application of the Treaty. We expect that the Treaty will be signed on the 14th and we will be ready. From the first second of the 15th of July, Gibraltar's laws will be in place and by signing the notice, we shall ensure that that is the case.

Madam Speaker, this notice also brings into effect the new rules on the transaction tax and the European excise duties from the 15th of July at midnight.

Madam Speaker, the measures I have already announced to assist businesses as the new transaction tax era begins will also start to have effect as from the 15th of July. The Minister for Business will make further announcements in her own Budget address about further measures designed to amortise the introduction of the new system of indirect taxation on our highly valued retail and hospitality businesses. Madam Speaker, the hon. Lady has spent days in meetings with the GFSB and the Chamber and other interested parties to ensure that the application of the Treaty will complement and not damage our affected business sectors. I commend the Hon. Mrs Arias Vasquez for her careful diligence in this exercise over the past five months, when we expected to start provisional application on the 10th of April and she has continued since then.

Madam Speaker, the transaction tax payable in respect of vehicles should be the standard rate, starting this year at 15%, not the higher rates which have been payable to date. There will be no difference between the nature of the individual or entity making the importation. EU rules on importation of vehicles to a member state or from one to another will apply, as well as other rules governing vehicle fleets, et cetera. Additionally, the dates for compulsory electrification will change, as they have throughout the EU and the United Kingdom, to 2045. Without the EU and the United Kingdom requiring earlier electrification, it will not be possible for Gibraltar to mandate it, although we will continue to encourage it.

I should also say that it is recognised that the industry is already working to reduce internal combustion engine tailpipe emissions by 90% from 2021 levels in any case. Nonetheless, Madam Speaker, nothing can undo the excellent work that has been done in the past decade and a half on emissions by the Hon. Prof J Cortes.

Speaking of smoke, Madam Speaker, on tobacco products and cigarettes in particular, we are moving to a new differential of 80 cents of a euro per packet or 8 euros per carton. As I mentioned in my speech last year, there will be an excise duty of the equivalent of at least 115 euros per 1,000 cigarettes, and we will continue issuing a Gazette setting the minimum retail price for cigarettes. Each brand of tobacco will be no more than 15% or circa 80 cents of a euro cheaper in Gibraltar than in Spain. The Gazette will obviously be expressed in pounds sterling, the legal tender of Gibraltar, to achieve the differential agreed. This is in accordance with Appendix 2 of Annex 24 of the Treaty. The quarterly Gazette divides cigarettes into four categories: premium cigarettes, mid-high cigarettes, mid-ordinary cigarettes and ordinary cigarettes. This is exactly as has been the case until now, but with an additional layer.

Minimum prices are set out for each category in accordance with the price established under the pre-Treaty Memorandum of Understanding. We have considered how the Gazette mechanism will interact with the excise and transaction tax. With the introduction of excise duty and transaction tax at 15%, the plan is to change how duty is levied on cigarettes. This will better achieve the Treaty objectives. It will also maximise revenue for the Government.

Import duty is presently set at £121 per 1,000 cigarettes. As from midnight on the 14th of July, excise duties on cigarettes will vary by category as follows: Premium high cigarettes: £150 per 1,000 cigarettes; Mid-high cigarettes: £137 per 1,000 cigarettes; Mid-ordinary cigarettes: £130 per 1,000 cigarettes; and Ordinary cigarettes: £132 per 1,000 cigarettes. Transaction tax at 15% will be levied on costs, insurance, freight and excise for each category.

These levels of excise and transaction tax ensure prices meet the Treaty objectives. The quarterly Gazette will adjust prices if Spanish prices change or exchange rates fluctuate in the intervening period. This will ensure retail establishments cannot sell at prices which would infringe our obligations under the Treaty.

Madam Speaker, our tobacco laws will also change to ensure that we are now regulating the sale and purchase of tobacco in a manner consistent with all other democracies. As any semblance of an illicit market is expunged from the reality on the ground, so too a law that is far more stringent than is now required must be modified. The Tobacco Act will therefore see some of its most draconian elements amended.

Additionally, in relation to tobacco, Madam Speaker, we are taking other measures. Nicotine pouches and snus will be banned in Gibraltar. What is snus, you may ask?

Snus is a tobacco product that has originated in Sweden. Like nicotine pouches, it is consumed by placing a pouch of powdered tobacco under the lip for nicotine to be absorbed orally. I can only say yuck, Madam Speaker, when I read those words, which is exactly what I felt when I wrote them.

Additionally, we shall present legislation akin to that in the United Kingdom to ban the sale of tobacco or tobacco-related products to locally resident individuals born after 2009. In many respects, our young people are much more sensible than we were when we were young, but that has not stopped the predatory nature of tobacco companies morphing their products chameleon-like to make themselves attractive to younger generations. Just like the adverts of the old days were designed to make the Marlboro Man and Piccadilly attractive role models, today colourful social media advertising is designed to do the same. We will stand in their way to protect our children and young adults. We will also act in relation to social media.

The Government, via the Ministry of Culture and Equality, will commence a consultation on the appropriate age for young people to be permitted to access social media. We will watch carefully the development of this area of policy in the United Kingdom and the European Union. The reality is that on our own, we would find it difficult to get the social media giants to react, but with others, we will have the crucial mass to make a difference. We will continue to ensure and provide for our young people who go away to university what they need so that they can concentrate on their studies.

The maintenance grant will be increased by the rate of inflation since the last increase, namely 5.4%. All this in the context of the plethora of other measures that make Gibraltar undoubtedly one of the safest and most advantageous places in the world to be a young person.

Madam Speaker, we are embarking next week on the greatest change in the operation of our economy in 55 years. We have made all the necessary changes. As we start operations, there will be a need to tweak here and there. Let us be clear, where tweaks are necessary in the short term, we will affect them. They are not evidence of error. They are evidence of careful calibration and, where necessary, recalibration. All to ensure a better environment for our businesses and our people.

Madam Speaker, this Government has always believed that the modern economy cannot be built on finance, commerce, and infrastructure alone. It must also invest in culture, creativity, and the people who give life to our community. That is why today I am pleased to announce a new measure aimed at supporting musicians resident in Gibraltar who perform locally.

Madam Speaker, music is woven into the fabric of Gibraltar life. It is there in our national celebrations, our cultural events, our bars and restaurants, our festivals, and our public spaces. It supports our hospitality sector, it strengthens our tourism offering, and it enriches the everyday lives of our people. But behind every performance is work, hours of rehearsal, investment of any monies that are made back into equipment, travel, preparation, commitment.

For too long, many musicians have contributed enormously to our community without meaningful recognition through the tax system. That is why, following constructive engagement with the Musicians Association of Gibraltar, this Government will introduce a tax allowance for all fees received for live performance in Gibraltar for musicians resident in Gibraltar who perform locally and who reinvest their earnings from their performances into equipment and instruments. This measure is designed not only to support existing musicians but also to encourage future generations of Gibraltarians to pursue music and live performance as a valued and respected profession. Because culture matters. Local talent matters. The ability for venues and establishments to continue providing quality local entertainment matters too, Madam Speaker.

Therefore, this is a practical measure, a fair measure, and a measure that reflects the kind of Gibraltar we are building. A Gibraltar that recognises contribution, supports creativity, and backs its own people. Madam Speaker, I am also pleased to confirm that this measure will apply retrospectively from July 2019, recognising the contribution made by musicians to Gibraltar's cultural and social life over recent years. This Government is proud to support them today and proud to invest in the future of music in Gibraltar.

Finally, Madam Speaker, I am conscious that the coming weeks will bring big changes. Having negotiated them all, I am more aware than most. I am as alert as anyone to them. The changes will include the lifting of the Spanish veto on flights to Gibraltar from other European airports. This is long overdue.

I remind the House that the Córdoba Arrangements did not provide for this. They only permitted flights from Spain. There was political agreement for Spain to potentially agree to flights from other EU and Schengen destinations in the future. That future never came.

The Treaty will immediately allow for flights from the rest of the EU and Schengen destinations. Our airport might finally benefit from the traffic that it could become attractive to at the southernmost airport on the Iberian Peninsula.

Madam Speaker, what a propitious time to name it after the seminal post-war leader of the Gibraltarians, the Father of the Gibraltarians, Joshua Hassan. I look forward to renaming the airport Joshua Hassan International Airport. Madam Speaker, I have consulted with the Leader of the Opposition and he was agreeable that I should make that announcement during the course of the Budget today.

Madam Speaker, I have presented a Budget to this House every year for a decade and a half. Across this floor, I have faced four Leaders of the Opposition. Sir Peter Caruana, the Hon. Daniel Feetham, the Hon. Elliot Phillips and the Hon. Keith Azopardi.

One hon. Member, whose devotion to the subject of our debt has been the one fixed star of his political life, the Hon. Mr Clinton, who has opposed me at every Budget since he first entered this House since 2016. I thank them, every one of them, for their service of Opposition.

A democracy would be the poorer without it. I say this also and without rancour. Every single year for 15 years, they told the people of Gibraltar that the sky was about to fall. Every single year, the sky held, the sun rose and Gibraltar was richer, freer and stronger than the year before.

The people listened to the prophecies of doom. Then they looked at their wage packets and their pension and their hospital and their home with the key in the door and returned this Government to Office four times. Because the people are no fools, Madam Speaker. They can tell a mirage from their daily reality. That is why the people have supported us through this marathon. Now, as we are coming into the stadium, we will not let them down on the work that we have left to do today.

It is not lost on me, Madam Speaker, that I am the first Chief Minister in our history to speak in this debate knowing and saying that it will be my last. None of my predecessors has ever advertised his departure as I have.

I am particularly proud of one statistical fact, I will retire as Gibraltar's only unbeaten Leader. Even the great Sir Joshua was once beaten by the great Sir Bob. As I go in this debate in particular, I want to record some things in particular as we take the financial and social snapshot of Gibraltar in this debate.

I will hand over to my successor an economy nearly three times the size I was given. As was I. A record number of people in work. As was I. The highest wages in our history. As was I.

Every Chief Minister has handed over Gibraltar with those important increases to his successor. May that continue to be the case for many, many years, Madam Speaker. There are some things which are particular to the handover I will be doing.

A minimum wage lifted by more than 85%. Very nearly doubled, so that the lowest paid worker on this Rock is protected like never before. More Gibraltarians than ever standing at university on the most generous scholarships a people ever offered its children.

More cash in reserve and less debt within it as a share of GDP than in 2011. A hat-trick of surpluses which would have been 15 consecutive surpluses if it had not been for a worldwide pandemic. 840 sets of company accounts published in the daylight. Removal after 35 years from the Spanish tax blacklist. The third highest GDP per head on the face of the earth and a treaty that secures the fluidity we want at the Frontier for the children now sitting in our schools and their children too.

When I first stood in this House, Madam Speaker, I promised a new dawn. Not everyone believed me. The figures in this Budget are also a demonstration of that new dawn fully risen, as are the IVF babies now in our schools. Some of them of same sex couples. Some of them already sitting even exams, Madam Speaker, in schools that are the envy of the world.

Through distant European wars, through a worldwide pandemic, through every pressure a small nation can be made to bear, this Government has delivered. Behind everything we have delivered there has been one clear principle - Social justice. For the work we have done has been designed to democratise our community more. To permit greater meritocracy. To give back more and more to our people.

Sometimes, Madam Speaker, I wonder whether that is actually understood. Because this Government is often told by those who fail to understand reality that we build for the rich. We have built nothing for the rich in 15 years. Most of what is built by the rich on private land is built on land the GSD sold to private developers. What we have done is actually control the height that they can build to.

What we have done in 15 years of GSLP Liberal Government is build better homes for our people than ever before. I suppose, Madam Speaker, we could be accused of anything. We are accused of building to the standards of the rich to sell to the working class.

That is what our affordable schemes have become, Madam Speaker. Because we have built affordable homes of a standard which defy the best buildings on the open market. In fact, I dare say our standards in all our affordable housing projects are nothing short of remarkable.

The unstoppable Pat Orfila would have it no other way. We have built homes for the working classes that will make them rich. That is true. We have never built for the rich. In doing so we have amortised costs of infrastructure so that taxpayers generally do not have to carry the burden of it.

More such projects will come now in particular the reclamation in front of Harbour Views. Madam Speaker, new plans will be issued shortly to show that we will be able to build over 2,000 affordable units there. We will do so without displacing the bathing pavilion that we have created. We will do so creating a better park for our children in that area. A larger park for our children in that area. Potentially providing a new school too. All that, Madam Speaker, because Gibraltar continues to grow because more Gibraltarians are being born. That is the best result of all that I can report to this House today. More Gibraltarians born. Because we build more homes. People establish family units. We know what they do in those homes. More Gibraltarians are born. We need more schools. We need more homes.

More fool he or she who thinks that we can stand still, spend less and still grow. Nonsense. More fool he or she who thinks that we can stop because someone's views may be impaired from an estate that, when it was built, impaired the views of others.

Housing our people, educating our people and delivering economic growth to our people is a key part of the delivery of the Government's obligation to its people. Of that we must be clear. So let it be clear to those who clamour for a home, only to clamour not in my backyard, that the Government is looking forward to the Gibraltar we need to provide for the next decade and a half.

That we are developing a property lung to house those of our people who need it now and who will need it in the near future also.

I know that Members opposite will now very likely come out against this. There will be no surprises there of course. Because whatever we do, they are against. They have been against us on our international progress and the steps we have taken to reach the final stages of the Treaty between the UK and the EU. Ready for next week.

For every one of these achievements there has been a prophet of doom, and it has always been, Madam Speaker, the same prophet. The withdrawal agreement the Leader of the Opposition told this House gave Spain a voice in our domestic affairs and a measure of control over these. On the New Year's Eve framework, the very foundation of the Treaty that we are going to bring into application this month, he warned it was a ceiling of control to Spain.

The tax treaty the Leader of the Opposition said was a bad deal, the hallmark of the Trojan horse, an instrument of surrender that would cost jobs. He committed himself, Madam Speaker, in his manifesto of 2019, to asking the United Kingdom to terminate it. He has now sounded the same sort of alarm over our residence rules.

Five times, Madam Speaker, the Leader of the Opposition has cried wolf. Five times this House has been told that Spain was about to seize control of our affairs. Five times the wolf never came and never will come, Madam Speaker - *Cinco lobitos*.

Madam Speaker, there is no Spanish voice in our affairs that has ever materialised. What materialised instead was this community's Chief Minister being received for the first time in history in a formal bilateral meeting at the Palacio de Viana, the very seat of Spanish diplomacy.

The jobs that were to be lost and the economic growth that was going to be stilted because of our tax treaty has been the largest number of jobs in our economy in history and the largest GDP in our history. Those numbers which they told us were too ambitious and which we have achieved, and the tax treaty that the Hon. Leader of the Opposition pledged to tear up is the instrument, the only instrument that this very week served to remove Gibraltar after 35 years from the Spanish blacklist.

Every single one of the Hon. Leader of the Opposition's warnings has been tested against the only authority that cannot be cross-examined. The authority of events, the authority of reality, and every one of the prophecies has failed.

The House might weigh that against the record, Madam Speaker, of the warnings that I have no doubt that the Hon. Leader of the Opposition is now once again going to give us in his response - I will have an opportunity to reply, I know.

On all of the route from Cordoba to Vienna, he has been, Madam Speaker, on the wrong side of the road. Why am I not surprised?

We will hear, Madam Speaker, in a few hours, that if the Hon. Leader of the Opposition had been Chief Minister, everything would have been better. Even his own party does not believe that. That is why they did not vote for him when he stood with the PDP and tried to take the GSD's votes.

Then he used to say that Sir Joe Bossano, having been in the wilderness of opposition for 16 years, he should resign. That he was not fit to be a leader, that he should be elected as Chief Minister's leader of the PDP. Madam Speaker, he has been in the wilderness by that measure since 2007 when he started fighting elections having left the GSD.

19 years he has been in that wilderness, Madam Speaker. I am not going to do to him what he did to Sir Joe Bossano. I am not going to tell him to resign. I am going to implore him to stay. Because he is a hugely important part of how we win elections. I very much look forward to hearing what he has to say this afternoon, Madam Speaker.

As I round off now, Madam Speaker, for the last time in my presentation of an appropriation bill, I have to, of course, start by thanking all my Parliamentary colleagues, all of you here, and all my Cabinet colleagues in the past 15 years. I want to thank them, of course, at greater length when the time comes for me to depart Number 6, but I want to record in Hansard the huge support that they have all been to me. Most importantly, the very collegiate way in which we have been able to conduct the affairs of Government, Madam Speaker, in the last 15 years.

Exactly as we set out to do when we were first elected. In all that time, I think I remember having to take a vote in the Council of Ministers only once. I cannot even remember what it was, although the Deputy Chief Minister will have a very good note of it, and of the results.

On one occasion, Madam Speaker, very recently, we voted because we wanted to record the unanimity with which we were progressing on a particular measure. On every other occasion, we have resolved all of the business of Gibraltar by consensus. That is a tall order, Madam Speaker. Sooner said than done. 15 years of being able to reach decision by consensus. More generally, Madam Speaker, in relation to No. 6 and its people, I have saved the hardest words that I have to deliver to the end.

On the 9th of December, Madam Speaker, 2011, I walked through the door of No. 6 Convent Place for the first time as Chief Minister. Excited, as I once confessed to the House, but also filled with trepidation, feeling almost as if I were walking, if we were walking into somebody else's domain. It stopped feeling like somebody else's domain within the hour. That was not the building's doing, Madam Speaker. It was the people inside it. Because for very nearly 15 years already, through four Parliaments, one referendum that changed everything, a pandemic that stopped the world, and a treaty that will change everything again, the men and women of Number 6 have been the constant voices.

Some were there on the first day and are still there with me. Some, like Giselle, whose voice was the first ever to address me as Chief Minister and to offer us a cup of tea. Jimmy, who drove every Chief Minister of modern Gibraltar and put up with this one. Carlos, Derek, and the two Marks, who did not just protect my life but became part of it, have gone on to retirements or to greener pastures. Now Dennis, David, Stuart, who have been with me since then, helping me every step of the way in the toughest professional and personal moments, and occasionally with the odd kilo of tuna.

To those, Madam Speaker, who have called the corridor today, and every single person who has served Number 6 since 2011, I say this. I told the House in 2015 that when the chips are down and Gibraltar is under attack, you make me feel surrounded by the most effective team on the planet and that at the craziest moments, you keep me sane. Eleven years on, one Brexit, one pandemic, and one treaty later, the House may judge for itself just how heavy the debt of my sanity, such as it may be, I owe them. I thank them all.

The Chief Minister may be the lead singer of the Gibraltar band, Madam Speaker, but I have never made a single note of music on my own. My Cabinet colleagues, successive Chief Secretaries and Financial Secretaries, the people at No. 6, these are the people who gave up their evenings, their weekends, their Easters, and part of their Christmases to work alongside me. Hours stolen from their own families so that we could stand there together and serve our people.

They have seen me at my strongest, they have seen me at my weakest, they have seen me at my happiest, they have seen me at my saddest, and yet they have never in 15 years been anything less than magnificent in each of the four seasons and in fair or foul weather or mood.

The Hansard of 2023 records, Madam Speaker, that when I last tried to say these things, my voice failed me, and I had to count myself back. Three, two, one. Hon. Members will forgive me if history repeats itself now, although I am trying my damnedest that it should not, because they are not just my team, Madam Speaker, they are also my family, and that is why I cannot say their names, because I will not be able to get through them all, because of what they all mean to me, but I am going to try. Denise, Peter, Susan, Amy, Debbie, George, Clive, Javi, all of you. Phillip, he used to be there.

When I walk out of that door for the last time and hand its keys to my successor, I will do so knowing that the truest privilege of these years was never the title on the letterhead, it was to have gone to work every morning in the service of Gibraltar, among people I am not ashamed to say I love. The building will not miss me, Madam Speaker, buildings do not, and I will not miss it, but I will miss them every single day for the rest of my life. Thank you for everything, forever.

There is just one last bit, Madam Speaker. Finally, Madam Speaker, what my family have endured. *(pause)* All the competitive parts are so easy, Madam Speaker, will it can I implore

Madam Speaker: Would it help if I called a point of order?

Hon. Chief Minister: No, it would be really helpful if the Hon. Mr Bossino called me a name. If he called me something, then I would be able to get on with it.

The Hon. D J Bossino: I will oblige.

Hon. Chief Minister: It is always so easy. Madam Speaker, what my family have endured, they do not yet understand. Thank you to all of them, to my children, Sebastian, Oliver, Valentina, and my gorgeous and caring fiancée, Anna, and little Olivia.

I must, by then, to confirm about now that I have 6, 7 minutes left. Thank you. One day, my beloved children, you will understand…..

I think I had better not continue with that bit, Madam Speaker, and just go on to the bit that hon. Members love.

In particular, they will understand…

Madam Speaker, after all of that emotion, there is a cold, hard job to be done here. To either approve or reject a budget to spend nearly three quarters of a billion on providing public services to our community. To vote for or against continuing to grow our nation. To vote to increase the complement of police officers, to pay salaries of nurses, doctors and teachers, or to vote against.

To approve the creation of a Sovereign Wealth Fund that will produce between three quarters of a billion, or £4 billion for all of us, or to vote against, and whether or not to fund the works required to keep us safe as we start our new relationship with the Schengen area. I am clear that this is a Bill that delivers a budget for social justice. I will vote for it to give a pay rise to public sector workers that will ensure they catch up with the inflationary losses they have suffered.

I will vote for it to equalise the pensionable age between men and women at the age of 60, contrary to everything that is happening everywhere else in Europe. I will vote for this bill, Madam Speaker, to continue to build a nation that stands prouder today than it ever has before.

Madam Speaker, this bill represents a decade and a half of progress. A decade and a half of prosperity. A decade and a half of real social justice. This bill deserves the unanimous support of the whole House, Madam Speaker. If it does not get it, those who fail to support it will find it difficult to explain why they will not vote in favour of these worthy objectives.

Therefore, Madam Speaker, for all of these reasons, for the last time in presenting an Appropriation Bill to this House, Madam Speaker, I commend the Bill to the House. *(Banging on desks).*

In doing so, given the time, I propose that the House should now recess until 4.00 p.m. to hear the contribution of the Hon. Leader of the Opposition.

Recess

Madam Speaker: Alright, we will recess until 4.00 p.m.

The House recessed at 2.07 p.m.