



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3.02 p.m. – 11.20 p.m.

Gibraltar, Monday, 26th February 2024

Contents

Prayer	2
Communications from the Chair	2
Suspension of Standing Orders	4
Standing Order 7(1) suspended to proceed with Government Statement	4
Ministerial Statement – Government-owned Captive Insurance Company	4
Order of the Day	11
Private Member's Motion	11
Public Accounts Committee – Supplementary Appropriation Bills	11
<i>The House recessed at 4.58 p.m. and resumed its sitting at 5.14 p.m.</i>	23
<i>The House recessed at 8:55 p.m. and resumed its sitting at 9.10 p.m.</i>	65
Adjournment.....	86
<i>The House adjourned at 11.20 p.m.</i>	86

The Gibraltar Parliament

The Parliament met at 3.02 p.m.

[MADAM SPEAKER: Hon. Mrs Justice K Ramagge *in the Chair*]

[CLERK TO THE PARLIAMENT: J B Reyes Esq *in attendance*]

PRAYER

Madam Speaker

COMMUNICATIONS FROM THE CHAIR

Clerk: Meeting of Parliament Monday, 26th February 2024.
Communications from the Chair.

5 **Madam Speaker:** By way of background, Parliament convened on Wednesday,
21st February 2024. The usual Order of Business as prescribed by the Standing Rules and Orders
(the Rules) was followed, with the exception of the suspension of Standing Order 7(1), under
Standing Order 7(3) for the reading of a Ministerial Statement. In due course, Parliament attended
to Oral Questions, these began on Wednesday, 21st February and continued into Thursday,
10 22nd February.

At a given point on Thursday, 22nd February the Hon. the Chief Minister called for a tabling of
Written Questions and the Answers to Written Questions numbered W7 to W13 of 2024 were
laid. After this, but before the Order of the Day was called, the hon. the Leader of the Opposition
objected to the remaining Oral Questions not having been taken before the laying of the Written
15 Questions.

The hon. the Leader of the Opposition pointed to the fact that the agenda indicated that at the
close of the Oral Questions for the Hon. the Minister for Health, the House would adjourn and his
understanding was that the outstanding Oral Questions would be taken when the House next
convened on the following Monday, today.

20 The Hon. the Chief Minister indicated that the remaining Oral Questions were for two absent
Ministers and that his decision to move away from Oral Questions was to give business efficacy to
a House that meets every month. The Hon. the Leader of the Opposition requested a ruling from
the Chair as to whether the House was still in that part of the Agenda that was Question Time, or
whether the House had moved on; and if the House was still in Question Time, whether the Oral
25 Questions which had remained unanswered could be answered today.

Not in dispute, that the Oral Questions which remained outstanding were two sets of questions
from Minister Feetham and Minister Cortes. Also, not in dispute, that Minister Feetham was
absent from the House because he was in Paris on Government business regarding the removal
of Gibraltar from the FATF Grey List; and Minister Cortes was absent recovering from surgery,
30 which he had undergone on the previous day.

Had Ministers Feetham and Cortes been in Parliament on the Thursday, the Oral Questions
addressed to them would no doubt have been put. Given their absence, the Hon. the Chief
Minister opted to move on to Written Questions.

35 Standing Rules and Orders: Rule 7(1) sets out the order in which the business of Parliament is to be transacted. Rule 7(1)(viii) provides for answers to questions. There is no distinction drawn between Oral Questions and Written Questions.

In the practice of this House answers to questions are taken in two parts, the first part is Oral Questions and the second part is Written Questions. The procedure which this House has followed historically is that once Oral Questions have concluded, Written Answers are then tabled and laid.

40 I am of the view that once Written Questions have been tabled and laid, the House has moved beyond Stage 1, Oral Questions, into Stage 2, Written Questions, and it is not open at that point for either the Chair or the Opposition to reopen Stage 1. The Hon. the Leader of the Opposition complains that the Opposition have been ambushed by the laying of Written Questions before the conclusion of Oral Questions.

45 It is important to place the issue under discussion in its proper context. The reason why the Oral Questions were not concluded was because the Ministers to whom they were directed, were absent from the House for unavoidable reasons. In the United Kingdom, there is a limit to the number of Oral Questions, Members may table no more than two substantive questions for oral answer in any one day, of which not more than one may be addressed to any one Minister. Any questions laid in excess of these numbers are made questions for Written Answers. There is no limit to the number of Written Questions that a Member may ask in any one day.

50 I immediately appreciate the necessity in the United Kingdom to limit the number of Oral Questions given that Members of Parliament number in their hundreds, a situation which is clearly distinguishable from our Parliament. However, it is important to remain cognisant of the fact that the need to limit the taking of Oral Questions in the United Kingdom is borne from the fact that if Members were allowed to ask limitless Oral Questions, the other business of Parliament would be frustrated.

60 In Gibraltar, there is no limit to the number of Oral Questions that can be tabled, but in keeping with the obvious necessity to have a properly functioning Parliament which is able to attend to all of its business, it must be right that the Leader of the House be able to move away from Oral Questions and into Written Questions at the point where, to continue with Oral Questions, would necessitate adjourning and waiting for the return of absent Members.

65 Erskine May, 24th edition at page 382, reminds us that the ordinary public business of the House consists of Orders of the Day, i.e. Bills, Motions or other business which the House has ordered to be taken into consideration on a particular day. Pursuant to section 37(3) of the Gibraltar Constitution, Parliament is bound to sit a minimum of three sessions in any calendar year, except in an election year where there must be at least two meetings of Parliament.

70 It has been the practice of the Hon. the Chief Minister to convene Parliament once a month, with the exception of the month in or around Easter and one month in the summer. It is important to ensure that, apart from Question Time, the House has sufficient time to deal with its ordinary public business.

75 In this session, apart from questions, there is a Motion on the agenda to be moved by the Hon. Mr Clinton, which I venture to opine is of public interest and in respect of which it is important to make sure that time is allocated in this session. It is evident that the rules envisage a situation where Parliament is not able to take all the Oral Questions in any one session.

Rule 16(2) provides that if any question remains unanswered when the Parliament adjourns on the last day of a meeting, a Written Answer shall be sent to the Member who put the question. There is a proviso attached to that rule that a Member who gives proper notice may require the question to be postponed for oral answer to the next session.

80 Given that Parliament sits each month, there would not be an unreasonably long wait for the questions to be answered orally, and the hon. Members would not be deprived of the opportunity to have the questions aired orally or to put relevant supplementaries on those questions.

By way of conclusion, and in summary, I find that:

1. At the relevant time the House had moved away from the Oral Question stage.

- 85 2. Having tabled and laid Written Answers, the time for putting Oral Questions was over. Neither the Opposition nor the Chair could insist, at that stage, that Oral Questions be re-opened, nor that they be postponed until the next sitting day.
3. The leader of the House moved away from Oral Questions at the point he did, due to the legitimate absence of those Members to whom the Oral Questions were addressed.
- 90 4. In those circumstances, the Leader of the House was entitled to draw the oral stage of questions to a close in order to ensure that the House had sufficient time to deal with other ordinary business.
5. The Members who did not have their questions answered orally will be entitled, pursuant to the rules, to have their questions answered orally at the next session in March, should they so wish.
- 95

Hon. Dr K Azopardi: Madam Speaker, may I thank you for your ruling.

Can I just clarify on the consequence of that, clearly Members on this side, who still had outstanding questions, will have to make the option of whether to have an answer in writing or to ask for the question to be taken orally next time.

100

The question has been expressed, between us, as to whether some Members might wish to withdraw the question so as to reword it, so as to update it for next month and if that is in order, Madam Speaker? I have looked at the rules and I could not see a clarity either way. So I am raising it now on the basis that some Members might wish to withdraw and place a new question. I think that is in order, but I am looking for your guidance.

105

Chief Minister (Hon. F R Picardo): Madam Speaker, if it is of any assistance the Government would not object to that.

110 **Madam Speaker:** Well, I agree with the Hon. the Leader of the Opposition. There is nothing in the rules on point, but I think it is the fair way to proceed. So those Oral Questions that had been tabled for Minister Feetham and Minister Cortes may be updated before the next session.

SUSPENSION OF STANDING ORDERS

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

Clerk: Suspension of Standing Orders. The Hon. the Chief Minister.

115 **Chief Minister (Hon. F R Picardo):** Madam Speaker, I beg to move under Standing Order 7(3) to suspend Standing Order 7(1), in order to proceed with the Government Statement.

Madam Speaker: Yes, thank you. Those in favour? (**Members:** Aye.) Those against? Carried.

Ministerial Statement – Government-owned Captive Insurance Company

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

Minister for Justice, Trade and Industry (Hon. N Feetham): Madam Speaker, if I can be forgiven for breaking with protocol, otherwise my mother would not forgive me, I can see my brother and former Leader of the Opposition there and I just wanted to say hello.

125 Madam Speaker, I rise to make this Ministerial Statement to update our Parliament and our country on the implementation of an important manifesto commitment. During the election, and as a manifesto commitment, the GSLP-Liberal Alliance committed to, quote:

... explore the feasibility of a Government-owned captive insurance company. This initiative has been conceived with a view to secure competitive insurance for the Government, address public interest insurance needs, and bolster the talent pool.

Close quote.

130 The insurance solution for elderly citizens was explained during the election campaign as bespoke, further stating it will be set up through a captive insurance product. The rationale was explained in a GSLP-Liberal press release on or around 3rd October 2023, as follows. Quote:

F R Picardo KC MP, as leader of the GSLP and now re-elected Chief Minister leading this Government, said:

We know that this is a real issue of genuine and painful impact on our elderly and infirm.

Before we left the EU, all our citizens who were well enough to travel but that had any long-term conditions or, quite simply, an apprehension about their potential frailty, had the comfort of knowing that whenever they crossed the border into Spain, whether for regular trips for short periods or on longer trips away, their healthcare needs would be covered by the E-111 programme.

Since our departure, those same citizens ...

– and I am quoting from the press statement, Madam Speaker

– have either had to take out specific travel insurance endorsed for their pre-existing conditions, paying significant premiums, or, more likely, for those unable to afford them, they have simply had to give up on travel altogether or assumed a real risk by travelling without such cover.

Close quotes.

We will provide a solution for them. I, myself, also explained in the press release how we contemplated this would be structured as follows. Quote:

In the last few weeks, I have been indicating that, as Minister for Financial Services, if we are elected on 12 October, I will work to set up a captive insurance product.

I will work with the providers in the insurance industry locally to create and deliver a solution, however innovative or revolutionary, that addresses this real need in the community. We will work to deliver this solution.

135 Close quote.

The solution was identified as a captive arrangement for the Government as policyholder insured with a local insurance provider. We must remind ourselves that insurance with a commercial insurer is unsuitable, precisely because of exclusions for pre-existing medical conditions and the high cost of premiums, even where it is available.

140 The insurance that will therefore be in place, whilst bespoke, will have terms and conditions and will be subject to coverage limits. Insurance will be provided to the Government via the cell captive and only the Government can bring a claim under the policy. The Government will in turn separately set up a Government administered scheme, under which the Government will reimburse covered medical costs of eligible citizens within the terms and conditions of the scheme.

145 The Government has negotiated the bespoke captive arrangement with Aon's Whiterock PCC Insurance subsidiary in Gibraltar, called Whiterock Insurance Gibraltar PCC Limited. Aon is a leading global provider of insurance services and Whiterock is a leading cell company facility for Aon clients licensed and regulated by the Gibraltar Financial Services Commission.

150 This scheme is only intended to cover medical treatment in the event of an emergency, where an eligible person cannot be transported back to Gibraltar to receive appropriate medical treatment at St Bernard's Hospital, and the treatment in the nearest Spanish hospital or by the nearest doctor is medically necessary.

155 Where the medical situation is not an emergency, the eligible person shall be transported back
to Gibraltar for appropriate medical care. Examples of such emergency would be a bad fall or
accident requiring immediate medical attention, a heart attack or a stroke. We will allow a pre-
existing medical condition of an eligible person, Madam Speaker, with some controls for serious
160 medical conditions, provided that the eligible person shall not be travelling to the territory for the
purposes of seeking medical treatment. Prescription drugs and medical supplies unrelated to the
emergency medical treatment would not be covered.

Madam Speaker, we will be setting up an online registration and reimbursement process and
will put in place an initial paper registration process to aid our elderly citizens during the scheme
launch. Eligible persons should refer to the detailed terms and conditions of the scheme which we
will publish, including the limitations and exclusions.

165 The message our Government wishes to convey is that the scheme we will put in place
following this announcement has been done sensibly and carefully, balancing the necessity of
providing tangible coverage for eligible elderly citizens they could not otherwise obtain in the
open insurance market; but underpinned by a captive insurance arrangement backed by the
Government that requires it to be properly executed to ensure there is no unnecessary abuse or
170 leakage of public funds. We will be announcing the terms and conditions of the Government-
administered scheme shortly.

Of course, if we get a treaty, the solution we have announced today will not be needed. Hence,
we propose that the scheme will be for an initial period of six months and this also will allow us
to implement it in a controlled manner, on the basis of a pilot scheme as a means of protecting
175 public funds.

It is important to emphasise too, Madam Speaker, that this scheme is only intended for
emergency medical treatment whilst travelling to Andalusia, southern Spain and that there are
limits and exclusions which allows us to quantify and calculate the ultimate cost of the scheme for
the Government.

180 In addition, there will be an eligibility criteria, including age, to ensure that the generosity of
the Taxpayer is not abused. Once the scheme is up and running the Government will be able to
build claims experience and evaluate the possibility of extended coverage outside Andalusia, and
also obtaining reinsurance. We emphasise, Madam Speaker, that this scheme is not a substitute
for private insurance if an eligible person has such private insurance, or indeed, if they can
185 purchase it.

Finally, Madam Speaker, I am pleased to announce to Parliament that the contracts, the
employment contracts, with the two tax professionals that the Tax Office are recruiting has been
successfully signed and they will soon be submitting their respective notices to their current
employers.

190 As previously communicated, I want to reiterate the importance of this step. It is essential to
ensure that large corporations in Gibraltar contribute their fair share of corporate taxation. This
measure is crucial for sustaining the level of public expenditure that we often take for granted and
for avoiding the burden of increased taxation on the working population, which would
disproportionately impact them.

195 Compared to other jurisdictions which are raising revenue through increasing personal Income
Tax of the working population our proposals adhere to key principles:

1. We will prioritise, avoiding direct taxation on working individuals, exploring alternatives
before considering such measures.
2. We will attempt to impose tax, firstly, where economic changes such as increased interest
200 rates have increased profits. Alternatively, we will aim to be as neutral as can be achieved.
3. We will strive to work within the existing tax regime in order to minimise upheaval.

I am obliged, Madam Speaker. *(Banging on desks)*

205 **Madam Speaker:** Would any hon. Members like to ask questions for the purposes of
clarification? Yes, the Hon. Mr Clinton.

Hon. R M Clinton: Thank you, Madam Speaker.

I would like to thank the hon. Gentleman for an advance copy of this statement for which I am grateful.

Madam Speaker, if I may ask some technical questions of clarification, which I am sure the
210 Minister will have at the tip of his fingertips. In terms of the captive scheme, can he advise when the cell was acquired in terms of what the date was of acquisition and how that cell ownership is going to be structured, whether it is directly by the Government of Gibraltar or through some other mechanism?

Also, can the Minister advise the House whether he intends the cell to be funded or via regular
215 premiums, and if so from what area of Government and in what amount? I appreciate these are early days but he must have, already, some idea in his head as to how this may work.

And also, Madam Speaker, if I can ask him about the arrangements with a Whiterock Protected
220 Cell, I imagine when he talks about reimbursement he does not expect the private citizen to pay their own hotel bills and then make a claim. I imagine there will have to be some insurance wrapper of some sort, or some sort of insurance document, which can be handed to a hospital and it will be the hospital that will be making the claim for reimbursement and not the private citizen?

I would be grateful the Minister could clarify that because, as the Minister will be aware, the
225 Government already has an element of self-insurance through the special fund which was created by this House on 13th June 2019, in which the Government self-insures itself for any death in service liability for public sector employees. In that case, the Government pays premiums to the special fund and the special fund meets the cost of any claims.

So in respect of this scheme, I would be interested to hear from the Minister how he expects
230 it to work in practice. Is it that Whiterock will issue a policy of sorts to, I think, it would be eligible persons although I have seen the word eligible citizens, I assume it is the same terminology, whoever is eligible to participate under this scheme.

I guess they will be issued with some kind of medical cover note, of some sort, issued by
235 Whiterock for which the Government effectively fully underwrites in its own name; and as I note the Minister said, until he has a claims history he is not going to be able to reinsure that risk as the Government until he gets some clarity as to how the outturn of the scheme is in terms of claims.

And if the Minister could perhaps give a sense of whether he has an idea of who these eligible
citizens would be in terms of age range, or this will be all part of the scheme which is yet to be designed?

And finally, Madam Speaker, there is a mention here of working out the parameters, and
240 I quote: 'Which allows us to quantify and calculate the ultimate cost of the scheme to the Government'.

Does he therefore have some indication, ballpark, of what the scheme might cost the
Government in the short term. And I note that he was also going to trial it for six months, given the treaty parameters.

245 I think, Madam Speaker, those are my specific questions. I think the Leader of the Opposition may have some of his own.

Madam Speaker: I suggest we let the Minister clarify Mr Clinton's questions and then I will let
250 the Hon. the Leader of the Opposition, or anybody else, put any other questions.

Hon. N Feetham: Obligated, Madam Speaker, I have written as much as I can. Let me go through
the questions if I can, Madam Speaker. I think the first question related to when the cell was
255 established. The cell has yet not been established, in other words, the cell, in a cell captive, Madam Speaker, and I do not intend to give a lecture on cell captives, however much I like the topic, because otherwise I will bore everybody to death.

But in a in a cell captive situation, the cell is only established at the point in which the cell share
is issued. So the cell share has not yet been issued, Madam Speaker. We have, of course, signed

the underlying contracts with Whiterock, the insurance company which is owned by Aon. These are fairly standardised contracts in the insurance industry and, in particular, in the context of cell companies generally, and therefore the answer to his first question is we have not done that, although we have signed contracts. In other words, there is now a contractual obligation on the part of Whiterock to provide this insurance to the Government.

He has asked, how will the cell be funded, or how will the obligations of the cell be funded? The answer to that, Madam Speaker, is through a number of contractual mechanisms which are, again, standard in the context of an insurance entity of this nature.

It is a captive so, therefore, what the Government is doing is self-insuring the Government's own obligations to third parties and in a situation such as that, there are a number of mechanisms that are put in place by the insurance provider, in this context Aon, through its insurance subsidiary.

One of them is the right under the policy for the insurance company to call for a top-up of the premium. It is a top-up provision in the insurance contract, to the extent that there is no claims experience that we can have sight of, given that this has not existed before. We have calculated, very roughly, a ballpark figure for a premium and the insurer reserves the right to call upon a top-up premium in relation to the claims experience within the cell going forward.

We have, as I have said, Madam Speaker, structured this in a very careful and controlled manner. Not only must it be careful and controlled for the purposes of protecting public funds, but there is also a commercial counter-party here, Whiterock and Aon, therefore they want to ensure that their position in relation to them providing the captive facility to the Government of Gibraltar, that that does not put at risk their own capital and, indeed, the integrity of their own structure.

You have asked the question around reimbursement. The intention, Madam Speaker, is for the Government, in principle, to reimburse. The reason why we say reimbursement is because it is impossible, Madam Speaker, to enter into direct relationships, although we will explore this going forward, it is impossible at this stage to enter into arrangements with all medical facilities and every hospital and every doctor across the border in Andalusia to the extent that if there is the necessity, God forbid, for emergency medical treatment it is impossible for us to say in which hospital or with which doctor or with which medical facility.

So that is something that we will explore going forward. But let me reassure the hon. Member that to the extent that the intention of the scheme is to provide peace of mind for elderly citizens that face the need for emergency medical treatment that in that situation, if indeed the sort of factual illustrations that I have given, such as a heart attack or a stroke, if that were to happen, God forbid, then we would immediately be contacting the relevant medical facility in order to ask them to seek to bill an invoice to the Government directly. But at this stage, it is impossible to pre-empt anything in relation to that because you never know where an elderly citizen might need medical treatment and indeed medical support.

I think you have mentioned whether there will be a cover note. I think you have asked will there be, will the insurance captive insurer issue a cover note to eligible citizens? The answer is no, this is a captive. This is a captive insuring the risks of the Government and therefore in that situation you would not expect the captive to be facing consumers. That is the whole point of setting up a captive, Madam Speaker.

You have also asked, I think, for the definition of 'eligible elderly citizens'. There is a definition. Madam Speaker, there is a definition. We will be making public the terms of the scheme and the definition and I can assure this House that we have considered, in detail, what the scope for this scheme should be and whilst perhaps there are people that might not necessarily be entirely happy with the final outcome, I think the large majority of people in Gibraltar certainly would appreciate what we are doing, which is something that they, in the opposite side of the House, were not even contemplating to do in their own manifesto.

You have asked how can we, and I have made a note here, you have quoted from my Ministerial Statement and you have asked how can we quantify the ultimate loss? We have had to, we have

310 had to do this because the insurance company has asked us to put a quantifiable limit to the aggregate liability under the insurance policy; and indeed it was one of the questions which the Financial Services Commission asked because let us not forget that in setting up this cell we have had to submit a Cell Licence Application to the Gibraltar Regulator.

315 In other words, the fact that this is a PCC and is licensed already, the mother ship is licensed already by the Gibraltar Financial Services Commission, does not mean that a cell application and prior approval of the Commission was not necessary in order for us to do what we have done.

We have had to go through a licence-application process. The licence-application process is here and they have also challenged and scrutinised the licence application in terms of what the ultimate aggregate liability will be for the Government of Gibraltar.

320 We have emphasised, Madam Speaker, that this is a pilot scheme. We need to see, Madam Speaker, what the claims experience will be and therefore we reserve a right to come back and amend some of the terms and we might endorse the policy in the future to increase the aggregate limit.

Thank you very much, Madam Speaker.

325

Madam Speaker: Any other Hon. Member wishes to ask questions?

Hon. Dr K Azopardi: If I may, Madam Speaker, one big picture question and perhaps also some detailed questions.

330 First of all, just pulling the thread from the final remarks of the hon. Member, just sitting here listening to him explain it perhaps he can detail a bit more issues so that we get a bit more clarity on what is the financial benefit to the Government of doing it this way, of structuring this in this way, because obviously the Government already has a Government Insurance Fund that allows it to settle claims on a self-insurance basis.

335 So what is the gain to the public for the Government to structure it in this way? Because essentially, in the way that the hon. Member has explained it, it is in effect a reimbursement scheme? So if it is a reimbursement scheme, why cannot it be done more directly? So what is the virtue of this scheme?

340 Then secondly and on the detail, specifically on issues not covered by Mr Clinton, if I may, on how this would work on the ground, on elderly people who will be listening. So I was taken by his statement that there will be some control, although they will allow pre-existing medical conditions for eligibility, there will be some control of serious medical conditions.

345 Now, the hon. Member can perhaps give us a bit more information about what they mean by that because, clearly, this product which is aimed at people who cannot get insured, the whole nature of that will be that they are more elderly persons who cannot be insured and therefore are much more likely to have serious medical conditions.

So to what extent are they, by that nature, going to exclude a lot of people and what kind of exclusions is he envisaging?

350 The Hon. Minister said that this is intended to provide coverage for people who cannot obtain coverage in the open insurance market. How will they control that? So, are people going to be required to demonstrate that they have tried to get insurance and they could not get it? I think my hon. colleague has asked about the age limit, I am not sure if he got a specific question, but it would be interesting to hear more remarks about that. I would be grateful.

355 **Hon. N Feetham:** I am obliged, Madam Speaker.

I have taken some notes and I have been looking at my files. We have been working on this, Madam Speaker, for the last four months. Some of the detail is not ... this is not the right place perhaps for us to go into the detail of the scheme. We propose to make the scheme public, but I will attempt to answer the questions that have been directed at me by the Hon. Leader of the Opposition.

360

He has asked, what is the financial benefit of the scheme? We do not look at it from the point of view of the financial benefit to the Government, we look at it from the point of view that this is a manifesto commitment. We did say that we would be providing a captive solution and this is precisely our way of implementing an important policy commitment of the Government.

365 You have asked why does the Government not do this directly, in other words, why does the Government not just provide a reimbursement scheme? The answer to that, Madam Speaker, is that by using a captive insurance vehicle, what this allows us to do, which a direct reimbursement scheme by the Government would not allow us, is to seek reassurance for this risk in the reinsurance market.

370 In other words what we are hoping to do, Madam Speaker, is to allow the claims experience to come through – this is why we have called it a pilot scheme and we have said we will allow an initial period of six months – and during this initial period, in the light of the claims experience, we will be seeking to off-load that liability from the Government. In other words, from the Government and from public finances in Gibraltar, however controlled we believe that the product is to third parties, namely reinsurance companies, through reinsurance arrangements which would not be available to the Government if we just simply introduced a reimbursement scheme.

375 The Hon. Leader of the Opposition has asked and noted the fact that we have said, I think he has said to the extent that somebody has insurance or how do you propose to apply the necessary controls or words to that effect, he was looking at my references to controls. Some of those controls, Madam Speaker, unavoidably we will have to rely on individual self-certifying. In other words we have to, initially, give our senior citizens the benefit of the doubt and they will self-certify some of these criteria, to the extent that the Government then has information which is inconsistent with the information that has been provided, then clearly the Government has a right to take that up in individual cases.

380 Madam Speaker, that is as much as I was able ... I think the Hon. Leader of the Opposition, also asked a question around serious medical conditions. He said, well, to the extent that we are ... or I think he was perhaps suggesting that we were attempting to exclude serious medical conditions given something that I have said in my statement. That is not the case.

390 What we are proposing to do, and I am just looking at some of the information in front of me, please do not hold me strictly to it, but this is what we are envisaging. We are saying: 'An eligible person travelling to the territory with a serious medical condition for a day trip, or stay, shall require the prior approval of the Government of Gibraltar under the scheme and must be medically certified.'

395 So in other words the approval must be to the extent that he has medically certified as being able to undertake such travel and be accompanied by at least one family member. This is in cases, I emphasise, of serious medical condition.

400 What we had in mind there, Madam Speaker, and again when we were putting this together we brainstormed, there was a huge amount of brainstorming that we put into this, and one of the situations that we envisaged was that you could have an elderly citizen with a serious medical condition, a really serious medical condition, wanting to go to Spain for no other reason that perhaps a granddaughter was getting married; or there would be a family event across the border, and it would be unfair not to allow the individual to participate in the scheme. But what we would not want to do is, clearly, have a situation where that happened without at least an element of control. And we think that is a fair outcome.

405 Then there is an age limit but the age limit is very wide. We have put a cap at the top but we believe that the eligibility criteria that we are using, both in terms of age and also in terms of those that we are seeking to exclude. And if we seek to exclude an elderly citizen, Madam Speaker, we are doing it for no reason other than we believe that the person has the affordability or means to be able to take out their own insurance. So, there is also an income eligibility that we would be applying because the generosity of the Taxpayer only goes so far, Madam Speaker.

Madam Speaker: Any other hon. Member? Yes.

415 **Hon. DJ Bossino:** Simply, Madam Speaker, to press him in respect of one point and I appreciate that the hon. Member describes it, he uses the adjective 'shortly'. He has talked about many terms of reference and terms and conditions, which we will be applying in respect of this scheme. But is he able to provide us further information as to when he thinks that he will be in a position to publish those terms and conditions?

420 Because I think there will be a lot of interest in what he has said in Parliament today, when it is reported in the news this evening and tomorrow morning; and I am sure that many people will be asking us as to when the Government will be in a position to set out, in full and in detail, the criteria which he himself has said has been the subject of a lot of thought and brainstorming on his side.

425 **Hon. N Feetham:** I am grateful, Madam Speaker.

I would expect, Madam Speaker, that we would or should be in a position to be able to publish the terms and conditions within the next 10 days. I hope it will be sooner, but let's, for the purposes of the question, say within the next 10 days.

430 Thank you.

Madam Speaker: Any other hon. Member wish to ask a question? All right, we move on.

Order of the Day

PRIVATE MEMBER'S MOTION

Public Accounts Committee – Supplementary Appropriation Bills

The Clerk: The Order of the Day.
Private Member's Motion, the Hon. R M Clinton.

435

Hon. R M Clinton: Madam Speaker, I do not seem to have a crib sheet so I will just read this. Madam Speaker, I rise further to the Motion to which I have given notice, which reads as follows and stands in my name. I quote:

THIS HOUSE:

NOTES the delay in the tabling of the Principal Auditors report on the audit of the public accounts of Gibraltar for the years 31 March 2017 and 31 March 2018 and the causes for such delay that are explained by the Principal Auditor therein.

CALLS on the Government to assist the Principal Auditor in completing his work on the public accounts of Gibraltar for the year 31 March 2019.

CALLS on the Government to take the Supplementary Appropriation Bill B26/23 for the two-year period 2019/2021 through all its Parliamentary stages in the March 2024 meeting of Parliament.

CALLS on the Government to take the Supplementary Appropriation Bill B27/23 for the year 2021/2022 through all its Parliamentary stages in the March 2024 meeting of Parliament.

THIS HOUSE, furthermore:

RESOLVES that a standing committee be created to be designated as the “Public Accounts Committee” for the examination of the Accounts showing the appropriation of sums granted by Parliament to meet the Public Expenditure and of such other accounts laid before Parliament as the Committee may think fit, to consist of four members, two of whom shall be nominated by the Chief Minister and two of whom shall be nominated by the Leader of the Opposition, who shall be nominated at the commencement of every Session, and of whom two shall be a quorum with the Chair to be held by an Opposition Member.

440 Madam Speaker, the Motion standing in my name covers two important areas in respect of the ability of this House to conduct proper financial scrutiny and oversight of our public finances. Firstly, the need to have reports from the Principal Auditor in a timely fashion. And secondly, to have a Parliamentary Select Committee in the form of a standing Public Accounts Committee to follow up the findings of the Principal Auditor and any related matters.

I will deal with each matter in turn, Madam Speaker.

445 The Principal Auditor’s Report for the financial years 2016-17 and 2017-18 were finalised by the Principal Auditor on 21st December 2023 and tabled in this House on 24th January 2024. A principal reason for the delay was in the late taking by this Parliament of the Supplementary Appropriation Bills for those years; and, Madam Speaker, this is something that the Government was fully conscious of and deliberately engineered, as I will demonstrate.

450 In my budget speech on 2nd July 2018, I drew attention to the fact that the Government had, and I quote, ‘slipped into the bad habit of taking the Supplementary Appropriation Bill for prior years well after the budget debate’. Not only is this illogical, but also has the effect of delaying the Principal Auditor’s report, which we have not yet had for 2015-16.

455 I then reminded the Chief Minister that on 2nd March 2016 he had stated the following, and I quote:

Because the main Appropriation Bills for the year are normally now debated in this House at around June or July of each year as part of the Budget session, this has meant that the annual audited accounts for the previous year have necessarily been delayed until the approval of these supplementary appropriations and the Principal Auditor has not been able to complete his audit of the annual public accounts until then

He then went on to say, and I quote:

In order to enable the Principal Auditor to complete his audit of the annual audited accounts earlier and for these annual accounts to be laid in the House on a more timely basis the Government has decided to revert to the earlier practice of presenting the Supplementary Appropriation Bills separately.

460 Madam Speaker, I then went on to point out that the Supplementary Appropriation Bill for 2014-15 was published on 17th December 2015 and debated in Parliament on 2nd March 2016. The Supplementary Appropriation Bill for 2015-16 was published on 22nd December 2016 and it was not debated in Parliament until 6th December 2017, almost a year later.

The Supplementary Appropriation Bill for 2016-17 was published on 12th January 2018 and we had yet to debate it in this House, as I quoted then. I concluded, Madam Speaker, in my 2018 budget speech that, and I quote from *Hansard*:

It is evident [Mr Speaker] that the Chief Minister cares little for the budgetary process and parliamentary scrutiny and I can only assume he just wants to delay the publication of the Principal Auditor’s report as much as possible ...

End quote.

465 So, Madam Speaker, the question of delaying the Principal Auditor’s work was already well signposted six years ago; well before COVID. In my budget speech on 10th June 2019 I also drew attention to the failure to take the Supplementary Appropriations in time and I said the following, quote:

I drew attention last year to the delays in presenting the Supplementary Appropriation Bills. As at the beginning of June 2019, i.e. earlier this month, we had two years' worth of Supplementary Appropriation Bills outstanding. Yes, Mr Speaker, two years' worth! The Supplementary Appropriation Bill for 2016-17 was published on 12th January 2018 and we have still to debate it in this House. The Supplementary Appropriation Bill for 2017-18 was published on 8th March 2019 and we have still to debate it in this House. The Minister for the Environment has more success in bringing forward legislation on everything from banning ivory sales to circuses, and yet so-called 'money' Bills are totally unimportant to the Minister for Finance – regardless of Brexit. I can only conclude that the Finance Minister's tardiness is deliberate so as to delay the presentation of the Principal Auditor's report. The report for the year ended 2015-16 was only tabled at our meeting in May.

End quote.

470 So, Madam Speaker, in my budget speech on 21st July 2021, and this followed the emergency COVID budget in 2020, we had the remarkable comments from the Chief Minister when he uttered the word 'When'; yes, Madam Speaker, 'When' in interrupting my contribution as follows; and I quote from *Hansard* from my budget address on 21st July 2021:

So, let's talk about waste. [I said] I wonder what the Principal Auditor has to say about waste. The Appropriation Bill before us today shows no decrease in recurrent expenditure and so I can only assume that no waste has been detected. But then again, given that the last Principal Auditor's report was for the year 2015-16, we in this Parliament do not have the benefit of the Principal Auditor's opinions regarding expenditure and value-for-money spends for any subsequent years. For this reason alone, in the detecting of waste Parliament needs the Principal Auditor's reports now and not years later. We need his reports as soon as they are available. We cannot wait five years for his reports

475 I understand that one of the reasons given for delay in such reports is the need for the passing of the Supplementary Appropriation Bills. I drew attention to this in 2018 and again in 2019 and this situation has only got worse. The Supplementary Appropriation Bill for 2016-17 was originally published on 12th January 2018 and we have still to debate it in this House. It is actually on the agenda now and has been for months.

480 The Supplementary Appropriation Bill for 2017-18 was originally published on 8th March 2019 and we are still to debate it in this House; and please, do not tell me it is because of COVID and Brexit because we have had umpteen other Bills debated in this House, but not these two Bills because the Chief Minister does not think they are important. Both of these Bills, Madam Speaker, embarrassingly, then had to be re-gazetted on 31st October 2019 because Parliament dissolved and we had a general election.

485 So we have two Supplementary Appropriations for a Parliament that had been dissolved and they had not yet been debated. It is, perhaps, without precedent that two Supplementary Appropriation Bills for prior Parliament have had to be carried over to a new one. What would happen if a new parliament declined to approve them?

490 The Supplementary Appropriation Bill for 2018-19 was published on 30th January 2020, and again we have still to debate it in this House. That cannot be. The Constitution is quite clear when it states on the Section 69(3) and I quote it from the Constitution:

3) If in any financial year it is found –

(a) that the amount appropriated by the appropriation law for the purposes included in any head of expenditure is insufficient or that a need has arisen for expenditure for a purpose for which no amount has been appropriated by the appropriation law; or

(b) that any moneys have been expended on any head of expenditure in excess of the amount appropriated for the purposes included in that head by the appropriation law or for a purpose for which no amount has been appropriated by the appropriation law,

the Minister with responsibility for finance shall cause a supplementary estimate showing the sums required or spent to be prepared and laid before the Parliament and the heads of expenditure shall be included in a supplementary appropriation bill introduced in the Parliament to provide for the appropriation of those sums.

Now, Madam Speaker, this is important. At this point, Madam Speaker, on paragraph 370 of *Hansard* we have it on the record, the Chief Minister is uttering the question 'When?' from a sedentary position: 'When?' And I continued:

Mr Speaker, the intention is quite clear, and yet no doubt the Government feel that by merely introducing a Bill they are complying with the Constitution. A simple, plain reading of the Constitution is clear as to what the intention is: in any year you bring the Appropriation Bill. It cannot be that you have three years of Supplementary Appropriation Bills outstanding and yet approve subsequent years' Budgets. It is nonsense. What happens if in the case of the two years that were pending the new Parliament refuses to approve it? Does that mean to say the entire Government is guilty on this appropriation? It cannot be allowed to continue in that way. The Chief Minister can say, 'Well, it doesn't say when,' but it does not have to say when, it is obvious. At present, none of those excess expenditures have been authorised by this Parliament and as such they remain unauthorised expenditure for which the Minister for Public Finance is solely responsible. And so I would urge Government to put its house in order and allow the debate of these Bills. If they do not, I can only conclude that they are actively seeking to undermine the work of the Principal Auditor and delay his reports so that they are of no value to this Parliament in identifying any waste or scrutinising Government.

495 And that, Madam Speaker, was my contribution in 2021.

In my budget speech on 29th June 2022, I again raised the subject and I said this, quoting from *Hansard*:

For the last number of years since I have been in this House – or, at least for the last three years – I have complained about the inability of the Principal Auditor to complete his reports on time, due to outstanding supplementary appropriations. Despite three Bills covering 2017, 2018 and 2019 being passed in a single day last year, on 26th July 2021, we still do not have any new reports in this House. The last report available to us is that for 31st March 2016. If this Government truly cared for transparency and accountability it would have shown some leadership in ensuring the required Bills were debated and passed in a timely manner. I really do not accept that COVID-19 was the reason for the delay in debating those Bills. Without any recent reports from the Principal Auditor, this House cannot hold the Government to account on its spending, including areas such as value for money.

That was 2022, Madam Speaker.

500 My budget speech for 2023, on 13th July, which is in *Hansard*, I raised this for the fifth time, Madam Speaker, the fifth time, and I said the following:

I have complained for years as to the lack of reports from the Principal Auditor on the Government's finances. First we were led to believe it was due to outstanding supplementary appropriations. This problem was cured – three years' worth – on 26th July 2021, and now we are told there are adjustments required before finalisation. The last report we had in this House from the Principal Auditor was for the financial year ended 31st March 2016. That is even before the composition of this Parliament in 2019. I am beginning to doubt whether we will ever receive any reports, given the short remaining life of this Parliament. And even if they are received for 2017 and 2018, they will be five years old and all the issues that may be identified – all waste issues that the Father of the House is so interested in, any value for money issues – will have become irrelevant and obsolete. How is the Minister for Financial Stability expected to do his work if he gets no reports, if this Parliament gets no reports?

We have something broken, something is not working, something is seriously wrong and it prevents the Opposition from being able to hold the Government to account. (**A Member:** Hear, hear.) We cannot do it without reports. He expects us to tell him where to identify waste. We do not have access to the books of the Government. We cannot go in and audit them. I would love to – I would do it for free – but I have not that ability, so we rely on the Principal Auditor. We do not have any reports, so go figure. How am I going to tell him, 'Look at page 222 of the Principal Auditor's report: this department is doing this'? I do not have access to the information – he has, I do not. He is the Minister for Financial Stability. Why hasn't he asked for these reports to be produced? And so, Mr Speaker, it is all not working.

Indeed, Madam Speaker, the general public can now see for themselves, in the Principal Auditor's report that we now have, that all is not working and they demand better. In fact, as regards Supplementary Appropriations, I even suspect that the manner in which these are being managed may not even be that which is legally required by our Constitution.

505 Sir Joe Bossano, in a contribution to a budget debate on 3rd June 2008, stated the following, and I quote:

The purpose of the subhead [which was the Supplementary Fund which he knows well] from the day it was brought in, was in fact, to do away with the need that there used to be before this sub-head existed, to keep on coming back with Supplementary Appropriation Bills two or three times during the course of the year, simply because in every year and in every budget there are unforeseen circumstances requiring either additional expenditure or totally new expenditure.

Madam Speaker, in Sir Joe's words, 'during the course of the year' – not years after. And I am speaking in addition to raising this matter in five budget speeches. We also constantly filed questions requesting updates on the status of the Principal Auditor's report, as the following list will testify: Question 298/2019; Question 77/2021; Question 387/2022; Question 699/2023; and Question 198/2023.

This state of affairs cannot be allowed to continue and so we call on the Government to assist the Principal Auditor to complete his work on the Public Accounts for the year ended 31st March 2019, and also to take the Supplementary Appropriation Bills for 2019-21 and 2021-22, namely B26/23 and B27/23, through all its parliamentary stages in the March 2024 meeting of this Parliament.

I now move on to the second element to my Motion, Madam Speaker.

In his recent report, the Principal Auditor asked us, in fact he has urged us, to act on one of his recommendations on page 359. Specifically, he asked, and I quote:

Parliament to give serious consideration to the reinstatement of a standing committee of the House in the form of a Public Accounts Committee, following best practice in the United Kingdom, the Commonwealth and indeed every prominent state in the western world, to oversee government accounts and ensure transparency and accountability in government financial operations

End quote.

Now, the Government has made it an article of faith that it will not support the creation of a Public Accounts Committee. The Government argued in the GSLP-Liberal manifesto that, and I quote:

In the past such a Committee existed for only one term because it became clear that it was not suited to the size of our democracy and to the way that our Parliament works

End quote.

But, Madam Speaker, this statement deserves closer scrutiny because the Public Accounts Committee created on 25th March 1980, of which the only participant here will be Sir Joe who will remember it, appears to have worked well. Four Members were appointed to the Committee, the Government appointees being the Hon. Major F J Dellipiani and the Hon. J B Perez; and for the Opposition, the Hon. G T Restano and the Hon. A J Haynes. The Hon. G T Restano from the Opposition benches was elected Chairman.

This Committee was tasked with following up an in-depth audit, undertaken by the Principal Auditor, into the purchases made by the Public Works Department from a company called Reiker Supply Company Limited. This Committee held 13 meetings with various civil servants, including controlling officers and the directors of the company.

The Committee finalised its report on 22nd October 1980 and made various findings on economy, efficiency and controls and the recommendations, Madam Speaker, were made on a unanimous basis. For example, it found there were failures in observing store regulations and procedures and recommended that clear and concise agreements should be signed by contracting parties. Advice that is 40-years old but probably still stands today.

Madam Speaker, this lengthy report was debated in the House of Assembly on 4th November 1980. Of note was that the Chairman stated it had been a pleasure to work with two Government Ministers and they had developed a *modus operandi*. The late Chief Minister, Sir Joshua Hassan – and I quote – 'commended the Chairman and the Members of both sides of the House for their hard work'. End quote.

And Sir Joshua then went through the report accepting the main recommendations.

The Leader of the Opposition, the late Hon. Peter Isola, made the following remark, and I quote:

“I am glad to note that the Government is taking up the recommendations that the Committee have made to ensure that this sort of thing does not happen again, or that if it does happen, it is minimised. Although if it does happen, of course, officers have not been acting in accordance of the regulations set down by Government for dealing with these matters are disciplined because this is the only, I suppose, the only ultimate way in which the public purse can be protected, is by officers realising and knowing that if they do not act in accordance with regulations, obviously action can and must be taken against them in defence of the public interest in these matters.”

Those are the words of the late Peter Isola.

550 The Motion approving the report of the Public Accounts Committee in 1980 was approved by the House unanimously. So, Madam Speaker, this shows clearly that a Public Accounts Committee can and indeed did work in the past. Indeed, it is clear that the Committee acted in a non-partisan fashion, seeking only to secure and protect the public purse.

555 The Government, again, in their manifesto state that ‘the establishment of the Public Accounts Committee chaired by an Opposition MP would lead to controlling officers being grilled in public by the Opposition’. Well, Madam Speaker, the facts of the matter is that the making enquiries of controlling officers was not a taboo matter in the 1980s. In fact, under section 42, subsection two, the Public Finance Control and Audit Act, 1977, it states the following, and I quote:

A controlling officer shall be the accounting officer in respect of, and shall be personally accountable for, all public moneys disbursed and all stores held, issued or received or used by or on account of the department or service for the head of expenditure for which he is the controlling officer.

End quote.

And, Madam Speaker, the Act is unambiguous in Section 68 when it states that, and I quote:

... In the case of loss by reason of neglect of duty, carelessness or fault ...

560 End quote. A public officer could be surcharged for loss.

So, Madam Speaker, these are real responsibilities and as the late Hon. Peter Isola noted, it is the only way the public purse can be protected. Ministers do not have such responsibilities as they are not controlling officers under the Act.

565 I imagine controlling officers would only welcome the opportunity to explain how they are doing their best to ensure value for money is achieved for the Taxpayer in targeting economy, efficiency and effectiveness. If a Minister has to be involved in shielding public servants then surely there is a public interest in understanding why.

The other fallacy in the GSLP manifesto, and I quote, is when they say:

The Gibraltar Parliament already enjoys the power to examine expenditure in detail both during the budget debate and outside it. It is important to stress that the GSD do not make full use of the tools available to them at the moment.

I would like to know what tools those might be.

570 But, Madam Speaker, this is utter nonsense and having been described by Sir Joe, which I have taken as a compliment, as ‘a one-man Public Accounts Committee’, I cannot disagree more. Anyone watching parliaments in recent years will have heard Sir Joe say that he will simply not tell me, when I asked for detailed information, or tell a colleague to lump it when he does not get the answer he wants. That is the level of interrogation that we have available to us to examine
575 expenditure and obtain detail.

Madam Speaker the estimates that do not give the granular detail as to value for money or waste, or abuse of money; and to suggest that the Opposition could have identified such without audit powers is simply not credible and laughable.

580 Madam Speaker, the Principal Auditor has the following to say on this precise point and I am going to quote at length, Madam Speaker, just to ensure we have this in *Hansard*. The Principle Auditor has this to say:

As Principal Auditor, I cannot disagree more with the Commission on Democratic and Parliamentary Reform's conclusion and recommendation to Parliament. The Commission's view in that a Public Accounts Committee is unnecessary given that Opposition Members have the opportunity to examine Government expenditure and debate the Principal Auditor's report is, with the utmost respect to the Commission, fundamentally flawed. This is because in parliamentary debates, much as Opposition Members question Government Ministers on matters raised in my report, the issues are debated at a superficial level, in comparison to the probing and extensive scrutiny undertaken by a Public Accounts Committee. Although I appreciate there is a certain level of enquiry and debate in Parliament on the Principal Auditor's Report, this is not enough and does not go deep enough to scrutinise and report on the many issues raised and areas of concern highlighted in the Principal Auditor's report. As a result, Gibraltar continues to underperform when it comes to legislative scrutiny of audit reports. In contrast, a Public Accounts Committee conducts regular in-depth hearings on the key findings of audit reports with Heads of Department, who have been appointed by the Financial Secretary to be Receivers of Revenue or Controlling Officers (a statutory designation which carries specific responsibility for the receipt of public monies and the disbursement of public money granted by Parliament to a department). These Public Accounts Committee sessions would of course include representatives from the Gibraltar Audit Office to explain the observations and audit findings, but more importantly, the Head of the audited entity and other senior civil servants would obviously give evidence to the Committee and be held accountable to Parliament. This would enable the Head of Department concerned to abide by an action plan determined by the Committee to correct and remedy the issue(s) reported by the Principal Auditor. The Public Accounts Committee would thereafter report their recommendations to Parliament. Notwithstanding the Commission on Democratic and Parliamentary Reform recommendations to Parliament, it is my view that there is a critical need for a select committee in the form of a Public Accounts Committee to be established by the Gibraltar Parliament. I can truly say that this is not only my view, but has been the professional view of all five Principal Auditors during the last 40 years, whom I have had the privilege to work with.

End of quote.

585 Madam Speaker, I obviously identify with everything the Principal Auditor has said and if voters elected the GSLP-Liberals based on such a flawed manifesto policy of not needing a Public Accounts Committee then, Madam Speaker, they have been cruelly misled on this crucial area of public finance scrutiny.

590 Madam Speaker, the Commission on Democratic and Parliamentary Reform, apart from being flawed, not just in my opinion, but also in the Principal Auditor's opinion, is also out of date. Since January 2013 there is a growing understanding in the Commonwealth of the importance and function of Public Account Committees.

In June 2014 Chairs and Members of public and equivalent committees of Commonwealth Parliaments attended the fourth Westminster Workshop and Parliamentary Scrutiny of Public Expenditure at Westminster and actually constituted the Commonwealth Association of Public Accounts Committees, in short called CAPAC.

595 CAPAC is designed to support the work of Commonwealth Public Accounts Committees in promoting good governance, implementing the declaration on these Committees in the communique of the November 2013 at the Commonwealth Heads of Government Meeting.

600 Now, the aims of CAPAC are as follows: making the case for the independence of Commonwealth PACs and for the implementation of all appropriate PAC recommendations as key components of good governance; defining, publishing, promoting of standards of good practice in line with Commonwealth principles to assist CAPAC Member Committees in being effective, transparent and independent; providing training, acting as a clearing house for information, carrying out peer reviews, engaging with stakeholders and strengthening the capacity of small state PAC.

605 In 2015, the CAPAC initiative was endorsed by the Commonwealth Heads of Government Meeting, who in their communiqué, I quote, 'noted the establishment of CAPAC as a network for strengthening public financial management and accountability, these being vital in maintaining the trust of citizens and the integrity of Governments and legislature'.

610 And so, Madam Speaker, this is the direction of travel around the world, one which the GSLP simply did not accept.

Gibraltar is the only UK overseas territory that does not have a Public Accounts Committee. The UK Overseas Territories project that was established in 2016 by the UK CPA, UK National Audit Office and the UK Government Internal Audit Agency, produced a good practice guide for the effective oversight of public finance in the UK Overseas Territories. The initial guide was published in February 2017 and was updated comprehensively in November 2021; and, Madam Speaker, it stated the following, and I quote:

“An effective PAC is vital to transparency of and accountability for public expenditure. The PAC’s key responsibilities are to scrutinise Government’s expenditure and income, including issues of economy, efficiency and effectiveness and report the results of its scrutiny to Parliament. This is usually achieved by reviewing the reports of the Auditor General and calling witnesses to account for their actions.”

End of quote.

620 Madam Speaker, one of the first Motions I brought to this House in 2016 was for the creation of a Public Accounts Committee, for all the reasons that I have outlined; for the Government to in one of their less well-thought-of press releases on 31st January 2024, the Government suggested that I was piggybacking off the Principal Auditor’s report to wax lyrical about a Public Accounts Committee. But this is sad, as it is obviously untrue, because I first called for this in 2016. I can hardly piggyback; if anything, he was piggybacking off me.

625 So then for the Government to describe me as ‘numbers obsessed’, well that is indeed true, Madam Speaker, that is why I am here in this House, somebody has to be obsessed with numbers other than myself and Sir Joe, because that is why I am here. I am here to scrutinise Government. I am here to scrutinise the numbers on behalf of the electorate and the Taxpayer.

I think, Madam Speaker, to say that, and I quote: ‘the good governance of Gibraltar and its Parliament, however, should not bow to one man’s desire for a hobby’. A hobby, Madam Speaker! It does not just insult my intelligence but also that of the electorate and those in this Parliament who desire proper scrutiny of and best practice in our public finances. He is the one, Madam Speaker, who should get a hobby. Because this is too important.

635 Madam Speaker, the electorate are variously in a state of shock and anger. Shock and anger, Madam Speaker, given what has been disclosed in this delayed Principal Auditor’s report.

The electorate expects action from this Parliament and there can be no better way for this place to acknowledge that expectation than by creating a Public Accounts Committee.

Therefore, Madam Speaker, I would urge this House to support my Motion in respect of the Public Accounts Committee, namely that:

A Standing Committee be created to be designated as the Public Accounts Committee for the examination of the account showing the appropriation of sums granted by Parliament to meet the public expenditure and of such other accounts laid before Parliament as the Committee may see fit.

To consist of four members, two of whom shall be nominated by the Chief Minister and two of whom shall be nominated by the Leader of the Opposition, who shall be nominated at the commencement of every session and of whom two shall be a quorum with the chair to be held by an Opposition Member.

640 So, Madam Speaker, I commend my Motion to the House.

Thank you. (*Banging on desks.*)

Madam Speaker: I now propose the question in the terms of the Motion moved by the Hon. R M Clinton.

645 **Minister for Inward Investment and the Savings Bank (Hon. Sir J J Bossano):** Madam Speaker, I take it for granted that the hon. Member knows that there is not the remotest possibility that there will be support for a motion that asks the party that is in Government to break its commitment in its manifesto.

650 The speech by the hon. Member about how terrible it is not to have a Public Accounts Committee means that under the Government of the AACR, the Government of Bob Peliza, the Government of the GSD, the Government of the GSLP alone and the Government of the GSLP with the Liberals, Gibraltar has been in a terrible state out of the 53 years that I have been here, except for one.

655 That is the thesis of the hon. Member. Only one year Gibraltar was governed properly. Nothing came out of that result in that year because they did not even continue with it. The people who did the Select Committee in one year in 1980 did not go on with a Select Committee in 1981, 1982, 1983, 1984, 1985, 1986, 1987 and 1988 when we came in. It is not that there had been a Public Accounts Committee since 1972 and we came and stopped it.

660 Nobody else had tried to have a Public Accounts Committee. That committee was set up to deal with one specific problem and it came out with a number of platitudes but nothing happened that changed anything from what was being done before or the way it was being done.

665 So it is not for the Principal Auditor to tell the party in Government not to comply with his manifesto; and of course it is not something that we think is consistent with a democratic principle that when people stand on a manifesto and they say what they will do when they are in Government, they are persuaded by the Opposition not to implement the Government's manifesto but to implement the Opposition's manifesto. I have never seen that done in any Parliament in Gibraltar or anywhere else.

670 It is true that of all of the overseas territories the only one that has a Government with this view and has had a Government with that view for 51 out of the last 52 years; but of course what is happening in the overseas territories and this is a ticking of the box exercise by the people in London who want to be able to say all our territories that are colonies have got Public Accounts Committees, including the people in Pitcairn Island. All 59 of them have a Public Accounts Committee to discover if any of the other 58 presumably are doing something they should not be doing. That does not mean that Pitcairn Island is better run than we are, nor that the Caribbean is being run better than we are.

675 Therefore, as far as the arguments of the hon. Member, and he tells us that he has repeated these things many times in his budget speeches, we know, we always know what he is going to say in any budget speech because all we have to do is go back to the preceding year and read what he said the year before, and of course it makes it much easier to do a budget speech if you just copy what you did the previous year instead of addressing the new budget and what is in the new budget.

680 In terms of the constitutionality of the gap between the audit and the year to which the audit refers well, look, this year's Principal Auditor's report is not a very normal one. For a start, for reasons that are not clear to me, he has decided to bundle two years instead of doing 2016-17 earlier, presumably, and then 2017-18 he has done a two-year audit.

685 Well, of course, we agreed to do a 24-month year for COVID but the most spectacular innovation was when they were in Government where they actually did three years in two, three budgets in two. So they came here, as the hon. Member knows, because I explained that in my budget speech a couple of years ago, they had a situation where they were already in excess of their borrowing limit and instead of using the mechanism of coming along and saying we are going to raise the borrowing limit, what they did was they raised the amount of revenue, and they raised the amount of revenue by coming along with a new budget in between the real budgets and changing the revenue of 2010 late in 2011.

690 So they went back and the revenue and expenditure that had been voted by this Parliament in 2010, and the revenue and expenditure that had been voted by this Parliament in 2011 were changed with a Bill that was a third Appropriation Bill with retrospective effect changing what had

been voted previously and making the revenue different in order to have a higher borrowing limit and making the expenditure different.

700 Now we have a unique situation in the history of public finances in Gibraltar that if any researcher in future wants to find out what was the budget of 2010 and the budget of 2011, he will find that what was voted in 2010 and what was voted in 2011 at budget time, does not appear in the Auditor's report. The third fake version was the one audited.

705 Now that takes, I think, the first prize in terms of what should not be done in relation to our accounts. So we have to catch up to get to the level of manipulation that the GSD did in Government.

710 Of course, when that was done we did not engage in an onslaught on the Government, we just said we did not see the need for this. That is to say, the explanation that was given to us, which was complete nonsense, which was to increase transparency, well, how could you increase transparency by shifting the numbers from the back pages in the annexes to the content of the Consolidated Fund? The numbers were the same numbers that were there before, except that they were made as Government revenue.

715 Indeed, the ordinance was changed in order to include that things should be deemed to be Consolidated Fund revenue retrospectively, when they were not. So when the hon. Member lectures us on what is the proper way to conduct things here, he needs to know the history of the party that he belongs to and whose performance he defends.

720 So we have a situation where nothing that is being done now, has not been done before in the last 53 years that I have been here, except for one year when it was done for a specific reason to look at the specific controversial purchases that have been made. So if not having a Public Accounts Committee is such a terrible crime against freedom, liberty and democracy, then every Government in Gibraltar since 1972 has been guilty.

725 As far as we are concerned we have got a view, it is a clear view, we do not hide that view. The hon. Member knows that I do not hide it when I go with him to these places, I still defend that view there; and the view is, which is reflected in our manifesto, because we say to people, this is what we are going to continue to do. And if we go to an election and we get elected and we come in and we do what we say we are going to do, then that is what is supposed to happen in a democracy.

730 Therefore the hon. Member cannot say to us we are doing something that is wrong, because we are doing what we said we would do in the election campaign. That is what is supposed to happen. It does not have to agree with him. In a democracy we just beg to differ and we have different views and that is his view and ours is different from his. He says he will do a Public Accounts Committee if and when he is in Government, and therefore his party could have decided to do that in the 15 years they were there. They decided not to do it.

735 The AACR could have decided to do it between 1972 and 1988, they decided not to do it and we decided not to do it, except that we actually said we are not doing it and everybody just fluffed it and ignored it. So we have got a clear policy, nothing that he has told us today is going to change the policy as far as the creation of a Public Accounts Committee, and I am sure that he did not have the remotest expectation that we were going to, in fact, go ahead on his recommendation and breach the commitments in our manifesto.

740 The Principal Auditor has said that he does not agree with the decisions of all the politicians that have been in office since 1972 because that is what he is saying; and I suppose that, given the protection that the office of Principal Auditor has, he is entitled to attack or criticise anybody, but it would be wrong for any of us to do it to him. Right?

745 So, therefore, because he is a Principal Auditor he can say that he does not agree with what we are doing, but then of course if he wants to change it, since he has already told us that he is going to retire on 1st April, he may well appear on the slate of the Members opposite the next time round, who knows? And then he would be able to have a different political position from us, which is what we have today, without necessarily having to be the Auditor. As a citizen, of course,

he is perfectly entitled to hold the view that he holds in respect of the value of having the committee.

750 As regards the need to have the supplementary provision that we bring, the hon. Member is right in what he quoted when I said that it was a mechanism that had been put in – and I am not sure whether in fact it was put in by us after 2012 or it was there before, it may have been there before. What I explained was that it was something that was done in order to be more efficient.

755 That is to say, if you are providing in the budget a certain amount of money for Departments then rather than to have to come, which used to be the case certainly in the 1970s and in the 1980s, but I am not sure that that it was not changed before 2012, but it was a good idea to change it; and that is, you do not want to come constantly back to the House because something that has gone up in price now means that you can no longer buy it for the price you had before.

760 So if you put a figure like £9 million in the context of a Ricardian budget of £500 million, well, look, it is only a couple or 2% that you are putting there just so that you do not have ... the Parliament is voting that £9 million, and therefore approving that £9 million, but what it is doing is it is not allocating it. It is allowing the elected Government and the Executive to determine how the £9 million will be deployed on the basis that in the context of a £500 million budget, the fact that it should finish with £509 million would not be abnormal; and therefore it is more efficient to
765 know that you can expect that sort of level however good your control of expenditure may be and that is what the £9 million was there for.

770 So it does not mean that it would have been better not to have it and it would have been better to be in every House of Assembly coming here and asking for a Supplementary Bill in order to spend another fiver. No, it was done because it was more efficient, both in parliamentary time and in the course of the thing that what really happens is that the £9 million, for example, is inclusive of the amount that is required to settle pay reviews, which is not something that you can know beforehand; and therefore the £9 million is not exclusively for that because otherwise if you put £9 million for wage increases then people will claim the £9 million before you have even started. So the logic is that it is for both personal emoluments and other charges that the
775 £9 million is available.

So that is the explanation. It does not mean that at any time when I gave that explanation, I just needed to share the origin of this, from my experience, and not because I was suggesting that it was better not to have it and better to have more frequent Supplementary Bills to increase the expenditure.

780 One thing that surprises me, apart from the fact that I do not understand why there is two years together, because I would have thought if it is delayed then if you do one year and bring it and publish it, then it would have been able to be done sooner than if you had to wait and do a second year; and if you know that the new Auditor decides to do all the years together, in which case we will have a two-foot thick Principal Auditor's report then, of course, it may well be beyond
785 the life of this Parliament by the time we get it, if he takes them all together.

790 One thing that I find strange to reconcile with this concern that something is being missed out in knowing how much is being spent is that, in fact, the first version of the 2016-17 report, and the version that was produced on 3rd April 2018, that is to say three days after the end of the 2017-18 year, is one that carries the same numbers as the subsequent version with all the changes that came out in the Supplementary Appropriation Bills that were passed.

795 So we have a situation where there was revenue of £655.7 million and that is the same revenue that is provided by the Principal Auditor's report that was provided in the first version of the draft audit accounts produced by the Accountant General and the departmental expenditure was £550.7 million in both the original draft and in the latest draft. So the information was there from the beginning, and therefore it appeared as happens every year where Members opposite have not just the budget that they are voting in front of them, they have the budget that they are voting in front of them, they have the forecast outturn for the year that is ending.

So when we come to pass the budget this year, the Members will have *three* budgets in front of them, whether they have been audited or not; because nothing that has been done in the audit

800 has changed the numbers, the numbers are the same. Okay, the value for money, which had been discontinued and has now been reinstated, perhaps prompted by the fact that I told the hon. Member that it was not being done, is a different issue. That is looking at some things and questioning whether they provide value for money or not. And I will deal with the value for money in a minute.

805 But looking at the figures, what the House votes is not the Consolidated Fund charges, which is a thing that has changed quite a lot because of the movement of interest rates, because the Consolidated Fund charges is not something that is voted by Parliament, it is something that is a direct charge on the Consolidated Fund. So there is no question that that element of the budget which the Hon. Leader of the Opposition got totally confused about a couple of years ago, when
810 he did his sums and included the consolidated franchises as if they were a part of the departmental expenditure. (*Interjection*)

But that element is not something that is controlled by the Government or by the Opposition. It is the element that includes the Principal Auditor's salary. We cannot control it, we cannot vote whether we pay him or we do not pay him, he is sacrosanct. Although he chose to mention how
815 much the Chief Justice got, who is also sacrosanct. I do not know what is happening in that group of people, but they are probably not very happy these days. Therefore the element that is really important in the work that we do at the budget is the money we give the Departments, which is shown down to the last penny.

In the book that Members vote, the money that is going to be spent is the control that this
820 Parliament has. It has it there and nowhere else. So nothing else matters. What matters is the £550.7 million of recurrent expenditure by Departments, which was already produced on 8th April 2018 and therefore what has happened subsequently with all the Supplementaries has not changed it.

Furthermore, when the hon. Members look at the book – and this has been the case always –
825 there is the column that tells them this is what is the future, there is a column that tells them this is what we think has happened in the last 12 months, and this is the final figures for the 12 months before that.

So nothing in the book that deals with departmental expenditure is giving new information to the Opposition that they did not have when they passed the budget at the time because they have
830 three years of expenditure. The future that they have to vote, the forecasts produced by the Treasury, which usually comes very close to the final figure, usually no more than 1% out, and the final figure for the year before. That happens every year.

This has not happened with long delays. The hon. Member does not have to wait many years to find out what we spent in 2016-17. He knew what was intended to spend in 2016-17 when we
835 voted here, by that time he was not voting, he was voting against. So really, he is very interested in scrutinising and controlling something and then he says do not do it, do not spend it. Then when we spend it and we come back and give him the figures that have been exceeded and the ones that have not been exceeded, it is telling him something that the Principal Auditor may not have audited.

By the time two years have gone by, the figure does not change. That final figure already includes all the elements that would require supplementary appropriation bills; and if they have not been voted, it is still included there because it is obvious that if the money has already been spent and what we are doing is a supplementary appropriation bill is giving retroactive legal effect to the money that has been spent, then the fact that it takes as long as it does and I do not see
845 why it should take so long and I do not know why this delay is because, as the hon. Member says, the day-to-day running of the finances of Gibraltar, like any other government, anywhere else in any other country is done by the officials that are there, not by the politicians that are here, which he is right in saying that, although they behave every day of the week as if it was not right and we were, in fact, the people taking all the decisions and therefore we are responsible for all of them.

850 Well, look, we accept the political responsibility because we have to, but it does not mean we know because I told the hon. Member that the PayPal account of £500 million that he asked a

question about, the first I heard of it was when I heard the question and then I looked in the Auditor's book to find out what was there and then I asked the Treasury and very few people could explain what it was.

855 So we had to send the search party to find out what it was that had been happening with PayPal. So that is the truth and that is a reality.

So in fact the hon. Member will know that we do not share either his views on the terrible thing that is happening, which is preventing him having scrutiny, because all the numbers that are the result of the Supplementary Appropriation Bill are there in time for him, as they have been
860 because it is mandatory in the structure of the book.

I have to tell him that when it comes to the issue of value for money well, look, one of the things that has got people scandalised is the fact that people got paid a lot of overtime; and the other thing that has got people scandalised is the fact that people get all these pay-offs in order to retire, just before they retire.

865 This is something that we inherited from the Government of his party who negotiated it with a union, and they negotiated it and the union actually until then having been against the reduction of employment in the public sector. There was a substantial number of Members who were closer to retirement age and I think they persuaded the union to agree that there should be retirement from what used to be the Public Works Department, which was relabelled as the Housing Works
870 Agency. Something like 62 of them left in a bunch, with exit packages, and then the balance had to wait till they were at a certain age before retirement in order to be able to avail themselves of this.

It is all very well for the Principal Auditor to tell us that is not a scheme that is producing value for money. Well, but whether it produces value for money or not presumably governments that
875 do agreements with the unions that represent their employees may do bad deals that produce no value for money. You cannot apply value for money to wage increases. When you give people a pay rise it does not necessarily mean that you will get a compensating increase in productivity.

So if something that you were paying less for, you are now paying more for because you are giving people more money, by definition, it is not value for money. (*Laughter*). But it is not for the
880 Auditor to tell the Government what is the best way to have value for money, to have a permanent pay freeze like the Conservatives have had in the United Kingdom for many years, that is the best value for money you can get, because every year you erode the value of the wages so you are actually getting things done cheaper every year.

We do not believe in having pay freezes and we would not want to have one, except if we were
885 totally obliged to do it by virtue of some big part of our revenue suddenly disappearing. Something, which in the case of an economy as ours and with our limited differences of revenue, could easily happen. It has not happened until now –

Madam Speaker: I hesitate to interrupt the hon. Member, but I am informed that the server is
890 down, which means that we are not recording. I do not know of any hon. Members had this happening in the past, but I presume –

Chief Minister (Hon. F R Picardo): Madam, it has happened in the past and I suggest that the
House should recess for 10 minutes whilst we deal with the issue.

895

Madam Speaker: All right, we will recess for 10 minutes to try and deal with the issue.

The House recessed at 4.58 p.m. and resumed its sitting at 5.14 p.m.

Madam Speaker: Yes, the Hon. Sir Joe Bossano was interrupted.

900 **Minister for Inward Investment and the Savings Bank (Hon. Sir J J Bossano):** Another aspect
that the hon. Member opposite has mentioned is his question of whether anybody is trying to not
give sufficient support to the Principal Auditor, something that he also refers to in his report. There
is, in particular, something that he says in the report which is not accurate and I know it is not
905 accurate and that is that he says that the removal of the 12% payment, in addition to wages, that
was paid to the people in the audit was done without any consultation with him, and that is not
true.

That is to say, the 12% was something invented by the GSD in Government which, I think, is
not good value for money but presumably the Principal Auditor thinks it is good value for money;
and therefore the rationale of the 12% is so that people do not move from Departments. So that
910 the people who enter into the audit stay in the audit; the people who enter in the statistics, stay
in the statistics; and the people who went into tax, stay in tax.

We believe that it is better to have a Civil Service where people move from one Department to
the other so that they do not just move vertically but they also move horizontally; because if they
move horizontally, then they are better equipped to move vertically because they will get more
915 experience of more Departments as they go up. That is the logic that we believe in. It is a logic
that has been applied before when we were in Government and it is a logic that we applied again.

So if the GSD has a different policy and they want to have people in different cubicles and not
moving out of there, then they give people an incentive by saying: 'If you move, you lose your
12%.' If we say no, we do not want to have somebody that is not happy in the statistics, staying in
920 the statistics because of the 12%, okay? And we think that if at the junior levels you have people
that come in and go out, then the fact that they have spent a year or two years in the statistics, or
a year or two years in the auditor's office, is good experience for them in the other Departments
that they go to.

So this is good management of the workforce and better value for money than the version of
925 the Principle Auditor. And when we decided in one of the years when we took a decision in Cabinet
after discussing it with the people in the Human Resources, that the 12% would be discontinued
for new entrants, but we would respect on a person-to-holder basis that people who had been
given it by the previous Government, I spoke with the Principal Auditor about it and he said he
would accept it provided it was being done to everybody else, but that he would not accept if the
930 12% was taken away just in the audit office.

In fact the statistic office, which is part of my responsibility, was the first one to introduce the
removal of the 12% and it has meant that some people have not stayed in statistics and moved
elsewhere, but the move elsewhere with a small knowledge of statistics wherever they go than
they had before they went to the statistics office. So I think it enriches the experience and it
935 produces more productive higher level civil servants because when they go up they may have to
be then moved from one Department to the other.

When people move from AA to A0, and A0 to E0 and then to HE0, they do not always stay in
the same place. So when a promotion comes out, people apply from the whole Service for the
new grade, they do not just apply in their own Department. So it is better if in the time, and I have
940 always encouraged people when they have been with me, that if they move around they are
better equipped to move up the ladder because they can then go to an interview and they can
talk with some experience on more than one department, not just of the little corner of the empire
that they are in.

So that is a rationale. It is a rationale that considers it better value for money and actually less
945 expensive and it is not an attempt to hobble the ability of the audit office; and in any case, the
converse of that is that there used to be a typist there, so when they got an AA it actually was a
year when we gave them an increase in complement. So they went from 20 to 21 and the 21st
person was the AA, but in the previous years they had had a typist.

950 So it does not seem to me to be value for money or good management to have qualified
accountants answering telephones or doing the typing. But somebody that is doing the typing
whilst answering the telephone can aspire to do more sophisticated work. But if you do not have
anybody for the run-of-the-mill things that need to be done in the office, the filing or the
telephone and so on, then either the telephone never gets answered or the typing never gets
955 done. So these are not something that there is a plot to undermine, there are logical reasons for
these things and that is why it has happened.

Also I think when the Principal Auditor comes up with this idea that he, in the case of what the
Hospital did in outsourcing the facilities of Hillside and the facilities that he is not satisfied that the
most competitive bid was the one selected, well, I do not know why he is not satisfied because
the people who did the selection were satisfied and they recommended it to the higher
960 management and the Minister at the time, and that recommendation was accepted because the
paperwork that was presented then showed that it was cheaper than the rest.

It is not rocket science to know whether a lower price is better value than a higher price, and
we need to remember that the view held by the GSD Government was that it was better to let the
private sector do things for them because when the Government invited tenders everybody put
965 their price up and that there were frequently cartels where people agreed who would get the
work by other people putting lower prices, which looked as if the highest price was justified.

In a market as small as Gibraltar, that happens, but of course the alternative to that of which
we have a reference by the Principal Auditor, which is that there is a threshold of the EU, which
fortunately we are not bound by anymore, that you have to spend in a place as small as Gibraltar,
970 with a threshold of £750,000 for an EU services tender if we had to put in the EU books for the
whole of the European Union, all 400 million to have an opportunity for tender, the cost of the
tendering process would be more than the cost of running the service. Because it is completely
unrealistic and we are not in that league.

So these things can then be misrepresented and there can be a public uproar, as if the
975 Government is now doing things to increase the cost of the public service. Look, if there is one
thing the hon. Members opposite know and can be sure of, is that I would never be an advocate
of increasing the cost of the public service.

So, okay, it might have been that if there was somebody else around but there were only two
tenders, and the tenders had everything broken down, that is it was broken down by the number
980 of people, the grade of people, the rate of pay, the cost of the electricity, the cost of the laundry.
That is how the tenders were done, so that you could actually go down to see how the people
arrived at the price that they put; and of course needless to say once somebody in a place like
Gibraltar, once somebody gets the first tender then logically it is called an economic advantage.
He has now got an advantage over any other tenderer that has already got the infrastructure and
985 it has already got the overheads covered.

So if somebody gets a tender the first time it comes out and they get the tender for Hillside,
they already have their HR, they already have their finance managers, they already have their
structure to do that work, and therefore the marginal cost of adding more is much less than the
cost of a start-up competing. So by definition, once you have got one you can then vote for the
990 next one because then your marginal costs are below your average cost because the average cost
is what you started when you created your fundamental cost of the business, and of course the
more you add to the business, the more competitive you become because your unit costs come
down.

That is simple business knowledge that anybody that works in the private sector would
995 understand; and I do not see how our audit office is not conversant with these facts and does not
understand that if the person that gets the first contract, gets a second and a third it is because
he is in a better competition to do it, because he has already got his overheads covered and now
all he has to do is charge marginal costs.

So to suggest that the most competitive bid was not the one selected is something that makes
1000 no sense but what it does is it creates, in the people that then read this when it is reproduced in

the internet or whatever, that what the Principal Auditor is suggesting is that somebody has been taking a backhander to give somebody, that was not the cheapest, and of course that is not true. It is not what the Auditor is saying, but it is true that it can be construed that way, because if it were true then the Auditor should not be putting it in the book he should be calling the Police.

1005 So I think when we look at these things, the hon. Members are quite right to express their view and say what they would do if they were in Government, although it is not necessarily what they have been doing when they were. But what I think we need to be careful of is that we do not start pointing fingers at people that seem to be suggesting that there is unlawful behaviour, unless we have got the evidence to back it up; and if we have the evidence then we should go and take the
1010 necessary action to deal with anything that is criminal. (*Banging on desks.*)

Madam Speaker: Does any other hon. Member wish to speak? Yes, the Hon. D J Bossino.

Hon. D J Bossino: Madam Speaker, as the colleague that my hon. Friend Mr Clinton referred to, has provoked the notorious answer from the benches opposite from the hon. Member
1015 opposite of 'lump it', I feel obliged to stand. The hon. Member stands against this Motion and the first thing he says is that it is simply not possible for us on this side of the House to persuade them to vote in favour of this Motion.

Can I suggest that it is possible and this is why we are having a debate and it is possible that each of us, as MPs who are elected in our own rights albeit under the complexion of our respective
1020 parties, can be persuaded to vote in favour of this Motion, and indeed given the composition of this House it is possible that all we need is one.

All we would need is one of the hon. Members opposite to vote in favour and we would win and they would not be able to defeat this Motion. I hope that they have the humility – and I will mention that word once again in the context of this debate – to at least listen to what we have to
1025 say; and I think that from the mover, from what we have heard from the mover of this Motion, what he has said is quite frankly and with all due respect to the Hon. the Father of the House, unassailable.

What he has said is unassailable. He is agreeing with me. So is it possible that we are able to persuade *him* to vote in favour of the hon. Mover's motion? Stranger things have happened.
1030 I know he says that anything that is GSD he will vote against and that is the hon. Member's political style since the year that the Hon. Chief Minister and I were born in 1972, which is when he joined this House, which was always to vote against, against and against. (*Interjection*)

Can I also suggest to him that it is possible, because there is precedence, that they do not comply with this particular manifesto commitment. Just because it is in their bible, it does not
1035 necessarily mean that it cannot be complied with, because there are many manifesto commitments that they have not complied with over the last 11 years, or when they were last in office between 1988 and 1996.

Not every single word, not every single scintilla is complied with; but they have this mantra that whatever they say and whatever they commit to in the manifesto is cast iron and that they
1040 will not digress from it. That is not the case and that is not accurate and he knows it, and therefore for those two reasons I put it to him that it is possible for, ideally, the House to vote unanimously in favour of Mr Clinton's Motion and the GSD's Motion but at least it may be possible that we could get one of them to vote in our favour and we win this Motion, Madam Speaker.

But there is another reason: they should also have the humility that this is a recommendation
1045 which as far as I know is unprecedented; but it may not be. Certainly it is very powerful because the Principal Auditor dedicates seven to eight paragraphs to this and not just makes the recommendation, but actually explains why, as the Hon. Mr Clinton has quoted at length in his intervention.

I would say further moving away from the technicalities, and I will go into this a bit later on,
1050 they are not reflecting the public mood about this. But so be it. The last election, which was held four or five months ago, was very close and is a testament not just to the current composition of

this House, but also to the votes, when the hon. Member who has just spoken was nearly not voted in.

1055 Had that happened, we would have been on that side of the House and they would have been on this side of the House. (*Interjection*) But let them continue. Let them continue in this vein, because what we say is that what their position is, is simply not reflective of the public mood.

1060 Now, the hon. Member talks about – and puts us in these flippant terms as is his style once again – box-ticking exercise, he says. Box ticking exercise! It is shocking and suggests that although every single other overseas territory has a Public Accounts Committee, Gibraltar is in splendid isolation. But it does not mean that the others are run better.

1065 Well, as far as this is concerned, they do; and of course in jest he talks about the Pitcairn Islands. The first I heard of the Pitcairn Islands was when the hon. Member, as Chief Minister, mentioned them in the context of the self-determination point, which he has so well argued on behalf of this community many years ago and continues to do so. (**A Member:** Hear, hear.) (*Banging on desks.*)

1070 Where a small jurisdiction of about 50 inhabitants, have the right to self-determination and we do not. But there are also larger territories than the Pitcairn Islands who have Public Accounts Committees and why should they not work? It may be that they are not better run overall than ourselves, but it does not mean that as far as this issue is concerned, they do not do it better than we do it.

1075 Now, he refers to, he uses various adjectives, I think he used three, I missed one of them but it is not relevant for the purpose of the point I am going to make, he talks about but it may result in more freedom and democracy. Again, he brushes those issues to one side; but what about transparency?

1080 Yes, I know for him it means nothing, because that is his style, and for that you have to respect him because he has been like that forever. All the years that the hon. Member, at least, has been in office that is how he views governance, which is a closed book. We have had it on many occasions in the context of his national and economic plan, which is so fundamental to the hon. Members opposite economic and financial stability offering, so fundamental it goes to the core on their own analysis and indeed our own analysis, but we have very little information about it.

1085 The hon. Member provides us some answers whenever he likes it, but then when we prod and prod, he tells Mr Clinton that he wants to know everything. Of course we want to know every detail. Or when we prod and prod the same answer to the Leader of the Opposition. Or when I prod, the same answer: 'Lump it'. If he does not like the answer, he can lump it.

1090 He gets to a point where he will not provide any further information and he need not to, and he is proud of that. But this is, again, one of the other reasons why there is such a fundamental difference to the way *they* choose to govern and the way that *we* choose to govern; and we are hopeful that in the future there will be a change of Government so that people can appreciate, feel what proper transparency and indeed accountability is.

1095 And he prays in aid that 52-years – well, 51 years because he rightly points out that from 1972 up until now, and all those years that he has been in this House and that I have been on this planet, there is only one year that we have had a Public Accounts Committee function in respect of one issue and we accept that.

1100 The Principal Auditor in the last line of the various extra paragraphs which Mr Clinton quotes says, 'I can truly say that this is not only my view, but has been the professional view of all five previous Principal Auditors during the last 40 years'. So the fact that it has happened for so long does not mean it is right; and, look, if it makes the hon. Members happy, if it makes the hon. Member in particular who has just spoken on this Motion happy, if as a result of what I am just about to propose, it will result in either all of them voting in favour of this Motion, or at least some of them so that we win this Motion, we win this debate for the sake of Gibraltar, then at least I speak for myself, we are willing to make an admission of guilt for those 52 years, of which 16 we have been in office. We make an admission of guilt if that helps the hon. Member.

1105 We need to move on, and quoting the Hon. Chief Minister, smell the coffee. This is an important proposition that we make. And why is it an important proposition? Because what the Hon. Sir Joe does not do in the course of his argument that, 'Well, we are provided with all the information.' And quite apart from the reality on the ground, of what that would mean.

1110 Because, in the late 1960s, under the former House of Assembly, as I understand it, debates on the Appropriation Bill were focused on the numbers. That is what Members would speak on. Now they become States of the Nation and we all spend about an hour, half an hour, whatever it is, each of us in our areas of responsibility, the Committee stage happens at the end and this is when you see the Hon. the Chief Minister's face increasingly bored and tired. He is not interested in that, I see it on his face. (*Interjection*) But yes, well, six-hour speech indeed.

1115 Those are the juicy political points which are made. It is transformed, it has morphed into that so that the reality on the ground, and it happens the same with the Bills and those are the things that we complain about, and we hope to persuade them in the Select Committee in relation to Parliamentary Reform that we need to change. We have been arguing about this now for at least the last 10 or 11 years, because we need to change the workings of this House.

1120 The fact is that a Committee Stage on a Friday afternoon at 6 p.m., it is unlikely that you are going to have the time, the wherewithal to produce in effect as he is suggesting, a 900-odd page report, which is what the Principal Auditor does on a professional basis, paid and doing it full time that is what he expects us to do. Let's speak about the reality on the ground of what we are dealing with here.

1125 But in any event, what the Hon. Sir Joe does not deal with and address is that what we are suggesting, part of the role is what the Principal Auditor is suggesting is that we have a Public Accounts Committee to deal with the findings and recommendation of his report. That is what he is suggesting. The hon. Member has not addressed that point. Maybe whoever speaks from the other side would care to do so and enlighten us as to how they address this particular recommendation of the Principal Auditor, where he says:

The Public Accounts Committee conducts regular in-depth hearings on the key findings of audit reports

1130 And whilst he says that it is possible for us in the Opposition Benches to subject his report to a certain level – and I am quoting – of inquiry and debate, it is not enough. It is not enough in Questions to this House.

1135 Look how we were treated when the Hon. Mr Clinton, I think it was, had six or seven questions on the findings of the reports. The Chief Minister said, 'I will deal with them in the course of the debate on this Motion.' But the reality again is, we have the question on the Order Paper and then rightly so the Speaker calls us to order because we can only ask certain questions, not because we are limited in number but because we need to move on and we have had a ruling in relation to that, about moving on with business in the House. That is the reality.

So he expects us to produce the equivalent of 930-odd pages across the floor of the House. Come on, let's get real. Let's have a debate based and premised on honesty.

1140 Madam Speaker, in terms of the further points that the Hon. Mr Clinton made, he says, and yes, he was quoting himself from previous budget speeches. Sir Joe makes fun of the Hon. Mr Clinton. First of all, we know what he is going to say and it makes it easy for him. I know again in his flippant manner, because he repeats it, he has to repeat the same point, not just on our behalf but on behalf of the entirety of Gibraltar. This is what we believe in and should we ever be elected into office we know what is going to happen.

1145 We are going to have a Public Accounts Committee. If they continue in office, unless we are able to persuade them and I hope that we can, then we will not. But the hon. Gentleman needs to carry on and needs to make his point and I am sure he will have the tenacity, and certainly our support, to continue to make that point because it is very important.

1150 But he says, 'I can only conclude that they are actively seeking to undermine the work of the Principal Auditor and delay his reports' and so on. And I go further and I allude to the point that

I made in the context of the hon. Gentlemen and Ladies opposite not being reflective of the public mood because I cannot think – as somebody who has not been in front-line active politics for some time now, but also somebody who has followed politics from a very young age as he knows, I cannot think of a Public Auditor’s report having attracted so much attention.

Not just in the media, but also up and down the streets. I cannot think of one, not one, and the question here in the context of one of the limbs of the Hon. Mr Clinton’s Motion, which is – and he mentions it here in the quote I have just quoted from him: why the delay?

It is not just the impact it will have on the delay of the production of the report but that, given that we have only had an election four or five months ago, goodness knows what would have happened had this report been published before 12th October 2023. *(Interjections)* Goodness knows!

Is the Hon. the Chief Minister suggesting from a sedentary position that it would have increased very much? Which planet does the hon. Member live in? *(Interjection)* No, he may wish to join that private company and go to the moon, quite frankly, because it is not real.

As somebody who has observed politics for so long, I can tell him that we would never know what the electoral result would have been, but I suspect that the verdict would have been certainly in our favour because I cannot think of a Public Auditor’s report which has attracted, quite frankly – and I put it as high as this – so much opprobrium. But there they go, they maintain what their position is and that is it, and I am sure that we will not be able to persuade them. But I am hopeful that we can.

I quote again from the hon. Member when he quotes from his speech in 2022, he says:

Without any recent reports from the Principal Auditor, this House cannot hold the Government to account on its spending including areas such as Value for Money.

He is absolutely and utterly right, which is the point that I made in connection with why we think we should have a PAC ASAP, using another acronym. But it is also because the effect that these things would have had on public opinion before 12th October, I am totally convinced that it would have had an effect which would have been favourable to us and not to the hon. Members opposite.

Madam Speaker, the Hon. Mr Clinton also goes on to say: ‘How am I going to tell him?’ Look at page 222 of the Principal Auditor’s report, this Department is doing this. Which is precisely the point that we are making and that the Hon. Sir Joe completely and utterly misses. I am sure he does not miss it because he has had a lapse. I am sure that is not the case, because I have a lot of respect for him and he does have a lot of intellectual rigour in what he says; but in this case he is of course being clever in the way that he responds, and this is the fundamental point that a Public Accounts Committee ought to be able to query further, investigate further, probe further the findings and recommendations.

These are not just dry numbers to which we are subjected at the Committee stage when we are dealing with the Appropriation Bill. This is the meat around the bones, so to speak, the story that we can probe further. The Hon. Sir Joe has himself gone into some detail about some of the recommendations, I think it was about the 12% and all the rest of it.

Well, he has offered us that. He has told us, as a Minister of the Crown of His Majesty’s Government of Gibraltar, why that is wrong. He has told us that. How is it possible for us to do the same in the ordinary course of a budget debate? How is it possible? It is simply not, I would suggest to him, with the greatest of respect, simply not possible. In any event, it gives *him* the opportunity to explain why what the Principal Auditor says, he says very clearly as he normally speaks, is wrong. It gives him the opportunity.

So, Madam Speaker, I do not think I have got any other points to make other than to support my hon. learned Friend in his Motion and I hope against all hope that we are able to persuade, if not all of them at least some of them on this occasion to vote in favour of this Motion.

1200 **Madam Speaker:** Does any hon. Member wish to speak?

Deputy Chief Minister (Hon. Dr J J Garcia): Madam Speaker, the Motion before this House today gives rise to a number of different questions, quite clearly; and it draws attention to administrative and procedural matters. My colleague, the Father of the House, has dealt with some of these already and I am sure other Members of the Government will do so as well.

1205 For this reason, I wish to concentrate my contribution to this debate elsewhere, because the Motion gives rise to a series of political questions as well. It seeks consensus on an area of policy where consensus is simply not possible. The House has debated all this before and we now find ourselves rehearsing the same arguments all over again.

1210 So the Motion comes in to us in the full knowledge in advance that there will be no agreement on its terms and I heard the contribution from the hon. Member, but really it is unrealistic to expect the Government to drop this policy.

Chief Minister (Hon. F R Picardo): He has even gone out, he knows it is not going to happen.

1215 **Hon. Deputy Chief Minister:** The Motion places the spotlight on a specific area of Government policy, where the views of the Government and the views of the Opposition are poles apart. That is not a criticism in itself, we have different policies, Madam Speaker, we disagree, they would do things differently, they have their view and we have ours. That is not uncommon, as Sir Joe said, in a democratic system of government.

1220 I recall my friend and colleague, the Father of the House, also in a different context, suggested recently that it was good to have clear blue water between both sides of the House that draws the issues into sharper focus. But in the end they must accept that this Government has a mandate to pursue its own policy.

1225 Madam Speaker, you were re-elected only four months ago to give effect to our ideas. We were not elected to give effect to theirs. Indeed, our policies were clearly set out last year in our general election manifesto. That mandate, which we cannot simply drop, has been cemented over four general election victories in a row, and given such a fundamental policy difference it would be absurd to expect the majority in this Parliament to be bounced into the views of the minority.

1230 They can certainly seek to persuade, as the hon. Member has done. They can try to convince, they can urge us to come round to their way of thinking, but that will not happen on this issue.

1235 So, Madam Speaker, the Government is not convinced. Just as it is their right to propose and to argue, so it is our right to disagree and our right to govern in accordance with our policies as set out in our last general election manifesto; and it is here, Madam Speaker, that the public will expect nothing less.

I want to say a few words now on the two main strands covered by the Motion. The first relates to the report of the Principal Auditor, the second to the question of a Public Accounts Committee. Members will know that the report comprises the Public Accounts of Gibraltar and a series of value for money and departmental audits.

1240 The bulk of the reports are the numbers and the figures. Those numbers and figures relate to the Public Accounts of Gibraltar for the years ending 31st March 2017 and 31st March 2018 and those numbers have already been debated before, they were debated at the time. The second part is the in-depth investigations into specific areas of administration. That looks at how Departments, agencies and authorities have spent the funds voted by this Parliament.

1245 So the purpose of the exercise needs to be made clear. The objective is precisely to identify shortcomings, to see where there is room for improvement and to make the necessary recommendations. This is all as seen through the eyes of the Principal Auditor of the day. So the process involves a public servant and an officer of this House investigating and reporting on the work of the public administration.

1250 It is in this area which covers processes and procedures, where issues have been identified and where the suggestion is that things may have been done differently and where perhaps there may

1255 be lessons to be learnt. But none of this, Madam Speaker, is new. It is what different Principal Auditors have always done and it is how they have reported on the Public Accounts of Gibraltar over very many years. Even the issues raised, too, have not changed much. The difference on this occasion – and the hon. Member asked – lies largely on the way in which the process has been politicised and reported upon subsequently.

1260 Madam Speaker, I have served in this House for 25 years. In that time, I do not recall the report of a principal auditor being dealt with in this manner. That is to say that this report has almost been taken out of context and it is precisely the clouding of its purpose which has increased the scope for misunderstanding. It is what happens when these issues are distorted in this way.

So, Madam Speaker, on the actual accounts, on the numbers, on the facts and the figures the Principal Auditor is very clear. In the two financial years under the microscope the report says that:

All Consolidated Fund expenditure was covered by appropriation as required under Section 69 of the Constitution of Gibraltar.

– meaning that everything was approved by this Parliament.

1265 It goes on to say that:

There was no unauthorised use of expenditure savings either

Indeed, for both years, as the Government has highlighted already, the Auditor has confirmed: first, that the monies which have been appropriated and disbursed have been applied to the purposes for which they were intended; and second, that the expenditure recorded in the Public Accounts conform to the authorities that govern them.

1270 As has already been said, the Principal Auditor in the book goes on to thank officials for their co-operation, assistance and courtesy during the course of the performance of the audit function. So the issue, Madam Speaker, is not with the numbers, it is not with the quality of the engagement either, the issue is with the area-specific investigations and audits. These are the matters which have made it into the public domain and they cover questions such as OT conversions of flats,
1275 other issues they have raised here this afternoon, or special leave claimed by officials attending sporting events, of the involvement of public officials in private work and a review of allowances and overtime, as well as a number of other matters.

1280 So many of these are administrative questions, some have already been tackled. Indeed, if a detailed analysis is done into every allowance paid and carried out in 1988, 1996 and 2011 every time there was a change of Government the results would show how each contributed to the present picture; and it is the way in which all this has been exploited and utilised which is totally unacceptable.

1285 It is wrong to present a series of individual, separate and unrelated cases as evidence of a systemic failure of the entire administrative system of the Government. That approach undermines public confidence in public officials and it also ignores how Government-after-Government, year-after-year, term-after-term have contributed to the wider picture that has been presented now.

1290 So that long list of allowances reviewed in the book has been added through time-after-time, largely after trade union agreements. This process has spanned decades in their own time in office as well and surely they are not saying that those agreements should now be breached, that allowances should be revoked, that all kinds of overtime should be stopped, that public sector pay should be cut, that people should lose their jobs; because that is a logical conclusion of the approach that they have taken.

1295 Do they not remember, Madam Speaker, after the 2011 General Election was called, how a 12% pay rise, as well as an additional two extra increments were signed over to a Government-owned company by them, Madam Speaker, after the 2011 election had been called. That action,

which is not permitted under the Constitution, was described as unlawful in 2012 by the Attorney General of the time. Have they forgotten that?

1300 They also signed a contract for ground-handling services at the Airport the day before polling day in 2011, the day before people went to vote. And what about the degree of personal ministerial interference in the new Air Terminal Project (*Laughter*) which ended up costing the Taxpayer over £5 million? This covered walls, toilets, corridors, monitors, rooms and all sorts of detailed interventions.

1305 A well-known saying comes to mind, Madam Speaker, about people in glass houses. Having said all that, of course, there is still work to be done. We have never claimed to be perfect, we have never claimed to be infallible, there is always room for improvement and there will always be issues that can and will be addressed.

1310 What it does mean, Madam Speaker, is that hon. Members need to take care how they pitch this debate. They need to exercise a degree of political maturity and responsibility. Of course, it is perfectly legitimate for them to question, to probe and to pursue a different policy; there can be no issue with that. But it is not legitimate to distort, to mislead and to manipulate in order to serve their own basic political ends.

1315 So, Madam Speaker, I want to illustrate this point with evidence from other reports issued by Principal Auditors in the past. This is to reinforce the argument that the issues raised today are very similar from one year to another and from one Government to the next, because that is what these reports are for. That is what audits are all about. Indeed, as Principal Auditors themselves have said:

The Principal Auditor is committed to continue undertaking VFM [Value for Money] reviews given that VFM examinations play a crucial role in providing an independent assessment on whether Government Departments and other public entities are spending Taxpayers money economically, efficiently and effectively.

1320 That is what this report and other reports set out to do. They highlight good practice, point out poor management deficiencies and provide recommendations for improvement. So, Madam Speaker, I refer to the report by the Principal Auditor for 2001-02, which looked at procurement issues.

1325 It said there were no standard procedures in place for the control and management of service contracts. That contracts were issued without clear output-based specifications. That the procedures for the control of contracts were generally inadequate. That hire and licence agreements were, in general, not being properly managed. That there was no monitoring of contract services for performance and effectiveness.

1330 A total of 12 recommendations were made at the time. That same report highlighted all sorts of other issues. One was the storage of cash in cash boxes at tourist sites overnight. In one instance where the box was locked, the key was kept in the same office in a key cabinet. These are the issues Principal Auditors have always identified.

Take the 2005-06 report, for example, the Principal Auditor examined then the delivery of the GSD's Capital Works Programme. It highlighted the absence of a robust appraisal process for capital works projects. That adequate information was not available to make important decisions.

1335 The absence of business cases, a lack of a record of expected benefits, the inability to determine what value for money had been achieved, additional costs and delays to the use of external resources, no robust approach to ensuring value for money, the absence of a robust and consistent project reporting and governance. Again, it made 15 recommendations to their party then in Government.

1340 The 2006-07 report, Madam Speaker, looked into the annual and sick leave in a particular Department of Government. It found that the method for calculating the entitlement to a higher annual leave allowance was not in accordance with General Orders. It found that there were 4,682 days lost in sickness absences in a four-year period. It found that 27 employees accumulated between 140 and 182 days of sick leave each. It found that the average absence per year was 25 days for industrial staff and 17 for non-industrial.

1345 But this was not a political issue, Madam Speaker, it was an administrative one about process
and procedure. That same report referred to a general lack of accounting prudence in another
Department. It declared a third one, at the time, utilised a number of inconsistent and deficient
1350 procedures. This related to the weak security processes in place for the custody and transfer of
funds from one office to another. And in relation to procurement, the Principal Auditor said that
it was unable to undertake the monitoring of payments on a test basis. He could not ensure that
Departments had adhered to tender catalogues and were complying with tender regulations.

The report highlighted a strain on resources and of high staff turnover. But none of this, Madam
Speaker, should surprise anyone. That is the function and the purpose of these reports.

1355 The following year, 2007-08, my last one, the Principal Auditor called for a recruitment process
into the Civil Service, which was fit for purpose. Similar issues were identified with procurement
and with capital projects yet again. So, Madam Speaker, the snapshot of past reports illustrates
the point: hon. Members should not lose sight of the background to all these reports, including
this one. They should not lose sight of their function as we debate this latest one this afternoon.

1360 I want to move on now to make a few points about the Motion, which are in the Motion, for
the establishment of a Public Accounts Committee. This is an issue, as has been said by all
speakers, which divides the House. The Opposition believe that such a committee is necessary;
the Government maintains that it is not. It is, therefore, a matter of policy, a question of principle.

1365 Indeed, as hon. Members have already heard there is a commitment in our manifesto *not* to
establish a Public Accounts Committee, and with a suggestion that we abandon this commitment,
as I said earlier, is obviously profoundly unrealistic. Moreover, it has been the consistent position
of this side of the House for decades.

1370 That, Madam Speaker, has not always been the case for Members opposite. The GSD of
Opposition supported such a committee. The GSD of Government never set one up. So the
establishment of a Public Accounts Committee was their policy before the 1996 General Election
and this was reflected in their manifesto of the time.

1375 But no such committee was established after they won. Indeed, no such committee was
established at all during their time in office, which spanned until 2011 and their manifesto
commitment to set one up did not materialise again. That is to say, the 2000, 2003, 2007 and 2011
election manifestos dropped the Public Accounts Committee like a hot potato. It was only after
they lost in 2011 that it reappeared from Opposition into their next manifesto for the 2015
General Election.

1380 So the evidence, Madam Speaker, could not be clearer. They are perfectly happy to commit to
this policy in opposition, as they have done, but not to pursue the matter once in government and
they cannot blame our refusal to participate for the failure to establish one. Their 2023 manifesto,
the latest one, makes the point that such a committee could well have been manned by
independent persons and chaired by one of them. In other words, they could have found a
different route after 1996.

1385 But, Madam Speaker, the basic point remains the same: they could have done that in the
15 long years from 1996 until 2011 and they did not; and the public will draw their own
conclusions. The position of the Government remains that there are other ways in which
expenditure can be scrutinised.

1390 One way, whether it is at 6 p.m. on a Friday or not, is the committee stage of the debate on
the Appropriation Bill. We examine the expenditure of the Government, clause by clause, detail
by detail, line by line and where the Opposition Members are free to ask questions. That process
used to take us hours and hours when we were in opposition, it is not the same with the Members
on the opposite side of the House.

1395 The other one is a debate on the report of the Principal Auditor, a motion which notes the
report. So a motion which is neutral, notes the report and encourages a debate. Another one is
questions to Ministers in Parliament. Look, there is a huge area where questions could be, and are
being asked where information is being given, and there is also even more unsolicited information

published every month on the Government website. That is more than we had when we sat on that side of the House.

1400 While it is true that the Principal Auditor has expressed a view which supports the establishment of a Public Accounts Committee, as Sir Joe has already made clear this is a matter of policy, and respectfully we choose to disagree. But neither should we forget that from 1980 until 2024, no such committee has existed.

1405 Moreover, Madam Speaker, as has already been mentioned, the Commission on Democratic and Political Reform examined the question of a Public Accounts Committee in 2013. That commission included two former Ministers of the AACR Government, one former Minister of a GSD Government and two independent Members. The House knows it was chaired by the very well-respected and former Chief Minister, Leader of the Opposition and Speaker Adolfo Canepa. That Commission concluded at the time, that there was no need to establish a Public Accounts Committee. The Members of the Commission were of the view, and I quote:

... that Opposition Members have every opportunity to examine Government expenditure in detail as well as debating the report from the Principal Auditor on the Government accounts for every financial year.

It added that the Committee, which met in 1980:

[was] ineffective, impractical and unworkable.

1410 The Government shared the view of the Independent Commission. For well over 40 years, Gibraltar has worked well without a Public Accounts Committee. In addition to all that a Public Accounts Committee, as has already been mentioned, would place controlling officers in the front line and the manifesto does say public servants would be grilled in this House on the detail of public expenditure, with a very real risk that it could all degenerate into a political circus.

1415 The policy that they subscribe to would allow Ministers to hide behind civil servants when, in our view, it is precisely Ministers, any Ministers, who should sit here and face the music. In any case, Members will know that there is a wider international view that small territories with a small parliament are not suited to the full trappings of a Public Accounts Committee based on the Westminster model.

1420 A number of papers on the subject have identified a series of structural difficulties, so that even where such committees do exist there are concerns as to how they operate. The authors have looked at small countries in the Caribbean and in the Pacific; some of these are now independent states and they have identified a number of flaws.

1425 The first is a lack of resources for the proper development of committees in small legislatures. This includes a lack of support staff like parliamentary assistants, special advisers, researchers, secretarial grades and clerks. They also found as Gibraltar did, too, in 1980 that the presence of Ministers hampered the effectiveness of a Public Accounts Committee and there were different reasons for this. One was that Ministers were reluctant to question officials who served with their Cabinet colleagues. This happened in Gibraltar as well. Another was that the busy schedules of those holding ministerial office meant that some committees met infrequently, or not at all; and a third reason given is that Committees with Ministers present become more politicised.

1430 Madam Speaker, the motion before this House today calls for an Opposition Member to chair a Public Accounts Committee. Some of the research papers into this point conclude that the effect of this in small jurisdictions has been to increase partisanship. This was shared by some Members who served in our own House of Assembly in 1980 until 1984, when that Committee was established.

1440 It was also found that in small territories with part-time MPs, again like in Gibraltar, there was not much time for detailed scrutiny of the Committee to do its work. In the Caribbean region, says one of these papers, only the parliaments of Guiana, Trinidad and Tobago and Jamaica were considered large enough in terms of numbers of Members for what is described as a well-functioning Public Accounts Committee.

1445 So Gibraltar tried it and it did not work. Others have tried it too and even where they exist, issues have been identified unique to small jurisdictions. And so, Madam Speaker, for this reason and for the reasons put forward by my hon. Friend, Sir Joe and my colleagues to follow, the Government will not be supporting the Motion as tabled. (*Banging on desks.*)

Thank you.

1450 **Madam Speaker:** If any other hon. Member wishes to speak? Dangerous to stand after that question if you do not! (*Laughter*) Anybody?

Hon. Chief Minister: It usually alternates. Madam Speaker, the normal order in this House is that we alternate between Government and Opposition. So if another Member of the Opposition is going to speak, they should speak now.

1455 **Hon. Dr K Azopardi:** Madam Speaker, there is no written rule on this and the Chief Minister indicated he was going to give lots of answers the other day, so I am waiting for him and the convention normally is that I would go after him.

1460 **Hon. Chief Minister:** Madam Speaker, that is not the convention in debate, the convention in debate is usually the Chief Minister speaks last, but in this case because the Motion is moved by a Member of the Opposition, that Member of the Opposition is the Member who speaks last.

1465 We have traditionally, in this House, always alternated: a Member of the Government, a Member of the Opposition; a Member of the Government, a Member of the Opposition. So at this stage, what happens is that the Member of the Opposition speaks. Or is it that the hon. Gentleman wants to speak after me, so that then Mr Clinton speaks after him?

If that is what they want, I am very happy to go now and then they can then have a *double go* at me. I have no difficulty. I have got *cachaça* for that and everything else. (*Banging on desk*) Thank you.

1470 Well, Madam Speaker, knowing that the hon. the Leader of the Opposition has, this afternoon, actually risen to seek to change the way that this House has traditionally debated motions, because he obviously does not want to get up to speak and have me reply to him, it is a pleasure to have the opportunity to address the Motion that is on the Order Paper.

1475 But not just the Motion that is on the Order Paper and the arguments that we have heard here today. But the Motion that is on the Order Paper and the things that hon. Members have said about why that Motion is on the Order Paper, and what it is that they intend to do with that Motion and why they intend to move it. Because obviously, Madam Speaker, what we are not going to do is think that the reasons why hon. Members opposite have moved this Motion are the reasons we have heard to date, or rather today, from them in this House, and not have regard to the things that they have also said outside this House, and look at what is behind the Motion. And that goes to the core of one of the things that Mr Bossino says.

1485 I have never seen a Principal Auditor's report catch fire, in effect, he has said, like this. Of course not, because never has an Opposition delved into a principal auditor's report to seek to highlight parts of it, to make the hares run and run a lynch mob against the Government in the way that they have done; and not just against the Government, Madam Speaker, against individual officers, not Ministers, against individual officers in the Government.

1490 That is not to say, Madam Speaker, that the Government itself does not agree with much of what is in the Auditor's Report because let us be clear: this Auditor's Report, with the exception of a matter relating to the GHA, is to delve into a time machine of what was happening more than half a decade ago, and in many instances with matters that the Principal Auditor is reporting on, because our controlling officers were telling us about issues that we went on to deal with, and he is now reporting on.

In other words, a lot of what the hon. Gentlemen have got up and said is the abuse that needs to be dealt with, is the abuse that we identified and dealt with. But that has not stopped them,

1495 Madam Speaker, for getting up outside of this House and in this House to try and run a lynch mob
against the Government; and whenever anybody tries to run a lynch mob, I can tell them, Madam
Speaker, I will be there to stop it. To stop it trying to vilify public servants; to stop them trying to
humiliate civil servants; and to stop them making political spin to try and advance their party
political agenda in a way that abuses what is, in effect, a free-standing report that as the Hon. the
1500 Leader of the Liberal Party, the Deputy Chief Minister, has identified, raises many issues that
principal auditors traditionally raise in the traditional way in which they do it. And in the most
lucid contribution that we have heard in this House today, the Hon. the Father of the House has
taken hon. Members through why it is that in great measure *they* are the problem.

1505 They are the ones who started the issues that give rise to the problem that the Principal Auditor
identifies and I will go through these item by item. So to an extent, Madam Speaker, I am very
pleased, actually, that the Leader of the Opposition wants to reply to me because I will want to
hear what he thinks of what the GSD did with the early exit package, not just as he has said outside
of this place, 'Ah, why are they blaming the GSD that was so long ago'?

1510 No, what reasoning or excuse can you come up with for the early exit packages that give rise
to the problems that the Principal Auditor identifies? Or is it that those early exit packages are a
problem in the eyes of the Principal Auditor in the hands of the GSLP-Liberals, but they are
somehow magically superb when they deal with the same amounts in the hands of a GSD
Government? Because the formula has not changed.

1515 So I look forward to hearing how it is that the hon. today Leader of the GSD, today Leader of
the Opposition is going to justify the things that he used to criticise when he was the Leader of
the PDP and when he was no longer in the GSD, of which he had been Deputy Chief Minister. It
may be more than a decade ago, that may be the best shield that they have, but the Principal
Auditor is identifying the problem today of the thing that *they* did 12 years ago.

1520 So, Madam Speaker, what is behind this Motion is what Mr Clinton said on *Gibraltar Today*,
that the Chief Minister is scared of being held to account for failing to control the public finances.
Nothing could be further from the truth. In fact, Madam Speaker, the hon. Member's logic actually
is completely flawed.

1525 I am telling them we will not have a Public Accounts Committee because I am here to face the
music. I am the opposite of being scared of standing up for the spending we have done. They are
saying they do not want me to respond for these alleged failings. They want to go through me to
the civil servant controlling officers. So how can they bring a motion based on the premise that
I am scared to stand up for the spending and say they do not want to question me on the spending,
they want to question the individual civil servants? This has no logical feet or head, *ni pies ni
Cabeza*, as people might be saying on the street if they were to properly analyse this report.

1530 The reality, Madam Speaker, is that because we have a Principal Auditor who has exercised his
right to give his opinion as a citizen on what he thinks is the right position on whether we should
have a Public Accounts Committee or not, the Hon. Mr Clinton is cock-a-hoop and could not wait
for there to be a session of Parliament to put the Motion where he says, 'Now that the Principal
Auditor expressly agrees with me, let's have a Public Accounts Committee so that I can question,
not you Chief Minister because I can, of course, already do that, whether I like your answers or
1535 not, so I can question each of the civil servant heads of Department. I can bring them here and
humiliate them. I can bring them here and cross-examine them.' That is the reality of what we are
dealing with.

1540 But let me start, Madam Speaker, before I delve into all of that, by looking at the terminology
that the Hon. Mr Clinton has used today. He said in his introduction that I – the Chief Minister of
Gibraltar, the most senior office holder in Gibraltar in politics – have deliberately engineered –
those were his words, 'deliberately engineered' – a system so that the Principal Auditor is delayed
in reporting. Because the 2016-17 and 2017-18 Supplementary Appropriation Bills took some time
to be passed.

1545 Madam Speaker, nothing could be further from the truth. What the hon. Gentleman then went
on to do was to pretend to be Lord Denning and quote himself in support of the proposition he

was trying to prove. In other words, he then took us through the most boring tour of speeches on the budget that we had heard already since 2016 – telling us that because he had said in 2016, and he had said in 2017, he had said in 2018, he had said in 2019 and he had said in 2020 – therefore, it was clear that I should be convicted of the crime of deliberately engineering to delay the Supplementary Appropriation Bills.

Well, Madam Speaker, everyone detected when Lord Denning, however highly regarded he was as Master of the Rolls, was not quoting the ratio in the case and he was quoting his own dissenting opinion, which had not prospered in an earlier Court of Appeal decision, as if it were authority for the proposition that he was seeking to establish; and the same is true of Mr Clinton. It is absolutely erroneous to suggest that a delay in passing a Supplementary Appropriation Bill delays the Principal Auditor from doing his work. Of course it does not, Madam Speaker.

What it does is delay the publication of a report that, of course, I accept as a matter of fact. But the Principal Auditor has, for the reasons that Sir Joe Bossano has lucidly explained better than anybody in this House could understand, let alone otherwise explain, the Principal Auditor has a year after the final draft of the accounts, and the House has it too, in the third column in the Estimates Book; and so the Principal Auditor's work in respect of that year can start immediately, and traditionally always has. And for the first time in the history of Principal Auditors in Gibraltar, the current Principal Auditor has told us that he will not start work on the basis of the draft accounts. He has told us that this year, and we respect that because if that is his view, that is his view.

But in the past, Madam Speaker, nobody has been prevented from starting work by the passing of the Bill. The only thing that has been delayed has been the publication of the report. Well, look, Madam Speaker, we passed these Bills a long time ago. The publication of the report has only happened when the Auditor has finished the report. The report was finished and it landed on my desk the day, or the day before, that I sent it to your office for tabling. So much for my deliberately engineering any delay.

If this report had landed on my desk on 1st May last year, I would have sent it to you the first working day after Workers' Day, which is always a holiday whilst I am in Government, and you would have had it before the General Election. So, to the charge that I have done absolutely anything to deliberately engineer a delay in this report, I say to the hon. Members that they are absolutely wrong.

To even raise that we would seek to delay a principal auditor's report and I cry shame on them for suggesting the opposite; and the fact that this was well before COVID means absolutely nothing, Madam Speaker, because the year reported on, or the first of the two years reported on, is a year when for the Government at least we had an issue as difficult as COVID to deal with.

Or is it that hon. Members have forgotten that on 24th June 2016 the United Kingdom voted to leave the European Union and that meant that the Government had to move at pace to secure the single market between Gibraltar and the United Kingdom?

Mr Clinton laughs because of course it meant nothing to him. He was in Opposition, putting £30,000-odd in his pocket.

We were the ones who had to run to ensure that Gibraltar was able to continue. To have the market ... (*Interjection*) The last time, Madam Speaker, he used an unparliamentary remark, this time I have not quite heard what he said, but the hon. Gentleman seems to be more enamoured of speaking from a sedentary position than to explain how he thinks that we dealt with the immediate aftermath of the result of us leaving the European Union. Because I can tell him something, Madam Speaker *this* Government of Gibraltar made sure that in Gibraltar we continued working even though the effort required was absolutely massive.

Even though senior civil servants and all Ministers had to be all hands on deck. This is before a withdrawal agreement; this is before any MOUs; this is before any New Year's Eve agreement; this is before an International Tax Treaty. Let alone this is before the fact that all of that cumulatively – as the Leader of the Opposition finally accepted in an interview with the *Gibraltar Chronicle* only during the General Election debate – led to the possibility of a negotiation for a

treaty between the United Kingdom and the European Union on Gibraltar's future relationship with the EU.

1600 All of that, which actually meant that we could not meet monthly. The hon. Gentleman might remember he got his £35,000-odd for doing even less work because we had to go off to the United Kingdom to start the negotiation. Or is it that 2016, in their minds, was not an equally traumatic year for Gibraltar, although nothing can compare to the lives lost with COVID.

1605 But in terms of political work and political travel and personal sacrifice, the hon. Gentleman can believe me, if he is ever going to believe me, that 2016, 2017 and 2018 were some of the toughest years we have ever had in Government; although we have hardly had any easy time of it since then. The hon. Gentleman can laugh if he likes. He has not had to leave his family along the way. (*Interjection*)

1610 Oh, weren't you? I am very pleased to hear you were not laughing at that because it would be hardly proper (*Interjection*) given the things I am telling the House and given the allegation I am facing from hon. Members, the disgraceful allegation that this Government has somehow engineered to delay the work of a Member of this House, *ex-officio* that is the Principal Auditor, with a constitutional responsibility. That disgraceful allegation, which lies on the lips of the Hon. Mr Clinton who fails to see the consequence of what he is saying, that they should somehow now pretend to laugh.

1615 I remind them, Madam Speaker, that they are the ones who have brought this Motion. The Hon. Mr Clinton goes on to say that he can only conclude that the delay which he imputes to me, which is untrue, is deliberate. So therefore, Madam Speaker, because he concludes it, it must therefore be true.

1620 This is, Madam Speaker, the debating equivalent of building a castle on sand, not like our Moorish Castle that is built on rock. We need the reports of the Principal Auditor as soon as they are available. Well, Madam Speaker, I do not disagree. That is why, as soon as they land on my desk, never has a Principal Auditor's report laid on my desk for more than 24 hours.

1625 My office know what reports are required to be laid in this House, whether it is the Employment Survey or the Tourism Survey or any accounts or, indeed, the Principal Auditor's report. I actually am given the report by the excellent civil servants who support the work that I do. The first sight I have of the report is the report actually with the covering letter, because when it comes in they have the presence of mind to do the covering letter that sends the report to this House. So the hon. Gentleman, as is usually the case, is absolutely wrong.

1630 Then he says that the Bills, the Supplementary Appropriation Bills that he makes so much of, are still on the agenda because the Chief Minister does not consider that they are important. No, Madam Speaker, because there are things that are even more important than the very important Supplementary Appropriation Bills. But because of the reasoning that the Hon. Sir Joe Bossano has given the House, the information contained in the Supplementary Appropriation Bills is actually information that hon. Members will have confirmed in the Estimates Book; and so, very often, unless they have not twigged – and it is possible that with all their accounting skill, they miss the wood for the trees that we have slain to print these things for them.

1635 They have had the information in the Supplementary Appropriation Bills and so has the Principal Auditor and every Member of the public, because we now put the Estimates Book online and all of them going back. So what is it that I am trying to hide? The things that are lying in plain sight?

1640 But let me just give you, Madam Speaker, one clear instance where I can demonstrate just how wrong that the hon. Gentleman is. Not by referring to, in my humble view, much more erudite and entertaining budget contributions for the years the hon. Gentleman has quoted himself, but I am not going to Denning-like quote myself as support for my own proposition, because the hon. Gentleman does it, Madam Speaker, almost like Mrs Slocombe who gets up and says that she is unanimous in everything that she says!

1645 But by demonstrating that what the hon. Gentleman said is wrong, in fact he said it is without precedent to have a Bill, a Supplementary Appropriation Bill, carried over from one parliament to

1650 another because these Supplementary Appropriation Bills that are on our agenda, Madam Speaker, had been published during the lifetime of the previous Parliament and fell away because we had not dealt with them. He says that is unprecedented.

What would happen, Madam Speaker, he said, if the new Parliament did not approve this Bill? Let me summarise what the hon. Gentleman is saying for those who may be watching. The hon. Gentleman is saying: if you have Supplementary Appropriation for a GSLP-Liberal Government and the election comes and that Bill has not been dealt with and a GSD Government is elected, the GSD Government would then have to bring the Supplementary Appropriation and vote it with its majority; otherwise, the additional spending that happened in that year would not be covered by Law, which is the Supplementary Appropriation Act, when the Bill becomes an Act, that is what he is saying.

He would say it would be unprecedented; and what would happen? The entire Government would be guilty of misappropriation, he said. Well, it is a very good analysis. It is the analysis I did for the GSD, Madam Speaker, when *their* Supplementary Appropriation Bill fell, when they called the election in 2011 and lost it. So much for the hon. Gentleman's premises because when he said that it was without precedent for a Bill to have to be carried over from one parliament to another, he had forgotten that the party that he supported in the 2011 General Election campaign, of which he had been an Executive Member, had allowed exactly that to happen.

So if it was an absolute scandal that it happened to us it was, of course, perfectly proper that it happened to them. No? Because what is terrible in our hands and what is green slime in our hands, is pure gold in theirs. I mean, hon. Members are political alchemists. They take the rat-infested reclamation on the east side of 1988 to 1996 and they turn it into Sovereign Bay, a huge asset in the hands of the Government.

They take the web of companies that we have and they turn it into the Government's corporate structure for the proper holding and trading of the Government. Yes, it is remarkable. Yet in 2011, the crime of which I am accused by the Hon. Mr Clinton as something that is just without precedent, is exactly what happened.

So first, it is not without precedent; and second, this is how you cure it. If the hon. Gentleman wants to look at it, Madam Speaker, it is in the *Hansard* of Thursday, 29th March 2012. I actually say to the Hon. Sir Peter Caruana, I cannot really speak to this because this is your spending. So all I am going to do is move the Bill and I am very happy to support it. You explain why you had to do this additional expenditure in the year before. (*Interjection*)

No? But not as authority for a proposition. I am just reflecting what was said in the context of the thing which the Hon. Mr Clinton said had never happened before in history. This is how much we have to trust what Mr Clinton says. He has said that something is without precedent, it has never happened before; and in fact I have just demonstrated to the House, not with what I have said, but empirically that it has happened before and what we did was to vote with the GSD to pass their Supplementary Appropriation.

That is what would happen in such a circumstance because the circumstance *was* with precedent. If the usher would kindly provide to Mr Clinton the *Hansard* he can disabuse himself of this particular one of his many errors, Madam Speaker. For example, Madam Speaker, one of the things that we have seen in the Principal Auditor's report is an allegation that there are services provided without contract and without three quotes and without tender.

Well, yes, Madam Speaker, there are some such contracts, some of them from their time; in some instances, for good reason, from our time. The hon. Gentleman does not seem to object to all of them because the hon. Gentleman sometimes refers us to the thing that is being handed to him now – *Hansard*, Madam Speaker. *Hansard*: which is prepared as a result of a conversation had by a former clerk of this House with another clerk whilst on Commonwealth parliamentary business, without three quotes, without a tender and being prepared on that basis since then; and yet we all agree it is a very useful service without which this House could not function.

So, so much, Madam Speaker, for this idea that there are contracts without tender and without three quotes and that this is all terrible, because the hon. Gentleman routinely refers us to the

1705 fruits of one such contract. Of course, when things are done now without tender and they are done on the basis of the three-quote system, this is absolutely terrible. Except, of course, that as the House knows from *Hansard*, that thing which is done as a result of a contract without tender, we know that Sir Peter Caruana explained to this House that he was, the GSD was introducing something known as the three-quote system instead of the tender.

1710 This is not something of our invention but of course given the political alchemy that we see from hon. Members when we do it, it is absolutely terrible; when they do it, it is the best political practice in history and goes to good governance. Well, look, if people on the street are angry because of the things that they have seen in the Principal Auditor's report, by the time they finish listening to me they will understand that much of that anger should be directed at them; and that for a very good reason they should never vote GSD again. Because the thing that gives rise to the excessive overtime, which the Principal Auditor is reporting on, but we stopped at the time, the thing that gives rise to the early exit schemes, which give rise to no value for money with the privatisations that followed, they did, not us.

1715 So, Madam Speaker, what the hon. Gentleman then goes on to say is that one can only conclude that we are trying to obstruct the Principal Auditor, and see no value in his reports. How on earth can they conclude that when the things that the Principal Auditor is reporting on are not just the things which he of his own motion determines he needs to investigate, many of them are things that we, or our controlling officers, have referred to him?

1720 Or, is it that they do not understand that? Madam Speaker, the other thing that they do not seem to understand is that being in Government, at least if you are in this sort of Government that wants to get things done, involves thousands of decisions being made a year – thousands, sometimes hundreds of decisions being made in a week.

1725 Or what does he think that Government is? Just to look at numbers and await a Principal Auditor's report? He thinks that is how you run Gibraltar in the 21st century, that we could lock him up in No. 6 Convent Place with an abacus and that he could effectively deliver modern Government like that. Really?

1730 Then moving forward through other years when he is quoting himself in 2022, he says, 'I do not accept that COVID was a valid reason for any delay.' Well, he might or might not accept it, but what makes him think that he is the arbiter of truth or of legitimacy? If he does not want to accept it, so be it.

1735 I can tell him, having lived through Government in COVID. That COVID was not just something that happened in six months in 2020. Or, is the hon. Gentleman forgetting the further restrictions at the end of 2020, the further restrictions at the end of 2021, all of the different aspects of the pandemic. Really? Because it is very clear to us, Madam Speaker, that anybody who objectively is looking at what happened at that time would not be able, by any stretch of the imagination, to share his view that COVID was not a valid reason for things not being and run entirely like clockwork at that time.

1740 Then he says, quoting himself in 2023, that if reports are delayed when they come they will be irrelevant and obsolete. Well, what is it: that the things in this report are irrelevant and obsolete? Or, is it that they are so relevant that the streets have caught fire? Which of the two is it, Madam Speaker? Because you cannot have both, you cannot say this Auditor's report is to throw one's hands to one's head; *hecharse las manos a la cabeza*, having said last year that now it is all so late that it is irrelevant and obsolete.

1745 Well, it is not irrelevant and obsolete. The Government considers it is very relevant, very pertinent, we thank the Principal Auditor for his report and we thank him for reflecting the work we have done to undo some of those abuses that we have seen in that report, which we referred to him, which is why he is reporting on them.

1750 The public can see that it is all not working, he said. It is all not working? Oh, goodness gracious, Madam Speaker. And yet in those years for which the Hon. Mr Clinton is referring us to in respect of the Principal Auditor's report, Gibraltar had higher revenue than ever in its history, bigger

surpluses than ever in its history and issues that needed to be dealt with, which the Principal Auditor is reporting on now, which we were dealing with then.

1755 Things are not working. Well, Madam Speaker, if we want to compare apples with apples let's go back and look at our revenue and their revenue and let's see who was working better and harder and delivering more because things were working very well. COVID happened, Brexit happened and things are still working very well indeed. Very well indeed.

1760 I will make a point in respect of what Mr Clinton and Mr Bossino say. We are the only overseas territory without a PAC, a Public Accounts Committee, so therefore there must be something wrong. Things are not working, says Mr Clinton, and yet we are the only overseas territory that still has scholarships for anybody who gets a place at university, where we pay tuition fees and maintenance fees and no other overseas territory has it.

1765 Tell you what, shall we have a Public Accounts Committee and take the same position that every other overseas territory takes on undergraduate students, which is that they can pay their way? Things are working, things go better in Gibraltar than they go in most other overseas territories. Our people have greater benefits than they have in other overseas territories. Comparing ourselves to other overseas territories is comparing apples and plums.

1770 Every territory is different and the fact that we do not have a Public Accounts Committee does not mean that things are not working. The fact that we have a Principal Auditor who has reported on things that need to be dealt with, which have in great measure already been dealt with because we brought them to his attention, is a demonstration and things can be dealt with in a different way.

1775 Then the Hon. Mr Clinton, despite the fact that he was pretending otherwise when I started, goes on to say that this idea that we are against, which is the grilling of officers in public, is actually exactly what he wants to do, he confirms it. He goes on to read to us where it is that controlling officers are made responsible in the Law for the spending of their Departments. He shrugs because it is demonstrated, Madam Speaker, that what he wants is his five minutes of fame.

1780 He wants to be in the Public Accounts Committee (*Interjection*) to do to civil servants in Gibraltar what Members of Parliament in the United Kingdom try to do to me when they quiz me on Gibraltar. Although I have a very unfair disadvantage, which is that I have a 52-year Master's on Gibraltar and its political history and they are looking at it for one moment; and every Gibraltarian appearing before a Select Committee of the House of Commons would have, whatever their life span is of history of Gibraltar, and the MPs would have two minutes of looking at how they are going to cross-examine that Gibraltarian and everybody would do just as well.

1785 But here what they want to do is to embarrass civil servants. Look, any public servant in Gibraltar deciding whether they want to support or not support the GSD on having a Public Accounts Committee, should just look at what it is like when a Select Committee of the Commons gets any British civil servant in front of them. A Foreign Office civil servant, a Home Office civil servant or any other all it is, is a structured, managed humiliation.

1795 Hon. Members just need to look at that great friend of Gibraltar, Philip Barton, who appeared before a Committee and was roundly embarrassed by them because MPs are able to ask any question without control. There is not a judge dealing with a cross-examination subject to rules, there is a Chairman, who is another MP, and the MPs can do their political will; and embarrassing a civil servant to get your political peacock feathers up and burnished is very cheap and we will not allow it, Madam Speaker. The public servants of Gibraltar know that if they are in Government, despite the fact that the Deputy Chief Minister and the Father of the House have said, they say one thing in Opposition, then they do another in Government – if they are in Government every civil servant in Gibraltar, controlling officer in Gibraltar, will have to come before a Select Committee of the House to be cross-examined by Mr Clinton and his ilk, and if we are in Government they will not have to be cross-examined.

1800 We will stand here to face the music on spending. That is to say, the opposite of what Mr Clinton imputed to me on television.

1805 And then he says the other fallacy in the GSLP manifesto ... Well, the first fallacy is that it is a
GSLP-Liberal manifesto. He gets that wrong, even in his analysis and the second disrespect that
I detect in the way that he addresses this House, Madam Speaker, is not to have regard for the
fact that, in my view, the people of Gibraltar are always right the morning after a General Election.
Always right.

1810 I may disagree with the result, respectfully, but with a sweep of history one looks back and
says they are always right. You have to accept that; that is what a Democrat has to do. You have
to start fighting the other General Election, the one that is coming next, but you do not fight back
on the one that the people of Gibraltar have decided. And in 2023 the people of Gibraltar chose
the GSLP-Liberal manifesto, and the hon. Gentleman had better accept that and start showing
1815 respect for the result of the General Election, in the same way as we show respect for how close
it was. But we have the obligation, of course, to exercise our executive authority to give effect to
that manifesto.

The hon. Gentleman had better start backing up his political ideas and realising that just
because the public chose the manifesto he did not support does not mean that it is wrong, and
that is what he is saying.

1820 The fact that the Principal Auditor says that he cannot disagree more with the Commission on
Democratic and Parliamentary Reform is something that I deeply respect. He is entitled to have
that view and you might expect that from somebody who is a principal auditor. Of course. But he
does not just disagree with the Commission on Democratic Reform, with the Canepa Commission,
he disagrees, Madam Speaker, in agreeing with the Hon. Mr Clinton, with the people of Gibraltar
1825 in four successive General Elections. Four. And he disagrees with every executive of Gibraltar since
the 1980s when the AACR had a PAC.

So I deeply respect the right of the Principal Auditor to take that view; in fact, I respect and
defend his right to have that view as I hope he will respect and defend *my* right to have a different
view, in particular as the Leader of the political parties that put forward that manifesto and have
1830 succeeded in four consecutive elections with the general public in Gibraltar, the electorate in
Gibraltar, choosing our option. And if that produces, as the Principal Auditor suggests explicitly in
his report, a superficial level of scrutiny, well hon. Members had better take it on the chin. *They*
are the ones who need to take that on the chin because they are the ones delivering the superficial
level of scrutiny. Not us. We are not paid by the public to scrutinise ourselves; *they* are paid by
1835 the public to scrutinise us.

So I would say that any logical understanding of what the Principal Auditor has said is that *they*
are failing in their duty; that he has been driven to express a view because of their cumulative 12-
year failure to properly exercise their power in this House to scrutinise the executive, leading to a
criticism from an *ex-officio* Member of this House that their level of scrutiny of the Government is
1840 superficial.

A flawed manifesto policy, he said, Madam Speaker, continuing with his speech that cruelly
misleads the public. Well, Madam Speaker, again, how can the hon. Gentleman be more
disrespectful of the electorate? Now, he is routinely disrespectful of me culminating with his
expression in what you ruled – and I am grateful – was an unparliamentary fashion, in the way
1845 that he shared with the public in Gibraltar what he thinks of me and my intellectual capacity.

I do not think that of him: I think he is learned, I think he is dogged, he is determined, he has a
clear view, and I respect the fact that he continues with his expression of what should in his view
be the case. I respect him as a parliamentarian, even though I profoundly disagree with him.
I would never call him as intellectually bereft as he called me. I would not, Madam Speaker, let
1850 alone express it in the way that he did.

But I understand that they deeply disrespect us. They denigrate us in our professions, that is
what they used to do when I was in Opposition and they were in Government, and that we respect
them and we deal with them in a different way. But can I ask the hon. Gentleman not to impute
that level of disrespect to the public, to the electorate? The electorate is not capable of being
1855 misled by me or by my team, or by them and their team.

The electorate in Gibraltar sees through the nonsense. That is why we are here and they are there. That is why, Madam Speaker, hon. Members opposite managed to defy the principle which is carved in political stone that Governments lose elections and Oppositions do not win them.

1860 Look, I do not mind being very open and honest about what happened in the last election, given that hon. Members want to talk about it. We lost the last election and they came along and failed to win it. They managed, Madam Speaker, to have a Government that was obviously ready to lose an election and to snatch defeat from the jaws of success as a result of the decisions that they made.

1865 That is my reading of the last general election and so the public in Gibraltar cannot be misled. It cannot be misled. We did not cruelly mislead the public in Gibraltar by having a clear policy on page 40 of our manifesto that we were not going to have a Public Accounts Committee. *They* were not able to persuade Gibraltar that it needed to have a Public Accounts Committee. Or, is it that they are saying that they could have done so if the Principal Auditor had uttered his words before then? That is what they are saying, that they need the Principal Auditor on their side to win an

1870 election.
But the hon. Member says that the Parliamentary Reform Committee is entirely out of date because they reported in 2013 and in 2014 a Commonwealth Parliamentary Association Committee was formed about PACs elsewhere in the Commonwealth; and so, therefore, all of the work done by Mr Canepa, the Hon. Mr Canepa former Chief Minister, former Mayor, former

1875 Leader of the Opposition, former Minister. All of that is of no value whatsoever now, because in the Commonwealth they formed a committee to deal with Public Accounts Committees in 2014.
Well, Madam Speaker, to quote the Principal Auditor, I could not disagree more with Mr Clinton because the fact that the Committee has been formed in the Commonwealth Parliamentary Association changes nothing about the structure of Gibraltar politics. Gibraltar is

1880 unicameral, many of the other places in the Commonwealth, indeed some of the overseas territories are bicameral. Bermuda is bicameral. Does he know what I mean by bicameral?
I have a huge respect for his intellect, as he knows, but I do not know whether he knows what I mean by bicameral. It means it has two Chambers, Madam Speaker, (*Interjection*) an elected Chamber and a Senate. Just like at Westminster there is a Commons and a Lords. And that is the

1885 case in many overseas territories, so most of the territories and countries and nations that have Public Accounts Committees are bicameral. The minority are unicameral.
So the fact that the Committee was formed in 2014 of predominantly bicameral Commonwealth nations about public accounts committees, is not a good reason to have a public accounts committee in Gibraltar at all. Ever since 2014, the public in Gibraltar have continued to

1890 choose parties that propose not having a public accounts committee; and ever since 2016, they have heard the argument, because he has been making it since he put his Motion then, and having heard the argument and considered the issue, the public in Gibraltar have decided not to have a public accounts committee.
So we do not accept, Madam Speaker, that this is because he says so, and because a committee

1895 has been formed, what he called the direction of travel around the world. Nonsense, absolute nonsense. And if I say that he is piggybacking on the Principal Auditor's report for support for his Motion on a PAC, that is not to disregard the fact that he brought one in 2016, which he lost, and that he made the point to the public in 2019, and he lost; and then he made the point to the public again in 2023, in the debates during the General Election campaign, and he lost. And that his last

1900 chance, now, to bring a Motion was to piggyback on the Principal Auditor's report.
Of course he is doing that, Madam Speaker, of course he is doing that. He has said so and the terms of the Motion say so. The terms of the Motion refer to the Principal Auditor's findings in respect of public accounts committees. That is the logic for why they are going to do it, and then he defends himself against my accusation that he is here to scrutinise the numbers. He says, 'Yes,

1905 I am here to scrutinise the numbers, that is what I should be here for.'

Well, Madam Speaker, I am not just here to scrutinise the numbers because that is not what Government is about. Joe Bossano, who does better scrutiny of numbers than any other Member

1910 of this House ever has done, or ever will do, does not go to the office in the mornings just to scrutinise the numbers. He and we go to the office in the mornings to run Gibraltar, to deliver executive Government, that is our role. If you want to scrutinise numbers, Madam Speaker, go back to accounting, but do not pretend to go to Government because that is not what Government is about.

1915 The hon. Gentleman, I will say to him, perhaps is the best Financial Secretary Gibraltar is never going to have, because the Financial Secretary's role is to scrutinise numbers, but not the role of a Minister, that is completely different, those days are gone. The days when an appointed Financial Secretary would scrutinise numbers and would come to this House and present a budget ended the day that the Financial Secretary, Brian Traynor got up in this House and said I am passing over to Buana and Joe Bossano delivered the first State of the Nation Address in the 1989 budget address.

1920 The hon. Gentleman says to me that if I do not want to scrutinise numbers, I should get a hobby. Well, I have a number of hobbies, Madam Speaker, many of which I am not able to exercise whilst I hold this executive office, which is about much more than scrutinising numbers. I have three in particular that are more important than anything I do as a Chief Minister and more important than scrutinising numbers. One is age six, the other is aged eight and another one is aged 11; and everything that I do, I do for them. Like most Members of this House who give their time, whether in Government or in Opposition to make Gibraltar a better place for the next generation, not to come to this place to scrutinise numbers.

1925 That there is shock and anger, given what has been disclosed in the Principal Auditor's report, which is the theme that we have heard from Mr Clinton and Mr Bossino, no doubt we will hear now in purported reply from Mr Azopardi. Look, you cannot imagine the shock and anger that was in the Government when we saw some of these overtime claims. That is why we stopped it and that is why the Principal Auditor is reporting on it, because we and our system reported it up to the Principal Auditor.

1930 That there is shock and anger at the cost of the early exit packages, of course there is. And do you know where that shock and anger was first expressed, Madam Speaker? In a press release issued by the GSLP-Liberals in Opposition in 2011, when the Housing Works Agency Early Exit Package was first announced, and the analysis that Joe Bossano did then is the analysis that the Principal Auditor is doing now. And we stuck our colours to the mast, Madam Speaker.

1935 We lost Members as a result of the position that we took against those early exit packages. We had Members, lifetime Members, brilliant, fantastic people who came in and said to me *estoy entregando mi tarjeta*, 'I am handing in my card because I want the deal for the Housing Works Agency'. We won the election. Governments honour the agreements that are done by previous Governments. You cannot, to go back to 2007, cherry-pick what you do and you do not do, especially when you have an agreement with the union.

1940 But you know what happened, Madam Speaker, those Members came back and they were with us for the rest of their lives. But we said what we thought about the early exit packages because it was the right thing to do and we said it in 2011 and the Principal Auditor is now saying it in 2016-17, 2017-18.

1945 So there is no surprise to us, there is no shock and anger that what they did in Government produces the result that we have to answer for in Government to the Principal Auditor because that, we always understood, was the wrong way to progress; and Mr Reyes, who was in Opposition and has continued in Government, has long quizzed us on the effect on the Housing Works Agency of the early exit package that they introduced when in Government, and has had to put up with the fact that whenever we answer him, we say, 'Well, what can we do? You agreed this early exit package. You agreed two out, one in. And you agreed that the work was to be done in the private sector.' And we disagreed.

1950 So, we roundly agree with the Principal Auditor. Now, the hon. the Leader of the Opposition says in his social media, 'Well, the GSLP-Liberals they cannot have it that way. If you did not like the early exit scheme you should have stopped it. If Mr Picardo did not like the idea of an early

1960 exit scheme, why did he not he scrap the February 2011 one? Instead, he introduced six new schemes.'

Does he not understand that it is the same scheme that is being rolled forward? Because the union obviously has a high watermark of what is agreed and the union representing its Members will not agree anything else. Does he not understand, and I am sure he does, Madam Speaker, 1965 because I have the highest intellectual respect for the hon. Member, despite the denigration that comes from them, and I have no difficulty in saying that I think he is an excellent lawyer, despite the denigration I suffer from them when they attack me.

Does he not understand, which I know he does, that the Government cannot scrap an agreement that has been done? That we are bound by that agreement and if we were to scrap it, 1970 in other words, if we were to stop the early exit scheme now, that would put the Taxpayer in the worst possible situation.

In other words, you have paid for people to go, to stop doing something; and now he is suggesting that the benefit that would come from the disappearance of the Housing Works Agency, which is how they analysed it, would be undone and we would continue to now re-employ 1975 people. In other words, to undo the potential saving.

I have more intellectual respect for Mr Azopardi than to believe that he thinks that is possible. So when Mr Clinton says that the electorate expects action, what he fails to tell them is that they have had it. That this is a time machine. This Principal Auditor's report, other than in relation to the 2003 elements in respect of the GHA Pathology Unit, is a TARDIS. Not because it is late, but 1980 because it is a time machine.

We took the action to stop the abuse of overtime except, of course, Madam Speaker, one thing: whenever we touch the overtime some would go running to them and some, in the union, would go running to them and on more than one occasion, I have had to see them outside my office at No. 6 Convent Place demonstrating about our attempts to deal with these problems. Whenever 1985 anybody said *me van a tocar el allowance*, my allowance is going to be touched or my overtime is going to be touched, straight to College Lane and marching up Main Street.

So *they* have to explain to the electorate, Madam Speaker, why when we were taking the action that the hon. Gentleman says the public expected us to take, which we took, they were siding with those who were abusing the overtime and those who were seeking to abuse 1990 allowances.

Just like, Madam Speaker, they need to explain to us, although I realise that this is easy politics and that looking in detail at what I am saying now is much harder than the spin which is the headline that flies and is then very difficult to control because, as we know, something which is untrue goes around the world before the truth has even started to take off.

1995 What they say with the Estimates Book. The Estimates Book does not have enough information, they say. Madam Speaker, in 2000 and 2001 the Estimates Book had 147 pages. It did not get much bigger for 2010-11. In 2023-24 the Estimates Book has almost 300 pages. So how is it that we are not giving enough information when we are giving double the information that they gave?

2000 It is not that we are adding spacing or printing in Arial 14 instead of Arial 12. (*Interjection*) Let's be clear. We are giving more information, it has less pictures, because in their day they used to love putting in the pie charts, and yet it has more pages. It just shows, Madam Speaker, that this is an attempt to run a lynch mob with the Principal Auditor's report as the rocket fuel for it, and I am happy to stand here between them and the public servants of Gibraltar, who do not deserve 2005 this.

Incidentally, Madam Speaker, though he is no longer here, I was delighted to see a former Leader of the Opposition in the gallery earlier. That is exactly where I think he belongs. Then, Mr Bossino, Madam Speaker, (*Laughter*) starts to talk to us about humility and if Madam Speaker will forgive me, I am going to go through the two speeches we have heard. Before I go to the 2010 substance of my speech (*Laughter*) I am just dealing with the things that they have said.

2015 The Hon. Mr Bossino starts by telling us that we have to have the humility to at least listen to them, as if we did not. Madam Speaker, Government is a difficult and laborious business, we have long been encouraging them to bring motions. Speaker Canepa used to say to them, 'Look, you get embroiled in debates at Question Time and I have to tell you to stop. Bring motions.'

2015 Whenever they bring a motion we are ready to deal with it. Not only have we listened, Madam Speaker, we have made parliamentary time.

2020 A number of my colleagues have already replied. I am replying at length. All of us will have worked to prepare for today in order to be able to address these issues. We do not say they are not important, we say it is important to put them under the microscope but to look at the truth of what is happening here.

2025 But, Madam Speaker, with the very greatest of humility, we also disagree with them and disagreeing with them, just like them disagreeing with us, is not a mark of an absence of humility, surely; and us disagreeing with the Principal Auditor is not a mark of an absence of respect or of humility. In the same way I assume that the Principal Auditor disagreeing with us is not a mark of an absence of his humility or respect for us, it is just that we are *all* in a constitutional democracy, entitled to our views; to defend it and to seek support from the public in that thing called a General Election, which they lost again for the fourth consecutive time, for the propositions that we each put.

2030 So the Hon. Mr Bossino can be assured that we have the humility to listen and also the wherewithal to defend what we believe is right, even in the face of a street that might not yet have realised how they were being led by Members opposite, to see the Principal Auditor's report as anything other than an endorsement of the work that we did in 2016-17 and 2017-18, to stop those abuses. Then he says that we have to have the humility to be ready to digress from our manifesto.

2035 Well, Madam Speaker, I remind the hon. Gentleman that when he first stood for election with the GSD – of course he first stood for election with another party – but when he first stood for election with the GSD before deciding to call it a day, before deciding to come back, before losing I do not know how many leadership elections – he was standing for election with the man, the former Leader of the Opposition – the former, former, former Leader of the Opposition used to say was the greatest Gibraltarian of all time – who said that in the GSD lexicon manifestos are a wish list. He said this on radio and I thought I was not hearing right, so I actually asked for a transcript.

2040

2045 The Hon. Sir Peter Caruana said on radio in the 2011 General Election campaign, when it was put to him by Mr Gerard Teuma who was then doing the leader's interviews, that he had not complied with much of what was in his manifesto for 1996, 2000, 2003 or indeed 2007. He said, 'Well, manifestos are a wish list.' That is probably a better impression of the King than it is of Sir Peter. But they are sometimes indivisible in my mind. A wish list and we say – and he will know from the 2003 General Election campaign – that we consider our manifestos to be a contract with the people.

2050 So there is a completely different approach. When we cannot comply with the manifesto commitment, we say, 'Look, we have not been able to comply' for the following reason. We work very hard to deliver, directly, against our manifesto commitments. So the hon. Gentleman will forgive me for saying that it is, indeed, an article of faith for us, not just that there should not be a Public Accounts Committee, because we have acquired a commitment to the public that there should not be, for the reasons that we have explained at length in this debate and in earlier debates. But it is an article of faith for us also that we keep to our manifesto commitments, unless there is an objective reason why we cannot, which we explain to the public.

2055

2060 So when he says that we must have the humility to support them I would say to them, Madam Speaker, that obviously they have failed to learn humility – humility ... Humidity, we all have in Gibraltar! Humility at budget time when they fail to support even the Appropriation Bills. Every Government of Gibraltar, Madam Speaker, has come to this House since our first Constitution, proposed a budget, heard Members of the Opposition argue why they would do things in a

different way, and then the House has unanimously voted the estimates; because at the end of the day the estimates are what enables you to pay the civil servants every month, the public servants, and discharge all of the economic liabilities of the Government.

2065

Until Roy Clinton was elected to this House, and the Hon. Mr Clinton got up in a speech, having persuaded the then Leader of the Opposition, Mr Feetham, that it was a good ruse to vote against the budget; and ever since then they have been voting against the budgets, with some Members abstaining, some Members voting because they have been a shower, Madam Speaker, when it comes to this. And now Mr Bossino, in apparent forgetfulness of the arrogance that leads them to vote *against* every budget, he tells us to have the humility to support this Motion, which goes against our manifesto commitments, to go against the thing which led to us winning, that is to say our manifesto.

2070

I suppose it is the easiest red-flag trap that has ever been invented. Here is the trap, please come into it. It is like the spider saying to the fly, 'My web is in bright green for you to see, but fly into it anyway.' We are not going to fall into the trap of failing our obligation to the people of Gibraltar to comply with our manifesto obligations, Madam Speaker.

2075

Humility, he says, because it is the Principal Auditor's recommendation that you should do this. Well, as the Principal Auditor says, 'All of my predecessors agree with me.' So that is to say, Madam Speaker, five of them at least. It is the successive view of five principal auditors that a public accounts committee should be established by this House; and yet in all of that time they have been in Government for four successive parliaments and did not do it, and they did not have the humility to do that which the principal auditors were saying they should do. And now they are asking us to do it, despite us having a manifesto obligation not to do it although they, to boot, had a manifesto obligation *to* do it.

2080

2085

This is difficult perhaps, Madam Speaker, to conceptualise, but they had a manifesto commitment to do a public accounts committee, and apparently they had principal auditors who agreed with them, and they did not do a public accounts committee. Now Mr Bossino comes and tells this House that we should have the humility. The Hon. Mr Bossino has the gumption to come to this House and tell us we should have the humility to do that which they did not do, just because the Principal Auditor says that we should, just like he says all principal auditors said that we should.

2090

I thought it was a little unbecoming of who I think he is that he should say to Mr Bossano, the Hon. Mr Bossano, the Father of the House, that he was almost not elected. It is not as if Mr Bossano came last on the list. (*Interjection*) Absolutely right, thank you. It is not as if Sir Joe – imagine not calling Sir Joe, Sir Joe – he might take it very badly. (*Laughter*)

2095

It is not as if Sir Joe came last on the list, because he might have come last on the list, that he is less relevant. Or is the Hon. Mr Bossino telling me that I should ignore those who come bottom of the list, that I should not answer questions of the person who came last on the list because he or she might not have been elected? But that is not how democracy works: if you are in, you are in; and if you are out, you are out.

2100

Or is it that we have to have varying degrees of respect for Members of this House depending on how they are in the ranking? Because I remind him that the hon. the current Leader of the Opposition was fourth in the ranking of the Opposition last time, but he was still the Leader of the Opposition, perhaps because there was no one capable of mounting a campaign having come higher than him on the list to become Leader of the Opposition.

2105

Joe Bossano was, in the end, comfortably elected, he was not last on the list. But I thought it was rather unbecoming of the hon. Gentleman, who had long professed to be a fan of the Father of the House, to go down that particular route especially given what he then went on to say about the Hon. the Father of the House, defence of the right of people of Gibraltar, to the right of self-determination, with which I could not agree more.

2110

But of course, the Hon. Sir Joe Bossano said two things about that. He said: the road to self-determination is paved through self-sufficiency, and he has also said that sometimes if you have an external threat you cannot put everything that you are doing in the public domain as you might in another country; and if you have a national economic plan to deal with something which might

2115 be brought about by an external threat, if you publish all the details of the national economic plan what you are doing is advertising to the external threat what it is that they have to do to thwart your plan for when they come to threaten you.

So, the Hon. Mr Bossino seems to have fallen into the trap of that which might be referred by the Principal Auditor to them, and for their level of scrutiny of us as being rather superficial. In understanding only what Joe Bossano says about the need to keep some things confidential and then insisting that he publish all of the details.

So, Madam Speaker, I hope that has made him understand a little of how we have to deal with some things in Gibraltar, something that Gibraltarians have always routinely understood. I have always been fascinated by the fact that there are some things that I consider to be Gibraltarian open secrets. Things that all of us know the reality about and some people out of Gibraltar just do not get, and there are things which are beneficial for Gibraltar. I will not mention which they are because then I would fall into the trap of identifying, for the external threat, what they are.

But what would have happened, Madam Speaker, if the Principal Auditor's report had been published before the General Election? Well, it is a hypothesis, but the hon. Gentleman seems to be shocked when I said, from a sedentary position, that we would have improved our majority. I will tell him why I think that, for a simple reason, you can look at the Principal Auditor's report and do what the Principal Auditor says they do of us – that is to say, a superficial scrutiny. Or, you can look at it in detail and understand that actually, the sins that the Principal Auditor is alerting us to are all sins seeded in their time in Government; and what a better analysis does is demonstrate that GSD early exit packages were bad for Gibraltar and in particular for its public finances, that they were not value for money, that overtime had got out of control in their time, that we stopped the abuse.

Therefore, I am very disappointed that I did not get the Principal Auditor's report before the General Election, because I think it might have enabled me to undo many of the myths that they try to propagate about what the Hon. Mr Bossino has been known to call the 'golden legacy' of the GSD. That golden legacy, Madam Speaker, is really something that does bear closer scrutiny.

So, Madam Speaker, if I can now start with my prepared remarks. It is very clear to me that we have not heard everything that is behind this Motion in the things that they have said in this House today, at least not yet, because the Hon. Leader of the Opposition has said that they filed this Motion. He has said specifically that they have filed this Motion to remove politically engineered delays, blocking the emergence of further Principal Auditors' reports.

That, Madam Speaker, for all of the reasons I have already given, is absolute nonsense. Work can already have started, indeed I am sure it has already started on all of the other reports. Indeed, one of the answers that I have to give him, and Mr Clinton, is that I understand the 2019 report will be completed by December of this year.

So what politically engineered delays am I doing? This is the pace at which the Principal Auditor is working. But, Madam Speaker, that sort of language on social media and television, that there, Madam Speaker, that is *Trumpian* politics. That is, they stole the election; that is standing on the Hill in Congress and saying they stole the election. That there, Madam Speaker, is dangerous stuff, to accuse a Chief Minister of deliberately engineering delays, of politically engineered delays blocking the emergence of further Principal Auditors' reports, that there is *completely* untrue; and I do not use another word, Madam Speaker, because it would be unparliamentary. Otherwise, I would use that unparliamentary word to describe the thing that the hon. Member is saying. And you might even persuade a few people using that sort of language and keeping to that sort of lexicon. But in the long term, however personally beneficial it may be to the hon. Gentleman, he will know that that is bad for Gibraltar.

'The GSLP shambles cheats you,' he said. 'Wherever you look in the audit report it confirms the need for better controls on waste and abuse,' he says. Well, Madam Speaker, the GSLP is not here to cheat anyone. The GSLP and the Liberals are together in Government to do every day an honest day's work for the people of Gibraltar. Despite the innuendo that is thrown at us, and I will come to all that innuendo now when I deal with Meddoc, all of that innuendo that they try and use to

persuade where they cannot persuade with truth. We are not here to cheat anyone. But what is, in my view, objectively only describable in that way, as cheating, is to say that wherever you look in the audit report it confirms the need for better controls on waste and abuse.

2170 No, there are parts of the audit report that refer to waste and abuse that requires better control, with which we agree, and much of which has already been done. But there are *most* parts of the audit report that confirm the excellent discharge of their responsibilities by controlling officers in the Departments coming in on target and properly accounting for every single penny; and indeed increasing the revenue of the Government of Gibraltar year-after-year.

2175 Waste and abuse cheats you, it cheats your families and that is why financial controls are needed to stamp it out. If it is tolerated by Ministers it is a public scandal. People will be rightly angered by all this. Well, people are rightly reacting to being whipped up in respect of all of this. But listen to this language, Madam Speaker, if it is tolerated by Ministers it is a public scandal. Well, it is not tolerated by Ministers, Madam Speaker, that is why, in great measure, the Principal Auditor is reporting on these matters because it was not tolerated by Ministers and that is why it was being dealt with by Ministers.

2180 The hon. the Leader of the Opposition talks about a glimpse into a catalogue of waste and abuse. Yes, which they created; the catalogue. This catalogue of waste and abuse is not the Argos catalogue, it is the GSD catalogue of waste and abuse, with the early exit schemes, with the allowances ran rampant, with the overtime ran rampant. You try and rein that in, you try and take a car that is travelling at 200 miles an hour and stand in front of it. See what happens to you.

The only safe way is to break it slowly and to engine break it; and that is why, finally, things were being done to deal with this issue. Despite the fact that we were dealing with Brexit, we were also dealing with those abuses of overtime and those issues relating to allowances.

2190 What are the key arguments in the years for which the Principal Auditor is reporting the highest revenue ever? Second, the things that are identified were fixed by us then. Third, deficit issues relating to what happened after COVID are not at all related to these issues.

2195 Hon. Members are trying to make the argument that we had a deficit after 2020 and they could all have been fixed if we did not have the problems that the Principal Auditor is referring to. But we did not have the problems that the Principal Auditor is referring to after 2020, because we had dealt with them in 2016-17 and 2017-18.

Madam Speaker, I am going to try and abbreviate what I am saying in order to keep the House for less time, but there should be no doubt in hon. Members' minds opposite that they will not be garnering support for their Motion when it comes to what this side of the House is going to do.

2200 Madam Speaker, in particular, when it comes to the Public Accounts Committee, I want to refer the House to paragraph 2.8 of the report of the Democratic Reform Committee, which the Deputy Chief Minister referred to, and to the exact terms of our manifesto commitment at page 40 of our manifesto. I was going to take the House through those in detail, but I think they have been entirely properly ventilated by now, so I do not need to repeat those.

2205 But I do want to make this important point. The Parliamentary Reform Committee, the Canepa Committee as it was referred to in shorthand, had a minority report. That minority report was delivered by Mr Robert Vasquez, who was a candidate at the last General Election as an independent. I just want to remind the House that Mr Vasquez's minority opinion did not deviate from the findings of the rest of the Committee on the Public Accounts Committee. It was purely on the electoral system, not on the issue of the Public Accounts Committee.

2210 So, Madam Speaker, we are going to be very clear that we are going to stick to our position on the Public Accounts Committee and we are very proud of the work that we have done in the years that have been reported on, in particular in the context of the revenue for those years and how we drove, not just the GDP up in a way that they had said we could not deliver on, but also the revenue.

2215 When you look at what it is that they are saying and the vehemence with which they are saying it, Madam Speaker, when it comes to this PAC, and the absence of it and every other overseas

territory having a PAC and us not having it, I have to remind hon. Members and I have to remind the House and those who may be watching that we have, of course, heard all this before.

2220 Of course, as the Father of the House and the Deputy Chief Minister have reminded us, we have heard it from them on the Public Accounts Committee and they have won elections in 1996, 2000, 2003 and 2007 and saying they are going to have a Public Accounts Committee and they have not delivered it.

2225 But we have also heard it in other matters. We have heard from them, Madam Speaker, that if we were to have an L&G facility in Gibraltar we would be risking blowing up Gibraltar. *(Laughter)* We won the election on that subject in 2015, and the morning after they were the damp squibs of damp squibs, and did not do that which any right-thinking Gibraltarian who felt that the L&G facility was going to blow up Gibraltar, and go and chain themselves at the doors of where the facility was going to be installed. That is what I would have done. If I thought somebody was going
2230 to do something that was going to blow up my children, I would go and stop it. I would lie under the tanks to stop them from laying the tanks.

John Cortes would do that for a simple tree! *(Laughter)* Let alone to stop Gibraltar from being blown up. Hell and brimstone, this is going to blow up Gibraltar. The public vote for it, they accept it, do nothing about it.

2235 On equal marriage, I thought that I was finally going to resolve the issue that many of us have in our minds about whether or not there is a heaven and a hell; because either a St Peter or somebody else would emerge from the skies that opened after we voted in favour of equal marriage and I would see for myself that this was going to happen. This was going to enable us to see the heavens open because we had voted for equal marriage. They all voted against and yet,
2240 of course, at the last General Election we were told that if elected, the GSD position was that they would not change anything on equal marriage. But look, equal marriage is about a civil status here.

On abortion, Madam Speaker, I was accused of everything short of being the abortionist myself. The hon. the Leader of the Opposition, who failed to respond to my entreaties to produce a different law, which he said could be produced but he did not ever put pen to paper on, joined
2245 those who were against the limited legalisation of terminations and reproductive rights for women, and voted in a referendum against it.

There, they happily accepted the result of the plebiscite. So they accepted in relation to what they described as the ending of human life and they said, fair enough, there has been a referendum, we will not change it even if we win the general election; and the Hon. Mr Bossino,
2250 who passionately feels in respect of these things, also joined in the context of his leadership election with the Hon. Mr Azopardi, saying, 'Okay, but if I am elected, I will not change anything.'

Having the power, when you become leader of a party and you hope to become Chief Minister of Gibraltar, having the power to do something to change the things which you believe are wrong, passionately wrong, because he told us and I respect him for having told us – and then saying, but
2255 do not worry because it gets in my political way, I will not do it. You can still vote for me, I will not undo abortion, is really quite remarkable; and despite that, despite all those conscience issues, hell and brimstone issues, which they now say they will not undo because there has been a vote and people have accepted it, on the Public Accounts Committee there are more papal than the Pope.

2260 So when it comes to what we might call the shorthand, the papal issues, equal marriage and abortion, that is fine. The public have voted, I will not get anywhere near it, it is fine, you can vote for me, do not worry. On the economic issue, on the political issue, the public accounts committee I do not accept four successive general elections. I will do it anyway. Even though I had the chance to do it for four successive general election wins.

2265 This is remarkable, Madam Speaker, this is not serious politics. We have to take everything that they say with a pinch of salt. In one day they are crusaders against overtime and the next day they are crusading to my office to defend overtime because we have had the gumption to try and stop it.

2270 It is remarkable and woe betide us if before the general election we had touched anyone's allowance or told them that they could not work until 9 o'clock, because it was from my office to College Lane (*Laughter*) and we were getting the feedback. We were getting the feedback, it is okay I have been told by the GSD that my overtime is safe, my allowance will be put into a pension and I will be fine. That was before the election. Now they are with the Principal Auditor on the overtime and allowances.

2275 Well, look, if Joe Bossano and the rest of us were almost not elected, the right analysis for Mr Bossino to do is because we were standing in the way of the abuses. If we lost support it is because we were stopping the things that the Principal Auditor has identified are the problem. If people they said were flocking to them, they know they were flocking to them because they wanted more overtime, because they wanted more allowances and we were saying no. That is the reality because we have been firm on these issues and if it costs us popularity, it has cost us popularity because it was the right thing to do. That is why we agree with the Principal Auditor in many of these things because he was agreeing with us.

2280 Madam Speaker, I have to confess that there are some things that you work out later and they have taken positions defending people who are, in our view, abusing overtime and abusing allowances, etc., only to now change their position and be against the abuse of overtime and again, the abuse of allowances.

2290 I did not quite understand, Madam Speaker, you know I have seen this before that is why in one of my budget speeches I almost sang them the *Karma Chameleon* from Boy George and Culture Club because they change their colours quicker than chameleons. But I did not quite understand that at the General Election, their slogan, time for change, was actually descriptive of what they were going to do the minute they were elected.

2295 That is to say, they were going to say one thing before the election and they were going to change their position the morning after, because before the election they were the ones defending everyone who was told no by Sir Joe or by me. What the Principal Auditor does is to look for needles in haystacks. Of course, I have boasted, I suppose legitimately even they will agree, of the highest revenue in any year. But there were problems, of course there were, the ones we were identifying, which we were pointing the auditor to, and others which the auditor is looking for that is what an auditor's job is, to find the needles in the haystack. But that does not mean that you get rid of the haystack; you identify the needles and you get rid of them.

2300 When it comes to contracts without tenders and efficiencies, Madam Speaker, the hon. Gentleman will allow us to say that we think that we are Boy Scouts who have done things because we needed to deliver business efficacy. We have defended those things, we have explained why we have done them, we have come under attack, fair enough, that is what democracy is about.

2305 But we are Boy Scouts or Girl Guides when it comes to this, because we have never given a contract for the cleaning of Gibraltar without a tender, despite the European rules. We have never given a contract for £1 billion of value for the Airport works, the approach road, the approach lighting, etc., the tunnel without tender despite being asked in this House, specifically, about that contract; and neither can we be accused of being inefficient in the way that we handle our contracts because of a Tunnel work's contract to deliver the Europa Sports facility, which had to be done quickly to save the heritage asset because, of course, we would have been accused of sacrificing the heritage asset if we had not done the contract for the tunnels.

2310 I mean, it is not as if we had done a contract for £25 million that went on to cost £85 million, that is not our record, Madam Speaker, because we did not build the new air terminal, which was billed as costing £20 million or £25 million and ended up costing £85 million. That is a GSD record. We do not have the record for buying a building to turn it into a theatre and ending up with a £10 million hole in the ground. *That* is a GSD record.

2315 Imagine if we had the record for lending a developer £7 million. That developer loses the £7 million, goes into liquidation. The Taxpayer loses its £7 million and Barclays Bank loses another large amount and Barclays Bank leaves Gibraltar as a result. That is not a GSDP-Liberal record, *that* is a GSD record. And imagine if in the context of those contracts, what the developer builds is a

2320

set of flats that start to buckle after the fifth floor. That is not a GSLP-Liberal record. *That* is a GSD record.

2325 So the hon. Gentleman, I think, will with humility understand that we are not going to take any lessons from them on sticking to budgets, on granting contracts without tenders, or on efficiency, because at the end of the day this is about who can be trusted with Government money. With that record, I would consider them indictable of the offence of not being the best people to hold the purse strings.

2330 But, of course, look at the attack we suffered, Madam Speaker, for four years or eight years on the issue of the *Sunborn*. I should call it the '*sunburn*' when it comes to them because they said when it first came into the Bay that we had invested £40 million of Taxpayers' money on a rust bucket and that we were going to lose it all. That the depositors in the Savings Bank were going to be left without a penny.

2335 When we announced that they paid everything back and that we had made £10 million, they never mentioned it again. When I juxtapose these things, Madam Speaker, with the things that we have seen from the Principle Auditor, I am not criticising the Principle Auditor, the Principal Auditor is doing the right thing, a good job identifying these problems which we had signposted to him, even though we disagree with him on some things. But when it comes to Credit Finance and the fact that he refers to the early exit packages producing a payment from the Government of £5 million or £6 million to Credit Finance, as if that were a loss to the Government, we have to remember that Credit Finance is not entirely alien to the Government. It is held through the GDC and so the value here is that that money is being paid into the Government through another structure.

2340 So, Madam Speaker, we roundly disagree with those elements of what it is that hon. Members are suggesting are the findings of the Principal Auditor that are contrary to what the Government defends.

2345 But of course one thing is clear, because Mr Clinton has repeated it again today and Sir Joe often refers it to the House, as Father of the House. That hon. Members have confirmed that they are unable to determine whether things that the Government is doing are value for money or not. In other words, their analysis of the book with double the detail that we used to have, does not enable them to get up and say, 'This is not value for money.' And yet Sir Joe's analysis on the Housing Works Agency, without seeing it in the Estimates Book because it was done in February of 2011, was sufficiently precise to be able to demonstrate that it was not going to be value for money, it was the wrong decision and to be vindicated by the Principal Auditor six years later.

2350 Well, Madam Speaker, that, I think, is a demonstration of how *we* do things compared to how *they* do things. And when it comes to the issue of Government companies, well look, Madam Speaker, first of all hon. Members know that we are voting money here in the Estimates Book to the Government structure because they left the Government companies, not just as holding companies but as trading companies.

2355 When they were elected in 1996, we had a structure which they called a web of Government companies, which were holding companies, it did not incur any costs, it held assets. The only trading company was the GDC, which is not a company, it is a statutory authority. They said they were going to undo it and yet when we were re-elected they had brought in many more companies as trading companies with losses in the region of £100 million. So we pay £25 million a year, latterly £30 million a year, towards that structure.

2360 Homeowners complained that the Principle Auditor does not know where the money is going, he says. Well look, the Principal Auditor is right to ask for it to be provided to him officially because that is how he would report. But do hon. Members know that the Principal Auditor has direct access to the computer system that shows him where every penny goes in respect of the Government companies, because they are all in the same computer system?

2370 So the Principle Auditor has nothing hidden from him, absolutely nothing hidden from him. He sees exactly where every penny of the £30 million goes. I have given it to the hon. Gentleman, during the course of Question Time in this House, very recently, just last week, Madam Speaker,

2375 just last week. But the Principal Auditor has not had it just last week, he has had it every day because he has access to that computer system; and the reason that he asked for it, Madam Speaker, is very simple, because he does not officially have access to it.

2380 So he is saying, 'Can I please officially have this access and have it confirmed from you?' But he has access to the information, Madam Speaker. But look, the Principal Auditor has reported on some companies whilst at the same time telling us that he needs a law in order to enable him to provide an audit in respect of some Government companies. What the hon. Members are doing is taking an auditor's report and turning it into a party political instrument; and that, Madam Speaker, is unfair – unfair on the Principal Auditor, because he does not deserve to be used as a political hammer by hon. Members opposite. But they should know that they will find us an anvil to that hammer and they know that anvils do not succumb to hammers.

2385 Madam Speaker, I was left with the feeling last week that the Hon. Mr Bossino – in his attempts to anaesthetise us during Question Time – was going to repeatedly refer us to the *Times* because he has referred us to the *Times* on a number of occasions. I do not know whether he has seen today's front page, he might not have had time to read it, given that he was obviously preparing deeply for the debate this afternoon – 'Cleverly warns of AI fakes threat to the election'. Misinformation, Madam Speaker, is one of the key things that we all have to be alive to. 2390 Misinformation is the sort of spin that goes beyond just putting a political complexion on things. It goes to, for example, suggesting that a Chief Minister is somehow deliberately engineering delays to things.

2395 I saw that one of their candidates at the last General Election, over the weekend, has tweeted about the United Nations Day for the highlighting of the spreading of information. The spread of misinformation can result in people being left uninformed, unprotected and vulnerable. Do not share rumours. I could not agree more.

2400 Of course, that stable mate of theirs, who was not elected, was below Sir Joe; and the person who came after Sir Joe said that she had been the subject of a misinformation campaign last year. It has had a detrimental impact on her family and required journalists to check their facts before reproducing lies.

2405 But of course, it is all the question of what is the misinformation? It is misinformation to say that the Principal Auditor is highlighting things which we are responsible for, without explaining that they were the seed which germinated into the abuse. It is misinformation to talk about things as if we are the ones who have done them wrong, when in fact they are the ones who have done them wrong.

2410 Whether it is the early exit schemes or GJBS, because GJBS, Madam Speaker, one of the criticisms that the excellent men and women of GJBS have had to suffer, is that they are told that they are expensive by the Principal Auditor when doing the work that the Housing Works Agency would have been doing before.

2415 But it was not us that gave GJBS a 20% pay rise after the General Election campaign of 2011 had begun. It was not us that poisoned GJBS in that respect. It was them. So it is misinformation for them to now complain about the cost of GJBS without going back and saying, we put our hands up to the fact that we put the cost of GJBS up. In the same way as it is misinformation to say that we are cheating the public, as the hon. Leader of the Opposition did in one of his tweets.

2420 Ironically, Madam Speaker, his tweets, when I see them, say that they come from Earth rather than from Gibraltar, on 12th February from Earth, right? The GSLP shambles cheats you: no tender, invoices signed by Chief Minister, duplication of invoices, contractor paid twice and Government did not even realise without saying but the money was returned because we did realise; and no tender is seen as cheating, except this was a very small contract which had to be done quickly. But what about the contracts that *they* granted without tender for over £1 billion?

If we were cheating, what were they doing, Madam Speaker? Highly questionable Europa Sports Tunnel contracts. And then of course the issue of the Meddoc contract.

Now, Madam Speaker, let's be very clear. There is advice to politicians that if somebody is running a rumour which is not true you should not reply to it, because it is not true and you are going to give it legs.

2425

I have never taken that advice, I have always faced things head-on, and that is why I have said in this House in the past, I and no member of my family has any relationship whatsoever with Meddoc. As far as I know, the person who used to be my mother-in-law had no relationship with Meddoc. I always thought it was very unfair for that to be the allegation. But the Hon. the Leader of the Opposition has no compunction, knowing me as he does and knowing that I would never lend myself to anything that was potentially suspect, in referring to the Meddoc contract as 'suspect' trying to play the innuendo. 'Facts behind the suspect Meddoc contract award only emerging now because Mr Picardo engineers delays to slow down the Principal Auditor and block scrutiny and accountability'.

2430

Well, Madam Speaker, I am not going to sue him for libel, but he knows the law of libel well enough to know that this is a clear attempt at running an innuendo suggesting that I somehow stopped analysis of this because, somehow, I was related to somebody who had something to do with Meddoc. I do not believe I ever did. I do not believe anybody who has ever been related to me had anything to do with Meddoc, ever. But there is absolutely nothing suspect about the Meddoc contract. *Quite the opposite.*

2435

2440

Hon. Members have to remember that when we were elected there was almost none of this care done. They spent a few hundred thousand pounds in providing care. We now spend many millions of pounds in providing care in our community. There was no alzheimer's and dementia facility at the time.

2445

There was Mount Alvernia and 30 beds at Cochrane Ward. That was it. There was about 150 beds for the elderly in Gibraltar at the time, yet almost immediately thereafter we opened a Calpe Ward. Then we did the Old Naval Hospital site, we stopped their dementia facility; and then we tendered and Grand Home Care got a contract and they started to owe us PAYE and Social Insurance in the hundreds of thousands of pounds. They started to abuse workers' rights and the union had an issue with them. Then we tendered again.

2450

And so, to answer the Leader of the Opposition's question – as I answered it at Question Time, because I did not avoid answering the question – no, I do not agree with the Principal Auditor's findings in respect of Meddoc and I asked myself why it is that the Principal Auditor made that finding. And why it is that I was not asked for more information about those tenders; why the then Minister for Health was not asked for more information about those tenders.

2455

I know, sadly, Madam Speaker, that a very senior civil servant who was involved in all of this process passed away, a very young man he was too, and that the Principal Auditor may not have had all of the information that he should have had in this respect.

So I am not being 'weak' in my feeble defence of 'the suspect Meddoc contract', which is what the Leader of the Opposition said in his press release of 6th February. I am being firm in the defence that the Government has ensured that we have got the best possible value for the Taxpayer and driven down the cost that the Government used to pay. And when I come to the issue of the terms of the Motion, I will address how we can redress that going forward.

2460

But this is not secret, Madam Speaker, because if the GSD had done their homework in looking at the answers that they had in this House before, they would see the answer to Question 51/2017 on the contract details for the Dementia Day Care Facility, giving them the exact amount for which Meddoc was being granted that contract, being told that the formidable John Cortes who has just gone out to spend a formidable penny, who was then heading the GHA, carried out a competitive tender board process to grant that contract. That there were six tenderers, three submitted quotes, they were interviewed by the tender board and that is how the contract was granted.

2465

2470

Then they ask questions about the ownership of Meddoc and the ultimate beneficial ownership going down the road of pursuing the innuendo. Then in question 140/2017, they asked specifically about ultimate beneficial ownership and they were given the information, all of the information; and then they asked the value of the John Mackintosh Wing contract in Question

2475 388/2018 and were given all of that information. Then we issued a public statement on 9th April 2018 setting out what the transition of care at the John Mackintosh Home to a new service provider was all about.

None of this is suspect or hidden, or had to be unveiled by a principal auditor in his report. All of it was shared with them in this House or with the general public; and if they want to see the contracts, Madam Speaker, I have them here and it is my intention to table them at the next sitting of the House so that everybody can see that there is no suspect contract, and no reason to believe any of the innuendos that hon. Members *might* have intended that should have run.

2485 But if you have a three-quote tender system that they introduced, how can it be wrong that we also pursue that after a tender process with the three who have submitted quotes? Or is it that this can be as simple politics as just because we are black, just because we are GSLP-Liberals the things that we do are suspect; and when they do suspect things they are fine, like giving contracts for £1 billion without tender. And *that* I intend to address when I come to the terms of the Motion and when I ask that this House resolve what it is that we should ask the Principal Auditor to do next.

2490 Madam Speaker, before I come to the terms of the Motion, there is one more thing that I need to deal with. The things that Mr Azopardi said, I was trying to avoid answering and I said I would answer during the course of this debate. Issues like: what are we doing to ensure that the Treasury Department is up to date in performing its bank reconciliations? We have given them additional staff resources.

2495 What is the status of the arrears recovery legislation, which the Auditor refers to in 3.3.7 of his report? It is in draft, it is moving apace. I assume they are going to congratulate us for re-establishing the Central Arrears Unit, which they disestablished when they were elected. They cannot now be aggressively pursuing that we do more with a unit that we had when we were in Government from 1988 to 1996, they disbanded and we re-established.

2500 Can the Government advise why the Principal Auditor has found in his recent report that there is no formal contract in place for the use of International Hansard Services? Well, Madam Speaker, because the previous Clerk, whilst attending a CPA conference, was able to do a deal and everybody has relied on that deal since then and I think we should have a contract to put in place. But why is it that they do not ask about the tender for this one or the three quotes? Because it is all above the threshold.

2505 What is it that we have done to advise, or can we advise what steps we have taken to ensure that statutory authorities and agencies are submitting their accounts to the Principal Auditor by the stipulated dates, and not lagging behind? Well, Madam Speaker, I agree with the Principal Auditor that they should all be submitting their accounts on time, because what we do as Ministers with the Financial Secretary is send circulars reminding people of their obligations to do that.

2510 What are we doing to ensure that the accounts of bodies who the Auditor has certified should be tabled in Parliament in a timely fashion are tabled? Ensuring, Madam Speaker, that they have the resources to do that. I have already told him when it is expected that the 2019 report should be done.

2515 Well, Madam Speaker, I know that that has been lengthy and I apologise but when so many innuendos fly and so many things are said in order to try and get the lynch mob to run against us, when I say I am here to stand between them and the public servants and the civil servants of Gibraltar, I am going to explain every detail of why.

2520 So, Madam Speaker, if the usher would come in. I propose to amend the hon. Gentleman's Motion. If the usher could very kindly distribute to each Member of the Government and the Opposition the terms of the written notice that I have given to amend the Motion. I propose to make this Motion real and I ask that hon. Members have the humility to understand why it is that the Motion that I am going to propose should, in Mr Bossino's interpretation, enjoy the unanimous support of the House.

2525

Madam Speaker, I propose that the House should amend this Motion as follows. It should insert the words 'and welcomes' after the word 'notes' and delete the words 'delaying the tabling of the ...'; and then at the end of that first paragraph, delete every word after 'March 2018' till the end of that paragraph, so that the first paragraph should read as follows: 'This House notes and
2530 welcomes the Principal Auditor's report on the audit of the Public Accounts of Gibraltar for the year 31st March 2017 and 31st March 2018.'

I assume, that so far, we can agree.

I then propose that the following paragraph should have the words 'calls on to assist' deleted and then the following words added – and I will read the whole paragraph given that in this context
2535 it is just the addition of words, as far as I can see. So that the second paragraph would read as follows: 'Commends the Government for its continued assistance and co-operation with the Principal Auditor and is assured by the Government that it will continue its customary assistance and co-operation in assisting the auditor in completing his work on the Public Accounts of Gibraltar for the year 31st March 2019 and every year thereafter.'

Then delete the words 'calls on' at the beginning of the next paragraph and add the word
2540 'welcomes' and say 'the Government indication that it intends to take the Supplementary Appropriation Bills 26/23 for the two-year period 2019-21, through all of its parliamentary stages in the March 2024 meeting of Parliament'.

Then delete in the next paragraph 'calls on' and add 'similarly welcomes the Government
2545 indication that it intends to take the Supplementary Appropriation Bill 27/23 for the year 2021-22 through all of its parliamentary stages in the March 2024 meeting of the Parliament.' And then say this: 'This House furthermore resolves that it is democratically right and essential to respect the fact that at the last General Election the electorate selected a very clear policy set out on page 40 of the election-winning GSLP-Liberal manifesto, which specifically provides that there
2550 should not be a Standing Committee created to be designated as the Public Accounts Committee.'

Delete the rest of that paragraph and then add the following three paragraphs: 'Confirms the
2555 importance that this House places on the excellent work of successive Principal Auditors. Notes that the contracts awarded for the provision of care to Meddoc and other providers was the subject of tenders and negotiations designed to reduce the price paid by the Taxpayer, despite the relevant information in this respect, unfortunately, apparently not having been provided to the Principal Auditor and invites the Principal Auditor to review this part of his report with the further information available; and now calls upon the Principal Auditor to investigate, with the full co-operation of the Government and the provision of such additional resources as may be
2560 necessary, the legality of the grant of contracts by the previous administration to Master Services and for the Airport tunnel, roads, approach, landing and related works without tender and to report to this House accordingly in such time-frame as he may consider reasonable in a special report on the same.'

Speaking now, Madam Speaker, to the Motion as I propose it should be amended. I think I have
2565 highlighted, in the context of what I have said already, what are the issues that I am trying to ensure the public gets clarity on. In particular, given the way that the Leader of the Opposition and Mr Clinton and his party have sought to suggest that the party and Government that I lead have, somehow, failed to act properly in the grant of contracts and in the use of the three-quote system which they invented.

Madam Speaker, I think it is absolutely essential that we address what it is that the Principal
2570 Auditor has said has been the information he has not received in respect of the Meddoc contract. I am disappointed that we were not asked for the information at No. 6 Convent Place. We would have been able, perhaps there, to remind, because of the change of Ministers, those in different ministries, what had happened in respect of those contracts.

Some of those negotiations actually happened in my office because there was one particular
2575 company, Grand Home Care, that was refusing to lower the amounts that were charged per hour to the Government. They were seeking to run a cartel with other companies and I was very clear to them that they would not get any contracts from the Government unless they were up to date

with PAYE Social Insurance and they agreed to the reasonable but lower rates, which the Government was proposing; and we did all that to get the price down from the amounts that were previously being charged. In other words, these tenders led to a *reduction* of the cost to the Taxpayer.

Whilst most tenders might lead to an increase because it is at the end of a period, the negotiation we led actually meant that costs were reduced; and in particular, Madam Speaker, what erodes trust is when something is abused for a party political purpose in a *Trumpian* way. So it is very important that we amend the Motion, as I am proposing, so that the Principal Auditor has the chance to go back. He cannot be interfered with, but he can be asked by this House to look again at something because his report highlights that he has not had the information he needed to have.

John Cortes was the Minister for Health then, then we had Neil Costa and we have also had Samantha Sacramento. There is a lot of information going back a number of years. We had the problem of the death of a young man who was closely involved with all of us in those negotiations, who would have been the official, who would have been the constant. So it is up to us now to help the reconstruction of that and invite the Principal Auditor to have this information. And to understand, Madam Speaker, that sometimes there is great complexity in the heart of Government and how Government does things; and sometimes, Madam Speaker, you cannot simply answer with one word. You have to go into detail of how things are going to be done and these were *very* tough years that we were dealing with, Madam Speaker, to all of our detriments.

But look, despite that, in all of these years being reported on, we delivered more new schools than they ever delivered and I am just talking about one term. We delivered higher revenue than they ever delivered, bigger surpluses than they ever delivered and an Island Games, which Gibraltar became committed to because others could not deliver them.

So, Madam Speaker, I think it is very important that we understand that there is absolutely no misinformation that we have ever been responsible for perpetuating. But as I have, I think, now demonstrated, Madam Speaker, there is a lot of misinformation that we have fallen subject to.

But given that all of this is framed, Madam Speaker, in the context of a public statement yesterday echoing public statements that we had to face in the General Election, that we were somehow misleading people with the things that we were saying, I think it is only fair, Madam Speaker, that I should table, in this House, the University of Gibraltar's telephone bill for 1st June 2015 which shows an average spend of £3,000 a month, and the University of Gibraltar's telephone bill for the month after, which shows that the then Vice-Chancellor incurred a cost of £97,000 to the University, demonstrating that we have never perpetrated on the people of Gibraltar, any misinformation whatsoever, although we stand accused of that; and that of that £97,000 incurred in one month, in one instance it was £42,000 incurred in 1½ hours of data roaming.

So, Madam Speaker, if there is any misinformation affecting the public's perception of politics and politicians in Gibraltar it is misinformation put into the public domain, not by the GSLP-Liberals, who are scrupulous in telling the public the truth always and at every moment, believing that it is a slippery slope indeed if we start to garner votes by misinforming the public, something we would never do.

But I would say, Madam Speaker, I am not surprised that I have not received a writ for libel from that person who stood for election with hon. Members opposite because she will know, like I know and now the whole of Gibraltar knows, that what we said was true; as everything I have said in this debate about every aspect of what the Principal Auditor has raised and which I have addressed as I have moved the Amendment.

And so, Madam Speaker, I now move the Amendment standing in my name and hope to be able to reply to anything that hon. Members say at this stage on the Amendment. (*Banging on desks.*)

2630

NOTE: The following is the text of the amended Motion moved by the Hon. Chief Minister.

THIS HOUSE

NOTES and WELCOMES the Principal Auditors report on the audit of the public accounts of Gibraltar for the years 31 March 2017 and 31 March

COMMENDS the Government for its continued assistance and cooperation with the Principal Auditor and is assured by the Government that it will continue its customary assistance and cooperation in assisting the Auditor in completing his work on the public accounts of Gibraltar for the year 31 March 2019 and every year thereafter.

WELCOMES the Government indication that it intends to take the Supplementary Appropriation Bill B26/23 for the two-year period 2019/2021 through all its Parliamentary stages in the March 2024 meeting of Parliament.

SIMILARLY WELCOMES the Government indication that it intends to take the Supplementary Appropriation Bill B27/23 for the year 2021/2022 through all its Parliamentary stages in the March 2024 meeting of Parliament.

This House furthermore Resolves that it is democratically right and essential to respect the fact that at the last General Election the electorate selected a very clear policy, set out on page 40 of the election winning GSLP Liberal Manifesto, which specifically provides that there should NOT be a standing committee be created to be designated as the Public Accounts Committee.

CONFIRMS the importance this House places on the excellent work of successive Principal Auditors.

NOTES THAT the contracts awarded for the provision of care to Meddoc and other providers was the subject of tenders and negotiations designed to reduce the price paid by the tax payer, despite the relevant information in this respect unfortunately apparently not having been provided to the Principal Auditor and invites the Principal Auditor to review this part of this report with the further information available;

AND NOW CALLS UPON THE PRINCIPAL AUDITOR to investigate – with the full cooperation of the Government and the provision of such additional resources as may be necessary – the legality of the grant of contracts by the previous administration to Master Services and for the Airport tunnel, roads, approach landing and related works without tender AND TO Report to this House accordingly, in such time frame as he may consider reasonable – in a SPECIAL REPORT on the same.

Madam Speaker: I now propose the question in terms of the amendments moved by the Hon. the Chief Minister. Does any Member wish to speak? Hon. Member.

Hon. Dr K Azopardi: Thank you, Madam Speaker.

2635

I will not mind if you do not put the preface 'Honourable'. I know that sometimes it is a mouthful.

Madam Speaker: The hon. Member knows it is intended.

2640

Hon. Dr K Azopardi: Yes. Well, if I take a leaf out of the Chief Minister's book, I intend to adopt perhaps a similar approach. I am going to tackle some points that all hon. Members have

mentioned because it is all relevant to the amendment as well, because the amendment that has been put forward deals with the Motion put forward by my hon. Colleague, Mr Clinton, amends part of it, replaces text with different parts; and so it is important to focus the central pillars of the original Motion have been amended, but are there in a different form. So it is important to respond to all the items that have been raised by the hon. Member.

So can I start with the contribution, of course, of the Father of the House, who I have to say is absolutely consistent in his position. His position on the Public Accounts Committee is well known and has been the case for a long time. He focused his contribution on the Public Accounts Committee and my replies to him will do the same.

He takes consistency, if he does not mind me saying so, almost to the point of religious dogma. But that is not necessary, he may not think that is a criticism, he may think that is a compliment. But I would say to him that it is important that even though, of course, traditionally he has had that position, and indeed they have had that position, and I know that from the comments made by several Members they are unpersuadable on the issue of the Public Accounts Committee, despite the best efforts of my friend to my right. They are unpersuadable.

But despite that, I think what is important is to recognise that there is a need to modernise. We cannot just stay where we were because we have done it in that way for the last 20 years, or 30 years, or 40 years or whatever it is, just to stay in this parliamentary straitjacket despite the fact that governance reforms require something different.

The Members opposite pride themselves in saying that after 2011 they became the 'new dawn' and that they changed certain things. Well, I have criticised them for saying that they are the new dawn because I do not believe it. But they did change certain things and in changing certain things is because they took the view that certain practices followed by previous administrations, including the first GSLP administration, was wrong and should have been done in a different way.

So this is the same: if we want modernisation in terms of working practices or accountability, then that should also change; and that is the central point that I make.

The Father of the House said that, of course, we had the opportunity to do it and the GSD did; and I think that the theme was adopted then by several contributions on that side by the Hon. the Deputy Chief Minister and by the Chief Minister himself. And what I will say, and I will say it probably a couple of times in reply to different people, is that of course the GSD did have a manifesto commitment to do it in the 1996 election and there was an attempt to do it.

The reason it did not work was because the hon. Father of the House, who was then the Leader of the Opposition, made very clear that he did not want it. He said as much, very clearly, in Parliament and then afterwards when he was consulted about it and it was clear that he was never going to co-operate with that process, and in those circumstances it did not happen.

Was it a mistake? Yes, it probably was, because we could have thought of doing things in a different way. Although the theory that you could put other Members, maybe extra parliamentary Members, onto a Public Accounts Committee was not as developed as it is today, *many* years on, more than 25 years on.

The Hon. the Father of the House said, in a less generous remark, that they have got to do some catching up. He said, I think, to quote him, that: 'They have got to catch up to the level of manipulation the GSD did in Government'. That is precisely the phrases that, I think, he used. I thought that that was *stunning*, given the track record that the GSLP had in Government, and indeed through successive administrations, as I will give examples when I continue with my contribution.

Indeed, he also said that that my hon. Colleague, Mr Clinton needed to know the history of the party he defends, meaning the GSD. Well, equally, as he sees my contribution as it goes along I would suggest to him that, in fact, if there is a judgment on the issues that are the central core themes of the Motion that my hon. Colleague put forward that has now been suggested to be amended.

The central core themes are delay and where that comes from, and what is the cause and effect of the delay; and whether there should be a Public Accounts Committee. And on those central

2695 issues – in particular the first one, the issue of delay – the track record of the party that *he* defends is much worse than the party that *we* defend; and it will become obvious in my comments, why.

Several Members on that side pointed us to the Committee Stage of the budget so that we could address questions, but it is obvious that in the Committee Stage of the budget you just cannot do what can be done in a Public Accounts Committee. And if anyone is really interested out there to have a look at these processes, they are online now and they are not just in the big countries. In some Overseas Territories and Crown Dependencies, comparative jurisdictions to Gibraltar, of comparative size to Gibraltar the proceedings of the public accounts committees of Jersey, Guernsey, Bermuda are all online, you can actually view these sessions.

2700 And it is obvious when you look at the proceedings in the public accounts committees in those small territories – despite the efforts of the Chief Minister to persuade the listener that somehow this really does not fit in the democratic context of Gibraltar – despite all that, actually it makes Gibraltar seem strange; as a strange unique place where somehow it must be shielded from the light of accountability that has shone throughout the Overseas Territories and Crown Dependencies that have introduced this system.

2710 So, somehow, Gibraltar is special, it should be protected, the civil servants need to be protected. Well, in reality, Madam Speaker, what is happening here is not that the hon. Members want to protect civil servants but that they are *saying* that to hide behind civil servants so as to protect themselves from accountability. That is the reality. Because it is obvious that the Committee Stage of the budget just simply is not the forum where you can address the questions in detail, because when you go to any of these proceedings the Public Accounts Committee might

2715 look in detail at a specific contract or a specific issue of expenditure. They might call a second meeting a month later where they can ask for the contracts, where they can scrutinise particular expenditure. That is not the way the Committee Stage of a budget works in this jurisdiction where it is all rushed through at the end in a Committee of the whole House, where we simply do not have access to the back-up documents that make up these

2720 individual items of expenditure and do not have access to it. Whereas it is obvious when they are asking value-for-money access questions in through these procedures, that you can do so through the Public Accounts Committee process. The early exit schemes have been mentioned *many* times by the Chief Minister and by other speakers by ... I cannot recall which other speakers, I do not want to attribute comments to anybody else. But I certainly remember the Chief Minister saying so. And the Chief Minister, on a number of occasions during his contribution, has said, 'Well, all the Principal Auditor is doing is he is pointing everything that is wrong' – and he talks about misinformation, he has the gall to talk about misinformation and then says that all the Principal Auditor is pointing to is a malaise in respect of which the seeds are all GSD seeds.

2730 Well, if there is any misinformation it is in that statement itself; and I wonder why he has the gall to think that that even flies. If anyone picks up the Principal Auditor's report, where is the seed? When we talk about the Europa Sports Tunnel contract, where is the GSD seed? Or the Meddoc contracts between 2015 and 2018? Where is the GSD seed there? There is no GSD seed.

2735 Where is the GSD seed in other aspects of criticism of the Principal Auditor's report? And on the early exit schemes that have come up several times?

2740 The early exit schemes, the first one, was introduced by the GSD administration of Peter Caruana as he was then, Sir Peter, in early 2011. He was elected Chief Minister in December 2011. He is the Chief Minister of Gibraltar. He gave us, particularly my colleague to my right, he gave him a lecture on doing the right thing when you are in a position of power, when you become the leader.

2745 Well, if he thought it was so bad, the early exit scheme, why then not change it? Did he change it? Well, listeners might be wondering whether he changed it. Well, Madam Speaker, the conclusion of the Principal Auditor is that not only did he not get rid of it, but that between 2013 and 2021, the GSLP-Liberals changed the conditions of the early exit scheme in the original Housing Works Agency, expanding its terms and making it available to more people, and keeping

the scheme open indefinitely. And then, between 2013 to 2019, the GSLP-Liberals introduced new early exit schemes to six other Government-owned companies, agencies and departments, with the Principal Auditor noting that 'Not all schemes are the same'.

2750 So when the hon. Member stood up and said, 'Well, it is just that it was the same scheme rolled out.' No, it was not. The Principal Auditor says specifically in his report that not all schemes are the same as paragraph 5.2.3 if anyone wants to bother to check those things. The reality is that, I am afraid to say, the hon. Member is a master at misinformation, if he does not mind me saying so. Well, he probably does.

2755 Madam Speaker, the contribution made by the Hon. Deputy Chief Minister concentrated on the Public Accounts Committee in many great respects. His contribution did not address the issue of delay – of the politically engineered delay, which I will address a bit later in my contribution – and nor did the Father of the House look at that particular aspect.

2760 But in the same way as it was raised by the Father of the House, he did suggest that there were other mechanisms of getting the same information via the parliamentary structures. He has been a Member of this House a long time, longer than I have, and he knows that that is not so. Because in a debate we cannot get information from the Government. We sometimes can get clarification from the Government, when there is a Ministerial Statement, as we did earlier today when the Hon. the Minister for Financial Services made a Ministerial Statement.

2765 But in Questions and Answers we do not get information sometimes. Sometimes we do; sometimes we do not. Because, as was pointed out the other day, there is no control of the answers that are given. So, when Ministers stand up and say they are not prepared to answer, or are not prepared to answer some aspects, well that is the answer and we are stuck with it, and we do not have the ability to probe, and we are limited as to supplementaries.

2770 So, it is the idea that somehow in a Question and Answer session, or the idea that in a parliamentary debate, or the idea that in a Committee Stage of the budget, we can ask the same things as you could in a Public Accounts Committee is just complete nonsense. It is complete nonsense.

2775 If we really want to talk about the past, because the Hon. the Deputy Chief Minister raised this first and I was surprised actually. I was surprised to hear him talk about the past and other contracts that were granted just before the election and so on. Look, I do not think contracts should be granted just before elections, days before or weeks before; but if there is anyone who first started doing it, seriously, does he really want to talk about the past? Has he forgotten the contracts that were granted in the run-up to the 1996 election and other contracts that were granted? Or taking the last election, as an example, the *scramble* there was for votes as they were trailing in the polls, so as to give everyone who was complaining rises, or this, that and the other, or give in to demands.

2780 They had described the bus drivers as fielding unacceptable claims and yet we know that they settled claims with the bus drivers. (*Interjection*) So, I will not take lessons from them on good Government. If there is any manipulation and if it was suggested in that way, I am afraid to say the manipulation is on *that* side of the House.

2790 The Hon. the Deputy Chief Minister pointed to, he gave the example of an old Principal Auditor's report and talked about language and picked out language. But the reality is that the language and the tone and the criticism in this report, in these reports, is *much more severe* than in previous Principal Auditor's reports. That, of course, points out deficiencies in the past, but not in these terms of massive breaches of tendering laws; or indeed lack of information flowing to the Principal Auditor despite repeated requests for information.

2795 When you pick up this Principal Auditor's report it just strikes you that the amount of to-ing and fro-ing between the Principal Auditor, officials and Ministers in respect of aspects in relation to his value-for-money work and the sheer obstructionism that he is facing when he is simply seeking information. He says his role is being constitutionally undermined. He talks about the difficulties in getting information and he talks about his very clear conclusions.

2800 This is not us making this up, anyone can go and check the reports, and check and see what this report says. So, with all due respect to the Hon. Deputy Chief Minister, there was quite a lot of talk of birds the other day, ducks, but I am not going to say that was an intervention that suggested that, but it is another bird that came to mind when I heard him. It suggested to me that he is in cloud cuckoo land on that position, thinking that somehow this report is just another report. It is *not* just another report.

2805 Of course, I note that they are not going to abandon their position on the public accounts committee because it is their principle. But they call it a principle, fair enough, and I accept it is democratically legitimate to have different positions, but they elevate lack of accountability into a principle, as if it *is* a principle. Well, I think it is a difference of opinion but I am not sure if standing on the ethos of the central theme and philosophy behind their opposition to a Public Accounts Committee, which is really to want continuation of a lack of accountability and that the avoidance of scrutiny is a principle. It is certainly not a principle that I would commend to this House.

2810 The idea that there is an international view – I think it was put in that way by the Hon. the Deputy Chief Minister – that small territories are not suitable. Well, I have to say I beg to differ with him significantly on the subject, because precisely on the issue of small territories, he made the point that somehow there is an elevated academic thinking that we should not have public accounts committees for small territories.

2815 Well, the CPA, the Commonwealth Parliamentary Association, has produced a handbook on parliamentary financial oversight for small jurisdictions, precisely to support the establishment of public accounts committees in small jurisdictions. Far from it being an international view, that there should *not* be and that it is inappropriate for there to be public accounts committees in small jurisdictions, there is academic writing – supported by the Commonwealth Parliamentary Association – to bolster the principles of any jurisdiction wishing to establish a public accounts committee. And, as my hon. Colleague to my left has said, all Overseas Territories have introduced it; and the idea that Gibraltar should be, it is because ... as the Chief Minister was talking about bicameral and unicameral. To my knowledge, there is only one bicameral legislature in the Overseas Territories, that of Bermuda. All the others are unicameral. All of them have Public Accounts Committees.

2825 The Crown Dependencies, Jersey and Guernsey, the Isle of Man have Public Accounts Committees and yet somehow we are supposed to believe, the people of Gibraltar are supposed to believe listening to this debate, that somehow the quality of life, the quality of democracy in Gibraltar is better by not having scrutiny through a public accounts committee, even though everyone else has it. Everyone else has it, all the other small jurisdictions have it, but everyone is getting it wrong. Everyone is getting it wrong!

2830 Well, I think people will see through that transparent position because that transparent position displays an inability and unwillingness of the Government to expose itself to real scrutiny in a modern way. I am not saying about scrutiny how it was 60 years ago, or 50 years ago when the Hon. the Father of the House became a Member of this House. I am talking about scrutiny in a modern sense because we have got to move on, surely.

2835 Madam Speaker, the Hon. the Chief Minister, when he responded to my hon. Colleague, Mr Clinton, who kept his contribution fairly tightly – as he would, of course, given his style – to the central pillars of the Motion, which were about delay and the Public Accounts Committee. But the Chief Minister, in his reply, started wading around.

2840 We heard him make contributions about equal marriage and other things completely unrelated to this. You had to think, you had to really struggle sometimes during his contribution, to understand the relevance of the things that he was saying. It was just almost a scattergun political approach intended to undermine the central points that were being made. But on two very specific issues on which they have no answer – and on the issue of delay, they have no answer, and I am going to deal with it in detail, because they *have* no answer; but it was a scattergun approach intended simply to try to, in the way that he does, mask the arguments that are fielded because they have got no answer to those arguments. That is the reality.

2850 When he first got up, the Hon. the Chief Minister said I wanted to change the rules of the speaking of the debates. Well, I do not accept that I did. I think he always likes to give lessons on the rules and I do not accept what he said and that there is a natural order in relation ... that is slavish on these issues.

2855 It was obvious that he was going to suggest an amendment. It was obvious. So it is better that he went first and explain what amendment he wants to make. The convention, surely, is that the Leader of the Opposition should follow the Chief Minister and be able to reply to the Chief Minister; and I wanted to know what the amendment was so that I could deal with it on my feet and I intend to deal with it later in my contribution.

2860 He talks about, never before has an Opposition made so much hay on a Principal Auditor's report. Well, maybe because never before has there been a Principal Auditor's report like this; and never before has there been a Government that has politically engineered delays to the process which do not allow the Principal Auditors' reports to be concluded. That has never before happened.

2865 So I ask: what *are* they scared about? Because he says, the hon. Member says he is here to face the music. Yes, all right, face the music, what is there to hide? Why is the Government so scared that it needs to politically engineer delays to legislation so that the Principal Auditor cannot conclude his reports?

2870 If there was a monument to opaqueness, it happened the other day – which he still has not answered, by the way – because I asked him several times could he confirm that Meddoc were the lowest bidder in the two other contracts I mentioned? He still has not answered; refused to answer Question and Answer, said that he would answer when it came to the debate. Still has not answered

2875 That is why the Public Accounts Committee, actually, is more relevant because civil servants would *not* refuse to answer in the way that he does; and it is not the first time. I am giving that as an example because it happened the other day. But he knows there are *many* examples where we have stood up in this House, asked him questions and he point blank does not answer. And it is not just him, it is other Ministers. But civil servants *would* answer because they are politically neutral and they would provide the information to a Committee of this House with respect. He talks about respect and I will have something to say about that.

2880 Nobody believes. Nobody who has followed the detail of what is being debated today, believes that they have not delayed the conclusion of these reports. Indeed, he made what was a damning admission. He said that he accepted that the delays of the Supplementary Appropriation Bills delayed the publication of the reports. That was a damning admission. That is precisely what I am saying and that is precisely what we talk about.

2885 So to the charge as to whether they deliberately delayed the conclusion of the Principal Auditor's report and its publication, the verdict is guilty on his own admission. On his own admission. If Brexit obstructed things, and COVID, I am the first to say and understand that of course Brexit and COVID were huge challenges. Brexit is still a huge challenge for Gibraltar but that did not stop the Government continuing with normal business on other fields.

2890 So why is it that in relation to this, making sure that all the Supplementary Bills go through all the stages, through this Parliament, there you pray in a Brexit or later something else? I will talk about this in a bit more detail.

2895 But the Supplementary Appropriation Bill for 2016-17 was published in January 2018; and the 2017-18 was published in March 2019, not taken in this House. The January 2018 was not taken and passed in this House till July 2021, three and a half years later. In the meantime, there was actually quite a lot of Government business being done; and let's not forget that the parliamentary break, in relation to COVID, was principally between March and May 2020 because after May we came back, in a limited form, and in June/July we were back to normal business almost.

2900 Yet these Bills were not taken and the Hon. the Chief Minister says, he *thanks* the Principal Auditor for pointing out things that they corrected or are correcting. That presentation is almost *Orwellian* in nature. So everyone who has been subjected to hearing about the Principal Auditor's

report for the last five weeks should now realise everyone who is in shock or has been angered by the issues, should realise that instead of being angry you should be thankful that the Government has done such a great job. It is *Orwellian*.

2905 Does anyone seriously believe the things that are emerging from the Hon. Chief Minister's mouth on that issue? How desperate is he to defend himself about the criticism? It would be better, it would sound better for him to be a bit more self-effacing about the issues and accept there were things that we got wrong. There were things that are pointed out that were wrong. Not lay the blame at the GSD door all the time because people do not believe that, when he has been Chief Minister for 12 years and when it is obvious when you look at the detail that these
2910 things, some of these things, did not happen because of GSD issues.

It would be better for his credibility, out there, on this issue, the Principal Auditor's report, if he was more self-effacing on the matter. But he will take his own counsel on that issue; and not mine.

2915 Madam Speaker, I absolutely respect the election result. I *absolutely* respect it. I always do. But what I will say is this, because he has mentioned it several times that it has been the verdict of the people of Gibraltar that they should not have a public accounts committee for the last four elections.

2920 Well, I make the same point that I have made on many occasions when we have debated, when he has made similar points in respect of any granular point that happened to be in their manifesto at the time. In my experience, my *limited* experience – limited in the context of the Father of the House, because he has much more extensive experience than I do in politics – I have only been around for 30 years. I am not sure one can make as simplistic an analysis as saying that if I get elected, everyone has agreed with every single dot, line or comma of my manifesto.

2925 So to suggest, somehow, that the people of Gibraltar, as a collective, have formed the view that they do not want a public accounts committee because they do not want there to be scrutiny in that way, or accountability in that way. I think it is a facile, superficial position, with all due respect to him. I think that is not how people vote.

2930 People will vote on a panoply of reasons: some people will vote because they have a housing issue and they agree with him; or some people will vote because they agree with him on something else; or some people will vote because they like him; or some people will vote because they like *other* Ministers.

2935 But to suggest that people have voted, and as a collective, the people of Gibraltar endorse their position that there should not be a public accounts committee is in the same way not serious, because he said at certain parts of his contribution that our position is not serious. Well, I will tell him that *he* was not serious when he said that.

The hon. Member, you know, donned his best (*Interjection*) altar-boy expression. Yes, I was struggling, I had the Spanish in my head. He donned his best altar-boy expression to say that they respect us all the time. But we do not respect them. I just find that staggering.

2940 With all due respect to the hon. Member, there are harsh things said on both sides in the normal course of things. Let him, please, not pretend that somehow he arrives in these political debates with some saintly aura, as if he never gets his hands dirty. His very last contribution on this particular debate, trying to personally attack someone who is not even a Member of this House, shows that he is quite prepared, under the guise of privilege in this House, to say whatever he wants on any issue irrespective of the consequences.

2945 The hon. Member said, in his scattergun approach to contribution, he talked about us voting against the budget as if somehow that is relevant to the Motion on whether there are delays or whether in fact, we should have a Public Accounts Committee. He called it 'the arrogance' of voting against every budget. I made a note, what happened to what we were told a few minutes before, that we could have legitimate democratic differences of opinion? What happened to that?

2950 Why is our position of voting against the budget arrogant? What happened to respect? What happened to respecting our political view? We may have a different view. We have come to the

view that we should vote against the budget on some reasons that we have specified on a number of occasions, that I will not repeat on this occasion, but no doubt we will repeat in due course.

2955 **Chief Minister (Hon. F R Picardo):** Madam Speaker, I intended no disrespect to the hon. Gentleman, but I *have* to go outside to make a phone call.

If he wants to move on to replying to others ... But I have to go out and I have to make this phone call. (*Interjection*) Or recess for ten minutes if he prefers. It is up to him.

2960 **Hon. Dr K Azopardi:** It is probably best to recess because I am on his contribution.

A Member: It gives everybody a break.

2965 **Hon. Chief Minister:** Whether the House should recess for 15 minutes to 10 past nine, Madam Speaker?

Madam Speaker: Yes, for 15 minutes.

The House recessed at 8:55 p.m. and resumed its sitting at 9.10 p.m.

Madam Speaker: The Hon. the Leader of the Opposition had the floor.

2970 **Hon. Dr K Azopardi:** Madam Speaker, for the benefit of the thousands of people who are listening at this hour, I am going to start the point that I was making before I was interrupted again.

2975 So the Chief Minister in his contribution said to us, the arrogance of us voting against every budget – and this is someone who of course had said, and contributions on that side talked about that it was perfectly fine to have democratic politically legitimate differences, and that is a democratic legitimate difference that we have. Because it is certainly not arrogance to vote against them; we do so for reasons that we explain.

2980 We have explained before in the budget sessions to this House, and no doubt we will again in future if things do not change, because of course there are reasons why we do that. Again, he adopts this fairly peculiar, rather provincial view of things as if, ‘Well, it has always happened in that way until you broke the pattern. It has always happened like that in Gibraltar and therefore it should always happen like that in future’. Without adding that in *many* mature democracies in the Western world, Oppositions regularly vote against the budgets without anyone thinking it is strange; and they do so for legitimate political reasons, too.

2985 So, with all due respect, I do not think that it is either arrogant or indeed strange, because we have supported our position and it rather flew in the face of his own statements that they showed respect to us and yet they call our position arrogant. Well, then, that is a matter for him again.

2990 I have spoken before, during the initial parts of my contribution, about his repeated references to the sins that the Principal Auditor points to are all seeds of the GSD. That is palpable nonsense when you pick up this report. I know that is what he wants people to believe, but that is palpable nonsense.

2995 He can point to the original early-exit scheme being a GSD creation. What he cannot do is to then point to the GSD as being the reason why he decided to introduce schemes in six other entities. Nor can he point to the GSD in saying that he then changed the terms in particular different directions. Nor can he point to the GSD when his Government awarded the elderly care contracts in Hillside’s Bella Vista and John Mackintosh Wing between 2015 and 2018. That has got nothing to do with the GSD.

Nor can he point to the GSD on the Europa Sports contract. Nor can he point to the GSD on the deficiencies or the obstructionism of the Principal Auditor on the lack of information. The breaches of tendering laws, those are not faults of the GSD, they are the faults of his administration. Nor is it the fault of the GSD that people were abusing overtime in his time.

Now, it is clear that he said when he made that admission that the publication of the Principal Auditor's reports was being slowed down. He says he gives information to this House that on the 2018-19 Principal Auditor's report should be ready by December 2024. That is already four years after the event. I will have more to say about that timing so that people can understand the difference between his administration and the GSD because he is very keen about emphasising differences. So I think it is important that they stand on their track record.

He likes to talk about track record, so let's talk about *his* track record when we get to that stage. In one of his more emotionally enthusiastic, being-carried-away moments, he said that I was the equivalent of standing on the Hill in Congress. *Trumpian*, he said. Well, perhaps I will say this to the hon. Member: I think that was a moment when he was really getting carried away. Perhaps when he reflects a bit more about the consequences of what he just said, he would withdraw that comment, because being *Trumpian* and standing on the Hill in Congress was a person who did not accept the result of an election, and who could have incited or be seen to incite, in effect, rebellion. And I think that is so far removed from the position of the party that I lead that, on cold reflection, he might think he got carried away to say no more than that when making that assertion.

If there is anything *Trumpian* about the position, Madam Speaker, if there is anything *Trumpian* it is to say that it is all the GSD's fault. If there is anything *Orwellian*, it is to say it is all the GSD's fault because no one believes that. No one believes that after 12 years of Government when someone reports on your time in office it is somebody else's fault. Nobody believes that.

Nor is it the case that the caricature that he made of the type of people who were flocking to the GSD correct, either. People were not flocking to us because the GSLP was standing in the way of abuse. I think if there is anything *Orwellian*, that is what it is. So, somehow, they are the guardians of good governance, doing nothing wrong, doing everything right, being the most accountable and scrutinised Government ever. But if anyone supports us, it is because they are in favour of abuse.

Well, with all due respect, Madam Speaker, that is a disrespect of the electorate or the people who do not support them, because that is to put everyone who supports us in a container that they tolerate waste or abuse, or want particular concessions that are outrageous or unacceptable. There are many people who support us but they supported us for different reasons.

Again, it is impossible to categorise why people support us on a one-dimensional level. But it is disrespectful of the electorate and the people who supported the GSD at the last election, to somehow categorise people who supported us as being people who wanted to undermine good governance in some way.

Then he tries to joke at this late hour. I know he likes to pepper his speeches with jokes. So he makes a joke about our 'Time for Change' slogan. Our Time for Change slogan, he makes a joke. The problem is that, of course, Time for Change was never our slogan. But with the Hon. the Chief Minister, why let the truth get in the way of a good story? Let's just invent that we had the slogan because it fits with the story and now let's make the joke. Unfortunately, that was not the slogan.

He talks about contracts made without tender or contracts gone wrong, and he gives a few peppered examples of unnamed contracts. I still do not know what £1 billion contract means. From time-to-time he talks about this £1 billion contract, I am not sure what exactly he is talking about because he never gives further and better particulars about it.

But has he forgotten, if we are going to talk about contracts awarded without tender or contracts gone wrong, has he forgotten? Do they really want to talk about that? Because has he forgotten their award of a £2.5 billion project to a company that did not even exist when an expressions of interest process was run? Has he forgotten the award of the Victoria Quays project

3050 without tender; or the contracts gone wrong at Harbour Views? The disastrous Harbour Views that needed to be 'recladded'?

Or if he wants examples of opacity, the opaque unaccountable CSSL involvement in the murky dealings; and I mean murky by opaque dealings in respect of the structures behind the national economic plan. Has he forgotten about that?

3055 Then when he turned to Meddoc, he made a big thing about ... I have to say he protests too much about Meddoc, because he implied that he was outraged about the fact that we call it the 'suspect' Meddoc contracts. But we called it the suspect Meddoc contracts as shorthand because the Principal Auditor says they are suspect.

3060 The Principal Auditor was not satisfied that the contracts to Meddoc had been awarded to the most competitive bids. He found that he could not get information when he asked for it. He found that there was a breach of tendering laws. He found, bottom line, that he was not satisfied that the best value-for-money bid had been awarded, *ergo* to Meddoc; and therefore they are suspect for those reasons pointed out by the Principal Auditor. Not because we say so but because the Principal Auditor says so. It is not that our press releases were close to libel, we were taking what the Principal Auditor said and repeating it. That is all.

3065 I know he wants to pick a fight with us to distract from the Principal Auditor's reports, but the uncomfortable things that are being said are being *repeated* by us, not *invented* by us. The original source is the Principal Auditor's reports. So if he has a problem with the findings, address the findings.

3070 But the hon. Member's contribution, which was long and wide – and I have not replied on every single issue. I am replying on the amendment, because the amendment replies on the two central pillars of the original motion, so I am going to address that. The amendment addresses that and the issue of the politically engineered delay. So let's talk about that, because that is a central point which is addressed by the hon. Member in his contribution and in the amendment.

3075 I want to explain why they are politically engineered. Despite the previous promise to be speedier because under the law the accounts have to be transferred by the Accountant General to the Principal Auditor within nine months of the end of the financial year, unless time is extended by the Minister for Finance – the Chief Minister, who gave himself an extension of time to do so when Supplementary Appropriation Bills had been legislated by this House.

3080 We are not saying that this was a cause of the delay. We *are* saying it, but we are repeating it once again, because this is contained in the Principal Auditor's report. It is not our invention. It is very clear from the Principal Auditor's report that he says it is an issue of delay.

He says in page 369 of his report, the Public Accounts of Gibraltar:

I agree that the audit reports on the Public Accounts of Gibraltar to be presented to Parliament need to be submitted on a timely basis. However, there are a number of important factors that have contributed to the delay in finalising my report.

And he puts as his first reason the: 'Delay in enacting the Supplementary Appropriation Legislation.' And he talks about that massive delay.

The Public Accounts of Gibraltar could not be finalised until the corresponding supplementary appropriation legislation had been approved by Parliament. Consequently, the audit of the 2016-17 and 2017-18 public accounts could not be completed until the Supplementary Appropriation (2016-17) Act and the Supplementary Appropriation (2017-18) Act had been taken to Parliament and approved. This took place on 27 July 2021.

3085 The Chief Minister has already admitted that had an effect on slowing the publication of the report. It is an obvious point, despite him saying to this House that it would be different, that they would proceed differently, because as my hon. Colleague, Mr Clinton has said on 2nd March 2016, he came to this House and said that the practice, in future, will be that the Supplementary Appropriation Bills will be published earlier, and within the statutory nine months after the close
3090 of each financial year; prescribed for the submission of the annual accounts to the Principal Auditor under section 52 of the Public Finance Control and Audit Act.

So he said on 2nd March 2016, 'I am going to do this within nine months'. But the wheels have fallen off that wagon, badly; and that is having an effect, as the Principal Auditor says. And that is not something that I invented, it is a clear cause.

3095 What is the effect of the delay? Well, the effect of the delay is simple: the effect of the delay is to bury the truth on financial issues, to bury the scrutiny – and bury and slow down the publication of the Principal Auditor's report.

It is obvious: it delays value-for-money audits. It delays the ability of investigating. It delays the publication and it means things do not surface – politically uncomfortable things. All of that is natural consequences to the decision to slow down the process of Supplementary Appropriation Bills. All of that has natural consequences, whether he likes it or not.

He may think that is an uncomfortable truth, but my role is not to make his life easier. My role is to say it as I see it; and what I see, on this side of the House, is that he is engineering political delays for his own benefit.

3105 Before the 2006 Constitution, Madam Speaker, the Principal Auditor had to send his reports to the Governor before they were tabled in the House, and that tended to cause a delay. This was acknowledged by the Father of the House in a speech he gave in 2007, where he was talking about the receipt of the Principal Auditor's reports and accounts and he said:

Now we have the 2004-05 final audited accounts, and in addition, the 2005-06 audited accounts, which have arrived sooner than was the case previously, because under the new Constitution the Principal Auditor sends his accounts and reports directly to this Parliament without first submitting them to the Governor, as was the requirement under the previous Constitution.

I would like to take the opportunity to congratulate the Principal Auditor, both on providing the 2005-06 audited accounts so expeditiously to this Parliament and also on the contents of the report. The Principal Auditor completed his work this year by April and it makes the audited results much more relevant to have the details for the 2006 financial year when we are debating the 2007 budget, than to have a two year time lag, as has been the case until now.

3110 The Father of the House recognising several things: first of all that the changing constitutional practice meant that it could now be swifter after 2006-07; and that the two-year lag was the case before, and that a shorter period was more helpful to Members of the House. All of that supportive of what we are saying, and all of that supportive of the fact that when we are now contemplating reports that are six years old, seven years old and will be five or six or seven years old as we go forward because the delay is now locked in relation to subsequent financial years. It is unhelpful to the cause of scrutiny and accountability and the work of the Opposition; or indeed the public, the taxpayer, value for money, all those issues.

3115 In fact, Madam Speaker, what is clear ... and I think it is important to talk about this because the Hon. the Chief Minister likes to talk about the GSD in office and likes to expose our differences and so on. So let's talk about that. Let's talk about the GSD in office because as the Hon. the Father of the House said in his contribution in 2007, and indeed is supported when you look at the dates between the end of the financial year and the publication of the Principal Auditor's report during the term, the 16 years of the GSD being in office.

3120 The first period before the 2006 Constitution, and for the reason that the Hon. the Father of the House gives, there was on average a lag of between 18 months and two years because the report had to go via the Governor and it slowed the whole process down.

When that was changed as a result of the 2006 Constitution, it made it much quicker. So what was it? What was the experience under the GSD Government, especially during that last stretch after the new Constitution was put in place, the new Constitution that is governing the way that they are handling the public affairs of Gibraltar?

3130 Well, I will tell him, because the Principal Auditor reported to this House in respect of the following financial years on the following dates.

For financial year 2005-06 on 31st May 2007, 14 months after the close of the financial year.

For 2006-07 on 3rd April 2008, 12 months after the close of the financial year.

For 2007-08 on 2nd April 2009, 12 months after the financial year.

- 3135 For 2008-09 on 8th April 2010, 12 months after the close of the financial year.
For 2009-10 on 16th March 2011, 11 months after the close of the financial year. And, by the way election year, without any attempts to politically engineer the delay of the conclusion of the report.
And for 2010-11 on 17th May 2012, 14 months after the end of the financial year.
- 3140 But, Madam Speaker, that is the GSD experience, that is the GSD in office. Eleven to 14 months. But the wheels have fallen off the accountability wagon; the guardians of good governance; the GSLP-Liberals. But in fact, through this deliberate mechanism of delaying the Supplementary Appropriation Bills they have delayed scrutiny and the work of the Principal Auditor because where are we now? Where are we when we do the similar comparison?
- 3145 Let's do the similar comparison of recent years, because it started off well, they were fairly quick initially, but then 2015-16 in January 2019, nearly three years after the close of the financial year.
The ones we have just got, 2016-17 and 2017-18: 2016-17 six years and 10 months after the close of the financial year; 2017-18 five years and 10 months; and 2018-19, if we get it in December, will be more than five years after the close of the financial year. Five and a half years, if we get in December, as predicted by the Chief Minister.
- 3150 So where are we with the others? The 2019-21 Supplementary Bill is pending. We are now nearly, even if the Bills are taken in March – and I will address that in the specific wording of the amendment – that is already three years after the close of the financial year. Three years.
- 3155 And because of that, it will not be expected that the Principal Auditor will just take that and then immediately publish it. There will be a lag, because he will do the work that he normally does ... I do not know what kind of work, I do not sit on his shoulders, I do not know exactly the process that he follows. But it is obvious that once that Bill is passed there will then be a time lag to the publication of the Principal Auditor's reports.
- 3160 So the effect of that will be that even if those Bills are passed in March, we are now not going to get the Principal Auditor's report for the financial year ended 2021 for probably another long stretch of time; and by the time we get it, it might be five years after the close of the financial year. That is the reality. It might be close to the next election or maybe it might be after the next election. Who knows, given their track record?
- 3165 So that is the reality of what we are seeing. People understand it, when I talk about 'politically engineered' the Supplementary Appropriation Bill for 2016-17 was published in January 2018. This was two years before COVID.
There was an intervening general election, it was not taken before the 2019 election and you might think – the natural observer might think: 'Well, it was convenient because it obviously had the consequential effect that the Principal Auditor could not publish his reports.' And the Chief Minister will say, 'Oh that is so unfair, so outrageous.' But he is such a beneficiary of that and he is in control of the timetable; and he is in control as Leader of the House, of the Government business.
- 3170 So he cannot have it both ways. He cannot be in control of the business and then if we accuse him of slowing it down with that natural consequence, say it is unfair. If he wants us not to criticise him on that issue, well then make sure that you do what you said you would in March 2016, and take the Bills through the Parliament in a speedier way.
- 3175 It was so slow that they had to do it after the 2019 election. But they did not do it immediately after the 2019 election. No, they did it in July 2021, so late that here we are, those reports have emerged after the 2023 election, and hey presto he was the beneficiary of that. Also a fact, whether he likes it or not, an inconvenient truth.
- 3180 The Supplementary Appropriation Bill for 2021, Madam Speaker, was published in February 2022, 18 months before the last election. It could have been taken then, before the last election. No. They do plenty of parliamentary business when they want to. This was to ensure that the Principal Auditor could conclude his reports; and yet it did not happen. People will make their own mind up as to why that is the case.
- 3185

The hon. Member can say as much as he wants, that they had pressing business on this, that or the other. But when it is convenient, they do what they want. So he will forgive me for not accepting that as the easy answer to the problem.

3190 Where this leads us, Madam Speaker, is that the result of all that is a democratic deficit. It is as high as that. It is a democratic deficit because the Principal Auditor is a constitutional officer of independence, intended to conclude important work on the scrutiny of the Government accounts in a way that we could never do. Because he has the resources, the team and the ability to seek information directly from civil servants and the Government, in a way that we could never do. To
3195 get answers in a way that we could never do. That is not just my view, that is the view of the Principal Auditor; and yet that is the conclusion.

So when the Principal Auditor's work is blocked to the point that he cannot conclude his reports, of course it is a democratic deficit. It is a double democratic deficit when there is not a public accounts committee to support the work; because if the Principal Auditor was blocked, but
3200 we had a public accounts committee, we could be much more incisive about it. And yet the report reviews and reveals that not only is there a democratic deficit, that that Principal Auditor believes that his independence is being undermined and that he is being obstructed in the process of seeking information. So if they have got nothing to hide, they will get on with it, and they will also make sure that in future they get on with it too.

3205 It is not just about comparing when the Principal Auditor's reports were published during the GSD period of administration. Because all the GSD could do ... the GSD could not publish the reports, it is up to the Principal Auditor, who is independent, but it is interesting that the publication of the Principal Auditor's reports was coming so soon after the end of the financial year.

3210 It is interesting that under his administration, especially in the last six or seven years, they have done the reverse, they have slowed it down so that you cannot get the publication of those reports; and people will make up their own mind as to what that means. But it is instructive to compare when the GSD was taking the Supplementary Appropriation Bills through this Parliament and when *they* are. Because I have explained what they have done with the Supplementary
3215 Appropriation Bills that were published in 2018, 2019 and in 2022, and not taken.

So what did the GSD do? Well, I will tell him, because he is so fond of comparisons. So let's compare, shall we? Because he is fond of comparisons and I know he may find this uncomfortable, but let's make the comparison. We can take any year, but the average is that the Supplementary Appropriation Bills were being taken by the GSD within that financial year, or within months or
3220 days after the end of the financial year.

So let's start. Let's give examples. Look, 1996-97, our very first year, on 17th March 1997 the Supplementary Appropriation Bill for 1996-97, that year, within the financial year. I will not bore the House with all the dates, but let's rattle them off:

In 2000-01 on 26th March 2001 that year;
3225 In 2001-02 on 25th March 2002 that financial year;
Within the financial year 2002-03 on 29th April 2003, one month beyond the financial year;
In 2003-04 on 30th June 2004, three months after the financial year;
In 2004-05 on 23rd June 2005, three months after the end of the financial year;
In 2005-06 on 19th April 2006, 19 days after the end of the financial year;
3230 In 2006-07 on 31st May 2007, two months after the end of the financial year;
In 2007-08 on 27th May 2008, two months after the financial year;
In 2008-09 on 30th July 2009, four months after the end of the financial year;
And in 2009-10, the last Supplementary Bill that was passed by the GSD before they lost the election, on 8th November 2010, seven months after the financial year.

3235 When you look at all that and you compare to *their* record in office, their recent record: 2016-17, four years and four months after the end of the financial year; 2017-18 on 27th July 2021, three years and four months; 2018-19 on 27th July 2021, two years and four months; 2019-21,

even if it is taken in March this year as the amendment suggests, three years after the end of the financial year.

3240 That is the difference between them and us that, on average, we are taking our Supplementary Appropriation Bills within a month or two of the financial year. They are doing it years after with an obvious effect. The obvious effect is that they delay the Principal Auditor's report, its conclusion, its emergence and they are the political beneficiaries of the lack of scrutiny.

3245 Madam Speaker, a few words about the Public Accounts Committee, if I may. My hon. Colleague, Mr Clinton has at length explained the rationale behind the Public Accounts Committee, and of course we accept there is a difference of opinion. We do not agree with them. But I will say, why we disagree with them that there should not be a Public Accounts Committee for Gibraltar, and therefore cannot agree that aspect of the amended Motion that suggests there should not be a public accounts committee for Gibraltar.

3250 Perhaps the starting point, if I may, because the Public Accounts Committee in the Westminster model has a long-standing history, started in 1861 under the Prime Ministership of William Gladstone. Who, the Father of the House will be delighted to know, was Prime Minister at the age of 85. So perhaps he will throw his hat in the ring in the succession contest to come shortly on that side of the House.

3255 But the Public Accounts Committee has been described by the eminent constitutional historian, Peter Hennessy, as the Queen of Select Committees, which by its very existence exerted a cleansing effect in all Government Departments. Indeed it did. And it may be that for some time we have been speaking about a Public Accounts Committee on this side of the House and perhaps it has seemed an esoteric concern.

3260 But I would venture to say that if people did not fully see the need of a public accounts committee or appreciate it, in the face of an opaque Government that manages Gibraltar's affairs in this way: not willing to give answers; not willing to give straight answers to straight questions; not willing to provide information, not even to the Principal Auditor; obstructing accountability; and in the face of this Principal Auditor's report I venture to say that people understand the argument for a public accounts committee so much more now.

3265 So if there is one thing I am grateful to the hon. Member for, is to having ensured that people understand why we *should* have a public accounts committee; and a public accounts committee is complementary to the Principal Auditor and the work of Parliament. And of course it *should* be. And anyone looking at the work of public accounts committees across the Commonwealth would be struck by the work that is done.

3270 It is not intended to be partisan. It is a forum where you advance the work of value for money, and scrutiny, and accountability. Because if we are a modern democracy, if we are a mature democracy, which I believe we are, we cannot stay as we were. We change things all the time, Madam Speaker, we change things all the time because things change around us. So technology

3275 changes the way we work and we do things different in the Health Authority or in the care services. We do things different in how we sell goods or transact financial services; but in this House we are supposed to pretend that the working practices should not change and the composition should remain the same, broadly. And nothing else should change, and even though the world changes around us and even though other places get a public accounts committee for good reason,

3280 Gibraltar should stay in a cocoon because we are special, we do not *need* that level of scrutiny because somehow we are blessed with a Government that are the guardians of democratic accountability. Well, I am sorry but I just do not buy those arguments, because democracy evolves and is dynamic and changes, and you need to move and amend things and practices to ensure that you

3285 do things in a better way; and when you look at the work of public accounts committees around other jurisdictions you can see the value of those committees. The Motion that was suggested and put forward by my hon. Colleague, Mr Clinton suggests a membership of four, with the Chair being a Member of the Opposition. I should say that that is a stop-gap composition because in my view the future composition of a public accounts committee

3290 should be made up of backbenchers on both sides. That would be a better way of proceeding and indeed there should be, possibly, also extra parliamentary Members. That is the case in other jurisdictions.

When you look at the Public Accounts Committee of Jersey, for example, they have extra parliamentary Members as well as Members of the States of Guernsey – and there is even a job spec which is available online if anyone wants to see it, about how to join the Public Accounts Committee of Jersey and what your role and description is.

3295 So it is clear that the Public Accounts Committee is an important watchdog of value for money and scrutiny; and through its mechanisms and indeed through lay and independent members, can ensure relevant information and make recommendations and actions. It has powers, and when you look at the Handbook on Oversight – which was published for the Commonwealth, which I was alluding to earlier – it is also obvious that a public accounts committee should have an ability to seek Government’s responses on specific issues, which would be provided on a much more timely basis on matters of importance of value for money.

3300 All of that is important to guarantee a better handling of public monies. Because this is not a *game*, Madam Speaker. However much the hon. Members on that side may want to convert it into it, it is not a game. This is about handling the people’s money and when they have the privilege of being elected to the Government of Gibraltar they are handling the people’s money on sacred trust. That does not mean, therefore, that they behave as if it is their money and shield it from visibility. It does not mean that they obstruct the Principal Auditor and it does not mean that they obstruct a public accounts committee.

3305 It means that they administer the people’s money in a democratic context where there are checks and balances on the administration of governance and the financial administration. That means also ensuring that there are all these constitutional structures.

The hon. Member talks about and he relies on the 2013 Commission on Democratic and Political Reform, and what I would say about that – because of course it was chaired by a former Chief Minister that I hold in great respect – but the analysis in the entire report on the issue of the public accounts committee is, with all due respect to those authors, flawed and based on a history that does not need to inform the future.

3310 So, for example, in the whole report there is, in effect, three paragraphs that talk about a public accounts committee, in the whole report. The first one is a paragraph that does not express a view one way or the other, it just says we need to consider whether there should be a public accounts committee, as it existed between 1980 to 1984. That Committee was composed of two Opposition Members, one of whom was the Chairman, and two Government Members. So that paragraph does not express a view one way or the other.

3325 In the next paragraph, what they say is there have been varied views from responders, in the main there has been support for a public accounts committee, and there have been suggestions that such a committee should be chaired by a Deputy Speaker and that backbenchers should form the backbone of that committee. That paragraph does not express a view – *their* view – but expresses the view of the people who responded to the consultation. And the people who responded to the consultation, in the main, supported a public accounts committee.

3330 So, where is this collective Gibraltar population who is against the public accounts committee? When the 2013 report, which they themselves rely on, says that in the main people who responded on the issue supported it. But that does not express the committee’s view, it expresses the people’s view.

3335 Then he says that they are of the view, the committee, that the Public Accounts Committee proved ineffective in 1980 to 1984. In other words, 33 years before the report, that committee proved ineffective because Ministers were expected to scrutinise and question senior executives of their Ministerial colleague’s department.

3340 If a public accounts committee were to be set up, it would be essential for Government backbenchers to take the place of Ministers. Well, that sentence is not telling you either that they

are against it, because it conceives of the possibility that it might be set up as long as there are backbenchers. Well, that is the position that we share.

Where they do express the negative opinion is in the following sentence: 'We have concluded there is no need to establish a general purpose standing committee, nor a public accounts committee, given that Opposition Members have every opportunity to examine Government expenditure in detail, as well as debating the report from the Principal Auditor on the Government Accounts for every financial year.'

That is the only sentence in the entire report where they express any analysis on the issue of whether or not there should be a public accounts committee, and express a negative opinion. *That* sentence, which is the pillar on which they are building their argument, is flawed. A flawed analysis. It is a flawed analysis because not even the Principal Auditor agrees with them in the lengthy paragraphs read by my hon. Colleague, Mr Clinton. And it is obvious that Opposition Members do not have every opportunity to examine Government expenditure in detail.

Anyone listening to the sessions of this House, the meetings of this House can see how they do not answer and then we run out of Supplementaries; or they do not provide information. Anyone can see if they were to just take a casual 15-minute expedition into the Jersey Public Accounts Committee and watch a session for 10 or 15 minutes. Anyone can see if you look at the Bermuda session for a few minutes. Anyone can see that kind of inquiry is not possible in this Chamber. And anyone can see that debating the report from the Principal Auditor is not the same as the scrutiny delivered by a public accounts committee because here we are debating the Principal Auditor's reports – (*Interjection*) Well, we are debating the principal ...

The hon. Member from a sedentary position, the Father of the House says we are not debating a Principal Auditor's report. But we are in effect, because there have been a number of allusions to the Principal Auditor's report and sometimes allusions to things that have nothing to do with a Principal Auditor's reports.

So here we are, debating it, but it is obviously not the qualitative equivalence of a public accounts committee; and it is entirely twisted logic for them to say that the people who supported them, supported voting for no public accounts committee.

I said before in my contribution that the reason that GSD did not introduce a public accounts committee was because the hon. Member opposite made very clear his opposition to it. Very clear. The Hon. Father of the House made very clear his opposition – and he says 'Yes' from a sedentary position, because he has been consistent. I told him that he has evangelised his position almost.

But I will accept that the GSD made a mistake because we should have proceeded in a different way and found more imaginative ways ahead. And that is a mistake that we are not going to make again. If we are elected to Government we *will* deliver a public accounts committee.

I accept that that is a difference of opinion. It is a difference of opinion and there we are. And therefore that aspect of the amended Motion, of course we cannot support, because we do not believe what they seem to believe in that evangelical way.

Yes, of course, there has been criticism in other public auditor reports, but not to the level of that we are seeing here. We are not seeing things like the number of times that the Principal Auditor talks about the breach of the tendering laws; or even the example where he gave of the Chief Minister approving invoices; or an auditor not satisfied that big multi-million pound contracts were awarded to lowest bidders; and Government clearly obstructing the flow of information to the Principal Auditor. A catalogue of serious value-for-money issues of waste, and in some cases of abuse.

A Government that is opaque and untransparent, with poor oversight, lacks procedures. Because that is the central accusation of the Principal Auditor. Again, not my accusation, the Principal Auditor's: bad value-for-money mechanisms; lacks procedures; a Government keen on putting the lid on inconvenient truths.

The Chief Minister correctly quoted, because I have said publicly that this cheats the Taxpayer. And I mean it: this *does* cheat the Taxpayer and families, because people rightly expect more. I do

not mean 'cheat' in the sense that Ministers have their hand in the till, I am not talking about that. What I am saying is that if you are on sacred trust handling the people's money, and you are presiding over systems that do not deliver value for money, that cheats the Taxpayer. It is obvious.

3395

You have got to reach the conclusion. I know the Chief Minister wants us to reach the opposite conclusion that these things have been found but everything else is hunky dory. But our view is different. Our view is if these things are found in a spot check, what else is there?

3400

Is this the tip of the accountability iceberg, because we are finding out about these things that happened six years ago. So what else has happened more recently? What else? What other contracts, what other land deals, what other abuses, what other examples of waste, what other breakdowns in value for money? That is the reality of the context of all this.

3405

So, Madam Speaker, that is why we conclude that what the Government are seeking to do is bury the process, bury the questions, bury the answers, bury the information by slowing it down, by delaying the Principal Auditor in not being able to conclude the reports. And that prevents accountability.

3410

Having donned his best altar-boy look, the Chief Minister then presents us this amended Motion. He has just told us, during the course of a speech, how respectful he is and so on; and yet you go through this and it is a monument of partial self-congratulation and a political tool. Let's go through it.

3415

There are parts that we welcome, up to a point. There are other parts that make it so egregious. It is deliberately so, and it is worded that way, and he knows it. And we have known each other long enough to distinguish his tools, and surely he understands that. If he really wanted to produce an amended Motion that had a scintilla of a chance of consensual approach, he knows that this is not the way and there is not even an attempt; and when you get to the end there is a big hand grenade thrown in. Just, why not?

3420

Madam Speaker, this amended Motion, when he has a paragraph that says that it *commends* the Government for its continued assistance and co-operation with the Principal Auditor, and he is assured by the Government that he will continue its customary assistance and co-operation in assisting the auditor. That is *Orwellian* in the face of a Principal Auditor's report, where it is obvious he is not getting the assistance from the Government and it is obvious that he – the Principal Auditor, who I have never spoken to in my life – feels that his independence is being undermined.

3425

How are we going to commend the Government for assistance that the Principal Auditor does not believe he is getting? Self-congratulatory nonsense that does not stand up to scrutiny in the face of the Principal Auditor's Report. It flies in the face of the Principal Auditor's Report on aspects that are detailed in that report.

3430

Madam Speaker, there are paragraphs where the Government is indicating that it intends to take the Supplementary Appropriation Bills for 2019-21 and 2021-22 at the next meeting of Parliament, in March. We welcome that (*Interjection*) although of course it is a very long time after it should have been taken. But of course we welcome it because that is what we asked for in our original Motion. So we welcome it. But that is as far as it goes, because the next paragraph that they are asking us to agree is twofold. First that in the last general election the electorate decided that there should not be a Standing Committee on public accounts. For the reasons that I have indicated, I do not accept that that is the case. I do not believe that people vote in that way.

3435

So of course we cannot believe that, nor can we support a paragraph that suggests there should not be a public accounts committee because they delete the rest of it. So we do not accept that, obviously. Insofar as the line that the House would confirm the importance the House places on the excellent work of successive Principal Auditor's, of course we welcome that and of course we could agree that.

3440

The next paragraph notes that the contracts awarded for the provision of care to Meddoc and other providers was the subject of tenders and negotiations designed to reduce the price paid to the Taxpayer, despite the relevant information in this respect, unfortunately apparently not

3445 having been provided to the Principal Auditor, he invites the Principal Auditor to review this part of this report with the further information available.

Madam Speaker, anyone picking up the Principal Auditor's report on that aspect will be struck by his conclusions. I am talking about the paragraphs that start at page 328 and end at 334. The Principal Auditor says at page 334, in relation to the three contracts awarded to Meddoc in relation to the Bella Vista, Hillside and John McIntosh Wing contracts:

I am unable to conclude that the contracts for the provision of healthcare services for the elderly in the three sites were awarded to the best tender submission bids in all three cases.

3450 He sets out a catalogue of problems, procurement regulations that were not followed, no procurement documents, no notices published, no written record of all stages of tenders, no signed formal contracts. Despite the fact that the hon. Member says he is going to table the contracts, but the Principal Auditor in his discussions and exchanges with senior officials of the Health Department could not get his hands on a contract, but the hon. Member just suddenly has
3455 produced one, because it was there. Why could it not have been given to the Principal Auditor?

The Principal Auditor says that one of the contracts was awarded to Grant Home Care and then removed because the Government said they owed money. But when he tried to verify whether they owed arrears he could not verify it; and there was no mechanism to verify it. And yet the Chief Minister stands and says, 'Well, they owed hundreds of thousands'. And presumably that is
3460 welded into the wording about the contracts award for the provision of care to Meddoc and other providers on the subject of tenders – *blah, blah, blah*.

How can we satisfy or support a paragraph which flies in the face of the conclusions of the Principal Auditor's report? When he says the opposite, the Principal Auditor says the opposite to what this paragraph says and invites the Principal Auditor to review this part of the report, with
3465 further information available. What is this, a court of appeal? Where we are going to say to the Principal Auditor, 'By the way ... I am the Government, I am in a position to provide as much information, you are requesting information backwards and forwards, I do not give you the information and now suddenly I do not like your conclusions. So can you please change your conclusions in some way?'

3470 Well, surely the way forward would be, as the Principal Auditor says in his reports, 'I sent a draft of this report to the Health Department and I am going to reflect their response in the 2018-19 reports. So whatever they have got to say to the Principal Auditor let them say it. Let them say it and let it be in the 2018-19 reports.

Then the final paragraph now calls upon the Principal Auditor to investigate, with the full co-
3475 operation of the Government – *blah, blah, blah* – the legality of the grant of certain contracts, etc. (*Interjection*) And, of course, that is not to have a lynch mob – *blah, blah, blah*.

But, look, Madam Speaker, the Principal Auditor is an independent officer under the Constitution. As far as I am concerned he can investigate whatever contract he wants. He can investigate any contract as far back as he wants and in the future, whatever he wants.

3480 He does not need our guidance to do so, and indeed I would say the framing of this paragraph is unconstitutional because under the Constitution, Section 74(3) of the Constitution says:

In the exercise of his functions under this Constitution the Principal Auditor shall not be subject to the direction or control of any other person or authority

It is not for us to tell the Principal Auditor what he should or should not do. It is for him to decide. As far as I am concerned, if he wants to investigate these contracts, let him investigate it. If he wants to investigate other contracts, let him investigate them. He is not a political tool to be
3485 used because the hon. Members on that side think it is convenient. Let him investigate whatever he wants to investigate. That includes any contract given under the GSD administration or any GSLP administration. It is up to him but what we cannot do is subject him to directional control in an unconstitutional way.

3490 For all those reasons, therefore, we will vote against this amended Motion because it is simply
what always happens. It is a political twist of the hon. Member's making; a political twist that has
nothing to do with the reality, built around smoke and mirrors, which he does very well, but will
not obscure to the people of Gibraltar the reality of what is happening here. Which is that it is
clear to people *why* there is a need for a public accounts committee in Gibraltar, and it is clear to
3495 people that the delay in the conclusion to the Principal Auditor's Report is politically engineered
and that is why we need the Supplementary Appropriation Legislation to be passed at the earliest
opportunity. (*Banging on desks.*)

Madam Speaker: Does any other hon. Member wish to speak on the Amendment?

3500 **Minister for Inward Investment and the Savings Bank (Hon. Sir J J Bossano):** What is obvious
is that the Principal Auditor's report is seen by the Members opposite as a political tool and that,
therefore, the only interest they have in this is their attempt to continue the election campaign
beyond the fact that they have to wait three years to do it. It is not going to happen any time
before.

3505 The hon. Member opposite, when he is talking to this Motion, as amended, constantly behaves
as if he was under the mistaken impression that the enquiries of the Principal Auditor are handled
by Ministers who are stopping him from getting answers. Madam Speaker, I said in my original
contribution to the original Motion that there were things in the report that I had no
knowledge of.

3510 In fact, I can tell the House that there was an inquiry in the year that he is now doing, about
my Department, the Economic Development Department, where he was enquiring why we under-
spend, which should not surprise him. And I have never before been told what the concerns of
the Principal Auditor were in our case, it so happened that the Controlling Officer mentioned it to
me and the answer that he was going to give was, in fact, inaccurate.

3515 So if I had not accidentally found that out, then there would have been a report that contained
an answer which was not accurate because I knew more about it, about the reason for the under-
spending. So I am just pointing that out because in fact the hon. Member has, throughout, been
painting the picture that the elected Members in Government are plotting to stop the Principal
Auditor getting information.

3520 We do not know anything about the questions and we do not know anything about the answers
until we see the Book. Maybe it is something that should change because, maybe, if we were
aware of what he is trying to get and what he is not getting, we might be able to make sure that
he gets what he is asking for.

3525 But the hon. Member opposite must know that it works like that because he has been in
Government, and I am sure that this is not something that is happening new, but it has been the
way it has been happening all the time. So when he was in Government that must have been the
process that goes on now and has been going on since 2012, which is that the Auditor writes
letters to controlling officers. Of the 800 pages, or whatever it is, the bulk of the investigation is
the exchange of correspondence.

3530 I wrote to the controlling officer about this and he answered this; and then I wrote this and he
answered this. So that what we have is the bulk of the book, it is the correspondence between
the civil servant and the Principal Auditor which we have become aware of when the book has
been published; and that is converted into a theory that we have been conspiring to stop the
auditor doing his work.

3535 Then the hon. Member opposite expects us to believe that this is all a neutral thing and not a
political strategy. Well, he has just made it a political strategy by the way he has presented it.

I have said already that the Principal Auditor was mistaken in saying that the removal of the
12% to the people in his Department was something that he knew nothing about, and it was
something that would be interfering with the independence or the ability of his Department, or
3540 the way that it works.

Well, it is not true. I am telling the House that is not true because I remember distinctly that when I spoke with him he said, 'If it happens in the other places that get the 12%, I agree that you should do it, but not if we are the only ones that are going to lose it.' I am not making this up and I am not lying in Parliament, this is what happened. He may have forgotten it and therefore if that is construed as an element that he sees as trying to damage the work of the audit, then it does not make any sense because all that Members have to do is to look at previous compliments in that Department. And I have told him that before there was a typist, and the fact that the typist was there and got 12% was not damaging the Department. But now, if it is an AA and does not get the 12%, it is damaging.

It seems to me that in this particular instance it is not about saving money, but it is about trying not to lose the 12%, just like the other people do not try to lose allowances and other people do not try to lose overtime. So I explained the logic and the philosophy, which is a political view that it is better for people to move around the Civil Service and that it produces better management of material.

Well, if the hon. Members believe that because the auditor may not agree with that analysis of management, the auditor is entitled to impose his views on management, on the Government, and get the policy changed, then that is not the role of the auditor. The role of the auditor is to make sure, principally, that the money that this Parliament has voted has been spent the way the book says it should be spent, which is the legal authority to use money from the Consolidated Fund.

That is the principal element. That is where the £550 million are. And I have already demonstrated in my original submission that, in fact, that was not changed by any Supplementary Laws because from the beginning it was there and it is there, in all the years that the hon. Members want to find out what has happened to the money they voted – or did not vote, in their case. The information is there and they do not have to wait for the Principal Auditor to say how the financial year finished and whether there was a surplus or a deficit.

Members opposite have deliberately – I imagine, because it cannot be by mistake – tried to say there is something that is being hidden. Because the original reason for not voting for the budget – which came after four years in Opposition, and the hon. Members are there – the original reason was that they did not know where the money for the companies that was being passed as part of the vote in the Consolidated Fund, was moving from the Consolidated Fund into Gibraltar Investment Holdings and then into other companies.

The other companies are the companies we inherited from them losing money and have been losing money since. So if you have got a bus company and you decide that people should not have to pay fares, then the logic is that the bus company will lose money. The hon. mover of this Motion invented the concept in 2015 that we had two Books and that there was Consolidated Fund expenditure being done in the companies and that was what the £30 million was for; and that concept of the two books indeed, they said, the reason why you do not have a deficit is because the money is in the company. That is all in *Hansard*, that explanation, that was the original explanation that they gave; and because of that we will not vote.

Well, look, they do not have to give an explanation for not voting. If they do not want to vote, they do not vote, it happens in other places. It has never happened here with any other Government at all, but of course whether the fact that you say it has never happened here, that the Government does vote, the reply will be, 'Well, the fact that something has gone on for a very long time is no reason for doing it.'

So if we never have a committee like they want, and then the fact that we never have it is not a good reason for doing it. However, if it is how long have they had it in the UK – which is since 1865 – there, the fact that it has been that long *is* a good reason for having it. Well, it is irrelevant. If the time of doing something is irrelevant, it is irrelevant for those who do not have it and irrelevant for those who do have it. We are very clear what the policy of the party is. It was the same before; it has been the same in Government and in Opposition.

3595 Nothing in the Motion that was originally put was designed to make us change our mind because the Motion was not brought here for this purpose. The real purpose of the Motion is a last speech, and that is to try and say that the fact there are things that the Principal Auditor says he is not getting the information that he wants, and it may be that people do not know where the information is to be found.

3600 It may be that the people he asked were the wrong people. And I think it should be better for the work that he has to do, that we know what he is actually asking for and not getting. Because it is obvious to me that the Opposition Members either are convinced that we are giving instructions to civil servants not to give information; or else they are not convinced but they think it is a good policy to peddle on the basis that we have got something to hide, and that we are forcing the civil servants not to co-operate.

3605 I can assure Members opposite that nothing that the Principal Auditor has in this year's book, or in any other previous year, was something that I knew about before the book was published, and is probably the person most likely to be interested in those views and interested in the potential savings has been me.

3610 So, I was as interested in Opposition as I am in Government in making sure that we are not spending money that we do not need to spend, in order to provide the services that we have to provide. That view is a view that I have held, independent of being in Government and in Opposition; and when I have made contributions in my time in Opposition, it was contributions that were intended to be helpful for that purpose.

3615 That is not to make political capital but because, I think, that we should have a common interest in having an efficient and cost-effective public sector, because that is fundamentally the cornerstone of our survival as the people, and the survival of our country. And if we are not in that situation we are vulnerable to many other dangers.

3620 I have to say that the insistence of trying them to show that in fact in Government we behave in a way which is contrary to the way we behave in Opposition, is in fact what they do! Because what they preach when they are in Opposition, they do not practise. There are things that I do not know whether any of the audit reports that were done in their time ever looked at what they were doing when they were creating the authorities and the agencies; but the authorities and the agencies got pay rises of anything between 12% and 25%, to be doing the same job in the same place with a different colour uniform and a different name on the back.

3625 If that is not a waste of money, I would like somebody to explain to me how else one would describe that; and *that*, from the time that it was introduced, to *now*, has created a situation where the people in the authorities and the agencies that were created are doing exactly the same thing that they were doing when they were in the Civil Service. But they are no longer in the Civil Service and they get paid more than the people who remained in the Civil Service.

3630 I never understood the rationale for that because what the GSD proclaimed, when they were in Government, was that there were the two things that would benefit. One was that there was no fixed complement in the agencies like there was in the Civil Service; and that, therefore, it was possible to make savings.

3635 Well, it might have been possible in theory but all the agencies and authorities have grown. None have shrunk, except the ones that they decided to shrink by introducing the exit package; and the exit package was that having given them money to go out, then they gave money to go away. And in addition, in the case of the Housing Works Agency, a 25% bonus for not objecting to the money being done by private contractors, which they would not be able to do because they were shrinking.

3640 And to top that, another element that obviously the Principal Auditor did not discover about the scheme, is that originally in fact it required that for every two people that took the exit package, a new vacancy would be created and somebody would be recruited from outside the Government. Making it even worse than it is at the moment.

Then having done it, just before the 2011 election, in the House and Works Agency, it was also introduced in the garage, in the MOT garage of the Government where those other two big areas

3645 in terms of manpower were. The others that the Principal Auditor says have existed, there is one
in the company that is funded by my Department, which is a company that was created by the
GSD to provide services in different areas; and we decided that we would accelerate the closure
of that company by giving people the exit package and not recruiting anybody.

3650 So that company has been declining every year. Therefore, whether it is value for money or
not, the decision was that this was a company that we did not think was producing the value for
which it was presumably originally intended. And that, therefore, since we have a policy of not
wanting to make people unemployed, we then created a situation where we used the model –
because that was not done by the GSD – of exit package that the GSD has done, in this case has
3655 been working on the basis that if Members look at the element of that company, which is in the
estimates of my Department, they will see that every year there is a decline in that funding,
without exception, and that has been happening since 2012.

3660 So that is the explanation. There are individuals in some other places that may have got exit
packages. This is nothing new. It was not called an exit package before, but on past occasions
when there is a perceived value in an employee leaving the service earlier, given the fact that the
job that is being done may no longer be required, and there is difficulty in finding another area in
which to put that individual – well, it is not that there are now six exit packages where there was
one.

3665 We inherited two. The third one was in my Department and it has worked. We changed some
of the conditions in the others to make it less costly and then there have been occasional
individuals that have received an exit package. That is not the picture that is being painted in the
report, or at least the picture that is being described just now by the Hon. Leader of the
Opposition, in what he says is wrong with his exit packages.

3670 I suppose that the Government of the GSD, when they did this thing, might have thought that
there was going to be some benefit. I never could understand why they did it. But the reality is
that, quite independent of the exit packages, the most costly thing that they have done – and the
cost is still continuing to escalate – was to create a Port Authority where there was a Port
Department, and an Electricity Authority where there was an Electricity Department. And each
one of those required a pay agreement over and above the pay that was normally being paid when
they were part of the Civil Service and part of the Government.

3675 All we need to do is look in the budget of last year at what the Electricity Department was
spending, and look back over the time since there has been the Electricity Authority. And there is
no evidence that the package that they negotiated actually has produced savings. The Principal
Auditor either was not interested in any of that or did not know about it and did not ask.

3680 Can one call that waste? Well, it is an expensive exercise that the GSD introduced, presumably
in good faith, thinking that they would bring some benefits. But the reality is that all it did was
increase the cost of utilities beyond what it was before. If the hon. Members are interested, then
we can produce a long catalogue of innovative things that were being done before 2012, and how
much it increased the cost of the public service; and how, since then, the only thing we have been
able to do is honour those agreements, and apply the relevant pay rises to what was already a
more highly paid job than when it was being done as part of the Government.

3685 But to say, as the hon. Member says today, that the role of the Principal Auditor is hindered by
us is complete nonsense, because we do not know what he is asking and we do not know what
answers he is getting. I certainly do not know it and I do not think any of my colleagues do either.
And I believe, therefore, that what we need to take from this debate is the lesson that we are not
going to allow the reality to be distorted in order for it to become a political tool in the hands of
3690 Members opposite, and we have to get into what the Principal Auditor claims is happening in a
place. And the reason that he is discontented because they do not give him the answers to things
that he is legitimately entitled to have, and make sure we put it right; and if there are things that
are wasting money, then track the source of that waste. So that we are all clear when it started
and who stopped it.

3695

Madam Speaker: Any other hon. Member wish to speak on the Amendments? In that case, I call on the Hon. the Chief Minister as the mover of the Amendments to reply.

Hon. Chief Minister: Well, Madam Speaker, I am conscious of the late hour and despite the
3700 hugely compelling address from the Leader of the Opposition, I am afraid that the Government is
not going to relent with the proposed Amendments. I think the Father of the House has given a
flavour of why it is that we are going to stick with these Amendments, but I do want to go just
through some of the things that the Leader of the Opposition has said. And in doing so, if I pause,
3705 it is because I am going to try and avoid dealing with things that I have already dealt with in my
main speech, which I am sure will be appreciated not just by you, Madam Speaker, but by all of
the rest of the Members of the House and our respective families.

The Hon. Leader of the Opposition says that he accepts that they had four chances between
1996 and 2011 for electoral wins, when they could have done the PAC in a different way and that
they failed to do so, and that he now recognises that. Well, they would say that now, wouldn't
3710 they, Madam Speaker, but of course they did not have that reflection when they were in
Government.

He says that at the Committee Stage of the budget, one cannot do what you can do in a PAC.
Well, Madam Speaker, this is a theme that we heard him develop during the course of his address.
In fact, as the Hon. the Deputy Chief Minister said during the course of the Committee Stage and
3715 Third Reading of the Appropriation Bill, those of us who voted in favour of the Appropriation Bill,
even when we were in opposition – actually did not fall into the trap of doing a superficial analysis.

We actually went in great detail, trained by the Father of the House, then Leader of the
Opposition, to understand what our respective responsibilities were as Members of the
Opposition and we did get a lot of information, perhaps the sort of information that would be akin
3720 to what you could get in a PAC, or more.

So therefore, for that reason, I do not accept the Hon. Leader of the Opposition's proposition
that not having a PAC makes Gibraltar seem strange, or at least no stranger than the analysis I did
because of the other benefits that Gibraltar and Gibraltarians have over other Overseas
Territories.

3725 So therefore, Madam Speaker, the remarkable extrapolation that the Hon. the Leader of the
Opposition tried to do, which was to say that we, the Ministers on this side of the House, were
trying to hide behind civil servants by not having a PAC *is* – to use his phrase, which I think rather
pedestrian and that is why I do not use it, but given that he has used it five times I will share it –
seems to me to be *Orwellian*.

3730 In other words, when we are specifically saying *we* are the ones putting ourselves here to be
called cheats and highwaymen – as he called me during the course of the last Appropriation
debate – that we, by doing that, are somehow hiding behind the civil servants that we are saying
should not be the ones fronting this, is quite remarkable.

3735 Although I do recognise, Madam Speaker, that in the *Orwellian* world that the Hon. the Leader
of the Opposition inhabits when he says that something is a cheat, he does not mean that it is
cheating; and when he calls you a highwayman he does not mean that you are stealing anything
or putting your hand in anybody's pockets. (*Laughter*) So it is really quite a remarkable use of
language that one is having to psychedelically adapt to in the time that he is going to have as
Leader of the Opposition again, after the last General Election.

3740 He says that the Committee Stage is rushed through at the end of a Friday. Well, actually it was
not rushed through by us. We used to know that this was our obligation and we would go through
the Committee Stage in great detail, and so he says to me: 'How is it that I can argue that the
seeds of the problems of the Meddoc contract were sown by the GSD?'

3745 Well, for a simple reason, Madam Speaker. First of all the Meddoc contract is the fruit of a
tender process, but if it were not it would be the fruit of something called the three-quote system
which is something that they, the GSD, invented. And how is it that I can lay at the doors of the
GSD the fact that we did the tunnel under the Europa Sports facility without a tender? Well,

because *they* taught us to do things without tenders on occasions; except that the tunnel contract is for a few hundred thousand pounds and *they* taught us how to do a £1.1 *billion* contract without a tender.

3750

Why have we not changed the early exit scheme, he said? Well, for a simple reason, Madam Speaker, because the early exit scheme is signed by the Government; and the Government is therefore bound to continue with that scheme, because parliaments bind their successors and contracts bind Governments.

3755

He went on, Madam Speaker, dealing with all of the issues which I had raised which had nothing to do with the Amendment I was making. He was answering everything I had said in my main speech. I hope that means, Madam Speaker, we are not going to be treated to a further response to the things I said in my main speech by the Leader of the Opposition; although procedurally he is perfectly entitled to do so if you permit him to do so.

3760

What I did find rather unhelpful, Madam Speaker, was this idea that the Hon. the Leader of the Opposition wanted to insist on that somehow Ministers, something that the Hon. the Father of the House will have disabused him of, have been obstructive of the Principal Auditor. Ministers are not aware of the information that the Principal Auditor is seeking.

3765

Now that we are, we are actually bringing an amended Motion to this House to ensure that the Principal Auditor can have the information that he appears not to have in the context of the Meddoc contract. Although *nothing* that we have said or done, either in the budgetary process or today, is designed by desire or failure in some way, to somehow produce an unconstitutionality in our relationship with the Principal Auditor. Far from it.

3770

Saying that he should have a £1,000 open line if he wants to do some further investigation, is to do not just that which is normal in every Department, but that which had been done with him as Principal Auditor and other Principal Auditor's for years before. So how something that has been established under this Principal Auditor and previous Principal Auditor's, and has not been remarked upon – let alone called unconstitutional – can somehow be unconstitutional the next morning, is something which I find really very peculiar.

3775

So there is no question, Madam Speaker, of the Government seeking to avoid scrutiny in a modern way. Quite the opposite. This is the Government that has opened up this Parliament to the cameras; that has published more information than any other; and that is open to scrutiny.

3780

It is not a slavish rule to follow that we alternate between Government and Opposition when it comes to debates, it is actually quite normal and there is reference to it in Erskine May and in our Rules as well, I believe.

3785

Of course, it was obvious to the Hon. the Leader of the Opposition that I was going to move an Amendment, not because of the way I was behaving during the course of this debate but because I told him during Question Time that I would move an Amendment. But it is obviously normal that we should have the debate and that even though he speaks before me on the general principles of the debate, that he would be able to speak on the Amendment when I move it. Because any Member is able to speak on the Amendment, even if they have already spoken, as the Hon. the Father of the House has done today.

3790

So once again, he is praying in aid, procedural assistance, which is of absolutely no help to the argument that he is trying to deploy. Then he says: what is it that we, the Government, are scared of? What is it that we are trying to hide? Again, this is the usual use of language, which he then will not stand behind because he knows that we are not trying to hide anything. He knows that, actually, our Amendment is designed to deliver more information to the Principal Auditor, not less.

3795

So he is falling into the trap of making his arguments the English word for *callos*. In other words, utter tripe, Madam Speaker. Because of course I am happy to confirm to him that the Meddoc contract went to the lowest bidder. There it is, confirmed. The Meddoc contract went to the lowest bidder. But that is not the question that he asked.

3800 The question that he asked was whether I agreed with the Principal Auditor in his findings in respect of Meddoc and those findings, which were based on the idea that the Meddoc contract had not been through a tender process, I cannot agree with, because they are wrong.

3805 The Hon. the Leader of the Opposition says that civil servants would not refuse to answer questions in the PAC. Well, Madam Speaker, it is not a question of whether they would refuse to answer questions, it is about whether that is the right procedure to follow and we have explained why we believe it is not. So, therefore, Madam Speaker, I think it is absolute nonsense for him to use those arguments, to go to the suggestion that to the charge that they put the verdict is guilty on my own admission.

3810 I do not even know how he attempted to construct that argument but it is absolute nonsense. And I do not need privilege, Madam Speaker, to provide copies of the Gibtelecom bill of the university, because the Gibtelecom bill cannot expose anyone to an action for libel or any other form of defamation, because it is obviously true on its face.

So I do not know what it is that he was trying to do by making that argument, or by calling us provincial for referring to the ways that things have been done until now. Actually, that is not provincial, that is procedure, Madam Speaker.

3815 But I was fascinated to see how he was doing the chronology of things that happened under the GSD. But he forgot to mention the fact, in the long list that he did, that actually by the time they left Government in 2011 the times had got much longer and we had to pass their Supplementary Appropriation Bill, and the delay had been over a year.

3820 He shakes his head, even though I gave him the example and gave him the *Hansard*. We, the GSLP-Liberals, had to pass a GSD Supplementary Appropriation Bill because they published it, they did not pass it; it had to be republished by us in Government and we had to pass it. And the *Hansard* – which is done pursuant to a contract that is not in writing and was not subject to a tender – has been provided to them today.

3825 So, Madam Speaker, when he says, therefore, that he does not know what £1 billion contract I am talking about, it is the GLRC contract for the Airport, the lighting, the approach and the tunnel. Or, is it that they do not read the Government press releases?

3830 Let them go back and read the press release of 5th September 2012, then go back and read the last Question Time of the House before the change of Government. And if he thinks I protest too much about Meddoc, it is because I know that I am damned if I do and I am damned if I don't. But I will be damned if I am not going to tell the truth and insist that the 'rumourology' that they like to set light to is not deserving of this place of seriousness and of truth.

3835 He says that the Principal Auditor found the breaking of tendering laws. What does he think? The Principal Auditor is a judge? The Principal Auditor cannot find anything, he can give an opinion about whether things have been done in a particular way based on the information that he has, but he cannot make a finding of anything.

So he says that if we have a problem with the findings, as he calls them, we should address the findings. Well, we are addressing the findings in the Amendment, by providing the Principal Auditor with an opportunity to have more information about the Meddoc contract.

3840 Then he starts talking about COVID, as if COVID was the only difficult moment that we have faced in the past 12 years. Is it that Brexit was not a difficult moment? Is it that Brexit did not delay things? Does he not realise in the chronology that he did of our time in Government, that there was a guillotine in the way things were done in 2016 and that delayed everything? And that it is not humanly possible, in an administration the size of this administration, to have done things differently or more quickly

3845 The world changed for Gibraltar in 2016 and it twisted again in 2020, but not for the first time, Madam Speaker. *That* is the reality.

How is it that he can even get up and seriously say that we are not willing to provide information to the Principal Auditor? As the Father of the House has said, we find out that the Principal Auditor has not been given information when we read it in his report. So how can he impugn us with that? This is utter nonsense. Unless they, of course, were being told all the time

3850 what it was that the Principal Auditor wanted, so that they could provide it or not provide it. Something that does not happen to us, at least not in every instance. Perhaps on one or two occasions I have been asked that the Principal Auditor wants a particular piece of information and can I help; and I have always, religiously, helped and would continue to help.

3855 He says that if I wanted a consensus to pass this Motion, I would have drafted it in a different way, not calling in the last paragraph for the investigation, which he calls unconstitutional, of their time in Government. Well, if they wanted to pass a Motion in this House, they would not have put in it something which they know, and they have described as an article of faith, that we are against. And by the way, I do not agree that we are somehow asking the Principal Auditor to do something and in doing so are erring into unconstitutionality.

3860 How can this House, *calling* for something to be done, be unconstitutional? The Principal Auditor can say, 'I heard your call and I am not going to do it.' It is that simple. No unconstitutionality whatsoever. And I know that he knows that is the case. Because I consider him to be very clever when it comes, in particular, to our Constitutional Law.

3865 I have taken advice from him on Constitutional Law! And, Madam Speaker, when he accuses me of coming to this House with smoke and mirrors, I will take that accusation now on the same basis as I take his accusation that I am cheating, or that I am a highwayman. In other words, that he does not mean that I am cheating, he does not mean that I am a highwayman, he just thinks it is florid language which might help him get somewhere; and that, in the end, the smoke and the mirrors might end up being nothing more than just his last hurrah to try and defeat an Amendment that will pass, and I now commend to the House. (*Banging on desks.*)

Madam Speaker: I now put the question in terms of the Amendments moved by the Hon. the Chief Minister.

Those in favour? (**Government:** Aye.) Those against? (**Opposition:** No.) Carried.

3875 All right, what the House has before it now is the original Motion as amended. Does any hon. Member wish to speak on that? All right, in that case, I call upon the mover of the original Motion to reply.

Hon. R M Clinton: Thank you, Madam Speaker.

3880 Madam Speaker, today we have had the debate on many issues, but especially about the concept of financial scrutiny, which is close to my heart. And, Madam Speaker, the amended Motion obviously has deleted my call for a public accounts committee and I will say something about that later. But I can at least take some comfort, Madam Speaker, that we do have an indication from the Government that they intend to take the two outstanding Supplementary

3885 Appropriation Bills; which at least will put in motion or, at least, not prevent the completion of audits for those particular years. And I think, at least on that small score, I am thankful.

If I can turn to the Father of the House and his contribution, it is a shame that I feel, Madam Speaker, that we cannot make common cause in this House against waste because it is as close to his heart as it is to mine. Together we could probably have achieved a lot if we had agreed to a public accounts committee. Maybe we should call it something else. But I am sure that if we had made common cause we would then be able to address the common interest, and the common interest being to have an efficient and effective and economical public sector, as he has said.

3890 Madam Speaker, the Father of the House gave us a bit of a history lesson over the last 40 years. The history is not an excuse for the presence of the future. We are totally in control of the present and the future, and therefore to claim that public accounts committees are somehow a tick-box exercise in other jurisdictions is really to completely miss the point.

3900 Madam Speaker, when he talked about the numbers in the books and numbers in the Estimates Book and the numbers of previous, the actual, the estimate – yes, of course we know that is there. But what the Principal Auditor provides us with is information which is not in any of the books and that is the value-for-money audits and any other findings he may have.

3905 That is not something that we can magic up just by looking at the numbers. We need those audit powers if we were to do that job from this side of the House, which we cannot, and therefore we rely – and that is why, Madam Speaker, we have a parliamentary officer who is the Principal Auditor. That is his role, that is his function; and his role, as the Father of the House has correctly said, is to look at how this Parliament votes and make sure that the money is spent as voted and also to make sure the money is spent wisely and well.

That is the information that we, from this side of the House, obviously rely entirely on the Principal Auditor.

3910 Madam Speaker, there was something that the Father of the House said which was revealing: on the one hand he wants to take political responsibility for everything that goes on in his Department and in Government, which is laudable; but then, on the other hand, Madam Speaker, he says, ‘Well, there are things in the Principal Auditor’s report that I did not know anything about, like this famous PayPal account that I had to go out and send a search party for.’ Because he did
3915 not know anything about it.

So there is a practical consideration when looking at the roles of Ministers versus the roles of controlling officers and he himself has said controlling officers can get it wrong sometimes, and sometimes Ministers may not know what the controlling officers think they are doing or what they should be doing. This is where a public accounts committee comes in to its strength.

3920 The Minister should not be standing between Parliament and the controlling officers. The Minister should be standing with Parliament and looking at what the Principal Auditor is coming up with in his report. We should be working together; this is not a partisan issue. Unfortunately, this is the way it has been painted and now we have what they call, ‘the clear blue water between us and them’. We want it; they do not.

3925 But it is really doing Gibraltar a disservice because what we should be doing is we should be looking at the Principal Auditor’s report, all 900 pages of it, and saying, ‘Well, hang on a minute, how is this being done? Is this the way it should be done? Can we do it better?’ And that, I think, is a shame because as I said we should be making common cause on areas of waste because that is what the public expects us to do, Madam Speaker. It does not expect us to have a ‘You did, I did, you did, I did’ argument.
3930

What they want to do is to see this place doing its job, and that is controlling how Taxpayer’s money is spent. And frankly, to have these kinds of political point-scoring debates misses the point completely. The point is that we should be in this place making sure that the Taxpayer’s money is spent well and that it is done effectively and with economy. I do not think the Father of the House
3935 will have an issue with that. Unfortunately, although we have a common interest, I think unfortunately we are on the opposite sides of the political divide.

Madam Speaker, if I can turn to the contribution by the Deputy Chief Minister, I was frankly quite surprised that he used words that they had the rights to govern. This is a parliamentary democracy. Yes, they were elected, but they also have to account to Parliament. And the role of
3940 the Principal Auditor, yes, is to identify shortcomings and learn lessons to be learned. But, Madam Speaker, how are we going to learn any lessons?

He himself, the Deputy Chief Minister, then went on to list out four different audit reports, all of which talked about procedures not followed, capital works projects not followed, sick leave not in accordance with regulations, recruitment processes not being right, capital projects ... But,
3945 Madam Speaker, what are we doing about it? Are we just getting these reports every year and saying, ‘Oh, well, we have got the report; that is nice.’ And leave it on the table? There is absolutely no point in having a Principal Auditor if we do not follow these things up in this place.

So, Madam Speaker, I really do find it, in a way, ironic that in fact the Deputy Chief Minister has actually reinforced the point of the need to have a Public Accounts Committee to look at these reports and follow them through; so that we do not go back and have a little history lesson and
3950 say, ‘Well, look, in 2005-06 there was a problem with capital works.’ And do you know what? We still have problems with capital works. Or in 1980 they had a problem with contracts that were not signed or did not exist. We still have that problem today, Madam Speaker.

3955 This should not be happening, we should be learning the lessons as the Deputy Chief Minister said. We should be improving constantly, and without these follow-through processes from the Principal Auditor's report we are just going to be stuck, we are never going to improve, we are never going to learn those lessons. So, Madam Speaker, we have missed an opportunity today, for the second time, because I did bring this up in 2016. If we had done this in 2016, perhaps we would not have half the problems we have now.

3960 So, Madam Speaker, if I can turn to the contribution of the Chief Minister. The Chief Minister seems to suggest that these reports are just a time machine and have no real purpose, and that he resolved everything immediately as soon as he knew about them. But if you actually look at the reports on the famous overtime line on page 235, yes they occurred all the way up to 2016-17, 2017-18 but funnily enough, Madam Speaker, they continue in 2018-19 and continue in 3965 2019-20, two years after the dates of these reports.

Then, if you look on page 237 at 3.8.9, the Principal Auditor says:

I lastly told the Chief Executive that I was aware that in the past she, and indeed her predecessor, had raised their serious concerns to the Government ...

Serious concerns to the Government!

... on the inordinate level of overtime earned by this management team, nevertheless, for reasons unbeknown to me the situation had been allowed to continue uncontrolled.

3970 And so, Madam Speaker, for the Chief Minister to suggest that the minute he heard about it, he stopped it. Well, he must have heard about it very late or there is something definitely going wrong where somebody in Government is not reporting up to him the way they should be. Because obviously the Chief Executive of the Environment Agency, or whatever it is called, claims they had reported to somebody. And yet it continued.

3975 So, Madam Speaker, forgive us if we take everything he says with a pinch of salt. When he talks about humiliating civil servants, my God, you could not make this up. This is not about humiliating civil servants this is about holding people to account. Now, if what he is telling us is that the civil servants who are controlling officers and receiving officers do not wish to be held to account. Why not? Why is it that he feels that he has to somehow act as a godfather to them and protect them?

3980 The civil service does not need protection from him, Madam Speaker. The Parliament is here to look after the Taxpayer and we should use all the tools available to us. And, Madam Speaker, when he talks about the Principal Auditor's opinion and he says, 'Well, he is entitled to his opinion as a citizen.' I think: this is not his opinion as a citizen, this is his opinion as a Principal Auditor. You cannot just say, 'Oh, well, it is just his opinion.' No, this is serious.

3985 But, Madam Speaker, the Chief Minister just does not seem to understand the Principal Auditor's words as a parliamentary officer carries significant weight. And if I can perhaps correct the record, Madam Speaker, what I spoke about on 21st July 2021 about the Supplementary Appropriations going over parliamentary sessions into different Governments, and he claims I said incorrectly, 'without precedent', he forgot to mention that I caveated those words with the word, 'perhaps', 'maybe'. I did not say 'without precedent' full stop. Of course he can hold his head and 3990 his forehead – but, anyway.

Madam Speaker, he talks about thousands of decisions. Well, Madam Speaker, all businesses in the world make thousands of decisions. He is not special. This Government is not special. There are businesses much bigger than this and have audit reports.

3995 Madam Speaker, if a chief executive of a big corporation acted the way he does, I can guarantee you the shareholders would not think much of him. Because, at the end of the day, the only comfort that the shareholders get, the only comfort the people of Gibraltar get, the only comfort that this Parliament can get, Madam Speaker, is from the work of the Principal Auditor. (*Interjections*) And the Principal Auditor, Madam Speaker, and the delay in his report, it is not that

4000 as the Father of the House has been trying to characterise, that we are suggesting that the Ministers are obstructing the work of the Principal Auditor. No, no, no, we are more specific than that: it is the Chief Minister who has been obstructing the work of the Principal Auditor.

Why do I say that, Madam Speaker, because in a scene reminiscent of *A Few Good Men*, with Jack Nicholson, when the Colonel was on the stand and he was being cross-examined and he just wanted to tell everybody what happened and he said, the truth, 'You can't handle the truth'.

4005 Well, Madam Speaker, he had that moment on 21st July 2021, when I was talking about the constitutional requirements for tabling the supplementary appropriations and he blurted out, from a sedentary position, 'When?' When, Madam Speaker? And that, Madam Speaker, says it all. It says it all because it shows he knew perfectly well what he was doing, it had nothing to do with anything or the other Government's business. The Minister for the Environment passed lots of
4010 Bills – ivory, circuses, you name it. But, no, not the Supplementary Appropriation Bills because, Madam Speaker, the Chief Minister decided it is a question of when.

It is when he decided, not when the Constitution says, when *he* decides; and to me, the person who has delayed this report is the Chief Minister himself because he is the one with the control of the agenda of this House. In terms of what he says about the Principal Auditor meant to find
4015 the needle and haystack, Madam Speaker, I have to say that he has got it completely wrong. Because, Madam Speaker, the auditor – as I was told from 101 Auditing – is not actually a bloodhound. The auditor is a watchdog; the auditor is there to warn us. To warn us when something is not right.

The auditor will go and check things, he will check that things are meant to be done according
4020 to the rules. That is what he is there to do. He is not there to sniff out the needles in the haystack. But unfortunately, Madam Speaker, it would appear from this report that he has found the haystack full of needles without even trying!

So, Madam Speaker, I have to say it is with some regret that I have seen the Chief Minister's
4025 Amendment to the Motion, which obviously I cannot accept, as amended. And I would warn this House that the watchdog is barking, it is barking loud. And I ask this House: what are we going to do about it?

Thank you, Madam Speaker. (*Banging on desks.*)

Madam Speaker: I now put the question in terms of the Motion proposed by the Hon. R M
4030 Clinton, as amended by the Hon. the Chief Minister.

Those in favour? (**Government:** Aye.) Those against? (**Opposition:** No.) Carried.

Adjournment

Chief Minister (Hon. F R Picardo): So, Madam Speaker, it is 20 past 11 in the evening. It has
4035 been a long and fractious debate, but that is what Parliament is about, to an extent. So I now move that the House should now adjourn *sine die*.

Madam Speaker: I now propose the question, which is that this House do now adjourn *sine die*.
I now put the question, which is that this House do now adjourn *sine die*.

Those in favour? (**Members:** Aye.) Those against? Passed. This House will now adjourn *sine die*.

The House adjourned at 11.20 p.m.