



**GOVERNMENT OF GIBRALTAR
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**CHIEF MINISTER'S NEW YEAR MESSAGE
6TH JANUARY 2009**

I hope that you have enjoyed a Happy Christmas and festive period with your families and friends. To those less fortunate who may have suffered family illnesses or even bereavements during this time I offer my and the community's sympathy, condolences and solidarity.

2008 has been a year of almost unprecedented economic turbulence and danger for the world. The financial and economic systems, upon which social well being so intricately depends, has been to the very brink of complete collapse. The very worst appears to have been averted, and with it the severe disruption to our lives, peace of mind and security that would inevitably have been the consequence. Still, 2009 seems certain to be a year that will see most countries suffering considerable economic and thus social difficulties.

FINE ECONOMIC PROSPECTS: Gib well placed to ride out the storm

We in Gibraltar are not totally immune from what happens in the world around us, but as you will have heard me say before, we are very well placed to ride out the storm, and indeed emerge even stronger at the other end of it. Our economy and public finances are strong and robust, the largest parts of our economic activities are stable and on a secure footing. The Government will therefore continue with its scheduled programme of public infrastructure investment, which will provide a welcome stimulus to the economy at a time when the private sector is going through challenging times.

I fully expect that our economy will be able to absorb any disruption that may occur to jobs and employment prospects in particular companies that may be affected by the global economic downturn. But, in any event, the Government will remain vigilant and ready to intervene as necessary and appropriate to minimise the effect of global recession on job security and availability, and thus on social well being in Gibraltar. We are already the only Government in the world to have guaranteed a minimum

rate of interest on savings by pensioners and others, however far interest rates may fall.

EU TAX CASE: implications for us

2008 has seen Gibraltar, once again successfully come through some important threats and challenges. The biggest of these by far has been the European Union's challenge to our right and ability as a country to have our own tax system separate from, and different to the United Kingdom's tax system. This has been at the very core of our ability as a people, during the last 50 years, to create a successful economy that in turn has enabled us to prosper socially and, most importantly, politically in the face of external challenges to our political rights, wishes and aspirations as a people. Failure to win would have very severely undermined and disrupted all of these things. This threat, and the success in winning over it, therefore ranks up there with the recent threat to our Sovereignty and political rights as a people.

So, we can now look forward with confidence to a continuing bright and prosperous future. The Government's success in winning the case in the European Court enables us to continue to prosper, to enjoy the high standard of living and of public services and amenities that we enjoy, and most importantly, to bequeath our children, grandchildren and future generations a successful and prosperous Gibraltar in which they too will be able to flourish. In short, we are able to remain masters of our own destiny and architects and builders of our own economic, social and political prospects.

GLOBAL FINANCIAL TURMOIL: implications for us

The turmoil in the world financial system will inevitably and necessarily bring big changes in its wake. The global banking and financial services industry will never be the same again. Here to, our work and policy during the last 12 years to reposition our finance centre away from simple and volatile tax haven business into a finance centre of excellence, high reputation, high standards of regulation and the mainstream of European and international financial services will now pay Gibraltar even higher dividend than it already has. Our finance centre, which is at the very core of Gibraltar's economic success, is accordingly, very well placed to benefit from the changes that will come to the global finance industry, to continue to develop, grow and prosper and to provide quality jobs for us and our children, now and in the future.

THE CHIEF JUSTICE ISSUE

Last year also saw Gibraltar, and the Government having to deal with the culmination of the unprecedented difficulties relating to the Chief Justice. The Gibraltar Government had stood accused by the Chief Justice of numerous serious improprieties. These included interfering with the administration of justice by denying funding to the judiciary, making untrue public statements, seeking to hound the Chief Justice out of office and undermining the independence of the judiciary, among others.

Despite Mr Bossano's and the GSLP/Liberal Opposition's support for the Chief Justice and his behaviour, and their sustained attempts to make party political capital against the Government from these events, the Government's public comments and behaviour have been restrained, responsible and temperate throughout. This has ensured that public and institutional respect for the judiciary, which is vital in every

free society, has been preserved to the greatest possible extent, and the damage to Gibraltar kept to the absolute and unavoidable minimum.

Although it is no less than what, I am certain, the vast majority of you would expect of this Government, it is thus nevertheless a matter of huge satisfaction to me and my ministerial colleagues, that the eminently constituted Tribunal has found that each and every one of the allegations made by the Chief Justice against the Government in general and me in particular, were totally unfounded and untrue. The Government's behaviour has been found, as I have always assured you, to have been proper and correct throughout all these years and all these issues. Three of the most senior judges in the UK have now found that the Chief Justice's behaviour has been unacceptable and that he is as a result unable to carry on as Chief Justice.

Given the high standards of personal behaviour that I have always tried to exercise in Government, and my position as a barrister and Queen's Counsel, I am especially gratified, personally, that our behaviour throughout these difficult and unpleasant episodes has been vindicated in this clear and complete manner. Once again the quality of governance in Gibraltar has been demonstrated.

MINISTRY OF JUSTICE

It is now just two years that Gibraltar has been operating with its own Ministry of Justice, as all other mature, developed and non colonial democracies have. The quality of our justice system has been a very early beneficiary of this welcome constitutional advancement. Improvements and modernisation are under way throughout. This year should see a start in the project to redevelop the site of the current courts to provide more court houses and better operating conditions and resources for all involved in the administration of justice, while preserving the heritage value of the existing court house.

A huge amount of consultation and work has been done to prepare new legislation that will overhaul and bring up to date our crime and criminal procedure laws, our laws relating to the protection of children and resolution of matrimonial rights and disputes, including maintenance collection. Consultation is advanced in relation to reform of our jury laws and of our legal aid system. 2009 should therefore bring a big qualitative improvement in the administration of justice in Gibraltar.

OTHER NOTABLE DEVELOPMENTS

2008 also saw the successful introduction of a new Gibraltarian Honour Award, the Gibraltar Medallion of Honour, the move to a non Parliamentary Mayor and a new format to our National Day celebrations aimed at creating a modern celebration of civic unity, and the elimination of local party political divisiveness. Gibraltar also acquired a splendid new representative building in London, at 150 The Strand, of which all Gibraltarians should be proud. All of these things underline and consolidate our attainment of a stable, non colonial status based on recognition of, and respect by the UK for our political rights as a people. They show a prosperous, modern and confident Gibraltar taking its place in the modern European family of societies.

LEISURE

2008 also saw the coming into operation of the magnificent King's Bastion Leisure Centre, which has already become a focal point of youth, family and other leisure activity in Gibraltar, as well as an addition to our tourism product very positively commented on by tourists and other visitors. When added to the new sports facilities

at Bayside, and the excellent new leisure amenities at Ocean Village, the King's Bastion Leisure Centre represents the final major piece in the transformation of Sports and Leisure facilities in Gibraltar, as well as a fine example of the recovery and recycling into modern use of an important heritage monument.

SOCIAL SERVICES

This last year you will have heard a lot about the Social Services Agency. The Government is proud of the great progress that has been made in the last 12 years to bring Gibraltar's social services more up to date and closer to what you would expect to find in a caring, just and modern European society. When we came into Government in May 1996, social services were practically non-existent in Gibraltar. The few that existed were run by non professional charities, the Church or were severely under resourced, under staffed and underfunded.

Today, all these services have been taken into the Government, expanded and fully funded. Mount Alvernia has been expanded and transformed beyond recognition, we no longer keep our children in State Care in an institution, we have our own Drug and Alcohol Rehabilitation Centre in Gibraltar, we have added new services including respite care, domiciliary care and family care, we have more than doubled the number of professional social workers and have employed hundreds more social care workers. The number of people employed to deliver social services has risen from just 111 under the previous GSLP government to over 430 now, a fourfold increase. Annual Government spending on social services has increased from a mere £2 million a year under the GSLP government to over £12 million a year now, an increase of 600%.

We will continue to invest in the development of our social services. This year will see the Social Services Agency and the Elderly Care Agency merge to create a single entity to be known as the Care Agency, with the aim of delivering a more coordinated, seamless service. We hope also to make a start on the new elderly residential home at the Old St Bernard's hospital, the new women's hostel and the new men's hostel.

Political criticism of the Government's performance in the delivery of social services when standards fall below the high level required under this Government is both desirable and important. The management and staff of the Social Services Agency are good and committed workers, often doing very difficult work. When standards have fallen short of the high standards demanded, the matter has been professionally and properly dealt with. There have been no cover ups, no uninvestigated serious events. There are no worms in any unopened can.

It is truly ironic that a political campaign should now be waged against the Agency and its staff by a political party who themselves cared and did so very little for Gibraltar's social services and their users when they had the responsibility of Government.

Whatever may have been the progress to date, there is much more to be achieved in developing our social and our medical services. In 2009, we hope also to make a start on the new Mental Health hospital, which is the final, and much needed piece in the jigsaw of our new, modern and much upgraded health service.

WATERPORT TERRACES & HOUSING

During the next few weeks we will also see the completion of the Government's Waterport Terraces affordable housing project. Some blocks have already completed and the flat owners taken possession. Although, as is the case in all such developments there has been delay in the completion of construction, there can be little doubt that the quality and attractiveness of these homes and this estate is of a high level, unprecedented in previous home ownership schemes.

The fortunate and patient buyers have benefitted from a considerable degree of subsidy by the taxpayer and care by the Government. As the Government has previously explained to purchasers in the Newsletters issued to them, the delays in completion have not been the fault of the Government, and therefore it is not fair to taxpayers that they should further subsidise buyers by paying compensation for delays for which the Government is neither physically nor legally responsible and which no other developer is expected or called upon to pay. This should not and cannot be different simply because the Government can be subjected to political and electoral pressure to which other developers are not vulnerable.

In making unjustified political capital out of the delay in completing the excellent and high quality Waterport Terraces, the GSLP Opposition should recall that the home ownership projects done by them suffered delays as well, that they also never compensated purchasers for that delay and that the bad quality of what they built is now a notorious part of Gibraltar folklore, from which hundreds of families have suffered for many years.

The next few months should also see the completion of the ex – OEM affordable co ownership housing projects, which Government took over when the developer got into financial difficulty and was unable to finance the projects through to completion. And construction work is already well under way in the Government's new Rental Housing Scheme at Midharbour, the first in Gibraltar for 40 years.

PARKING & TRAFFIC

At the last elections I promised that we would make it a priority for this term to remedy the historical and chronic parking problems in Gibraltar. Over 400 parking spaces have already been provided last month at the new car parks at Willis' Road, Sandpits and New Harbours. There has, as a result already been a very noticeable improvement in parking in those areas. Work has already begun on the next multi storey car park to be built, which will be for 1000 vehicles at Devil's Tower Road.

During the next few weeks the Government will be publishing its detailed, comprehensive and integrated parking and traffic improvement plan. This will include details of further car parks to be built and other new parking schemes, new roads, public transport initiatives and other related measures to deal in an unprecedented way and on an unprecedented scale with this historical problem.

OTHER MAJOR PROJECTS

But, as you know, our programme to modernise Gibraltar and thus to secure its prosperous and successful future, is not limited to transforming our economy, our health and social services, our sports and leisure facilities, our parking and traffic, our housing and our streets and squares. And so, 2009 will see works progress in other major projects as well: the new prison, the new power station, the new air terminal, the new North front road and tunnel under the runway. These are all projects which

take Gibraltar's socio economic development to new levels and thus ensure our standard of living and quality of life for generations to come. Successful government is about vision for the future, and not about freezing like a scared rabbit in the headlights of today's temporary news.

QUALITY OF DEMOCRACY – negative opposition

And the quality of our democracy continues to develop and improve, in parallel, and not just because of our new Constitution. Never has so much information about government affairs been in the public domain, and never has a Government put in place so many mechanisms to empower the citizen in dealing with the public administration. And, despite recent suggestions to the contrary from Mr Bossano, never have ordinary citizens been and felt so free and able – as should and must be the case – to challenge, criticise and oppose the Government openly without fear. All except those of very short memory will have thought that Mr Bossano was in fact describing the position before 1996 under his Government, and not the position now.

These improvements in the quality of our democracy will continue during 2009 as Parliament reforms and modernises its working practices.

It is good that people should be openly critical of Government when this is warranted. This results in better government. But it is also necessary to be wary of the motives and objectives of an obsessively negative and unconstructive Opposition, for whom the Government can apparently never do anything good or right, and who feel obliged to undermine everything that the Government achieves, while themselves offering no credible alternative vision, policies or leadership for Gibraltar.

EXTERNAL AFFAIRS

In foreign affairs too we have consolidated our constitutional advancement to the non colonial relationship with the UK achieved with the new Constitution, and we have made it clear to the United Nations Committee of 24 that, since they ignore our rights and wishes and the correctly applicable principles in our case, we no longer recognise their status as gatekeeper of our decolonisation, and will no longer appear before their Committee. We have the non colonial relationship with Britain that we want.

We will continue to confidently, but carefully and vigilantly, advance in, and normalise our relations with Spain to the greatest possible degree consistent with Gibraltar's rights, wishes and interests.

ROYAL GIBRALTAR REGIMENT

Just before I finish, I would like to pay tribute to the men of the Royal Gibraltar Regiment who have served in the front line in Iraq and Afghanistan with a degree of professionalism, competence and bravery that has earned recognition by the British army, and which justifies us, as a community being very proud of them.

2009 will be another year of challenges and opportunities for Gibraltar, which we are well placed to face and seize, respectively. Have a good year. Enjoy life, your family and your friends. I wish you good health and happiness for 2009.