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BUDGET SPEECH 2013

BY THE DEPUTY CHIEF MINISTER, THE HON J GARCIA

Mr Speaker,

This is my fifteenth budget debate in this House, my second as a member of the Government.

The GSLP/Liberal Government has now been in office for about a year and a half. We were elected on a platform of change. Our pledge was to transform the way in which Gibraltar was governed and to change it for the better.

This is what we have started to do.

In just eighteen months, a very short period of time, we have given effect to a record number of manifesto commitments. We have therefore moved forward with our programme for Government at a very fast pace.

Before I illustrate this point and expand on it further, I want to spend a few moments on other matters.

TREATY OF UTRECHT

The first is that this year marks the 300th anniversary of the Treaty of Utrecht. The House knows that this was as a general peace settlement of the whole of Europe which followed the War of the Spanish Succession. The different Treaties that were signed on different dates between the different warring nations are often recognised collectively as the origins of modern diplomacy which gave birth to the concept of the balance of power.

It needs to be said that outside Gibraltar this is not a Treaty that is generally associated with Gibraltar because it impacted upon many parts of Europe and each country or region is more concerned about the implications that it had for them.

The Government took the policy decision that 300 years of the Treaty of Utrecht was a historical event that was worth commemorating but not necessarily something to celebrate. The House knows well that the provisions of Article X of the Treaty, the one that deals with Gibraltar, have often been used by others as an excuse to seek to deny or curtail the right to self-determination of the people of Gibraltar.

We reject this analysis.

Those who take this view have not, significantly, been willing to test in court whether the provisions of a document that was signed 300 years ago can act as a bar to the living wishes of the Gibraltarians today.

The Government will therefore commemorate the event in a number of ways. The first has been the exhibition on Gibraltar and the Treaty of Utrecht which has taken place in the European Parliament in Brussels.

The opportunity was taken to promote Gibraltar and at the same time, to promote our position in Europe, to promote our people and our distinct identity, to promote our history and the many facets of our economy. The week-long event from which I returned on Friday went very well and it coincided with a number of follow-up meetings on various EU issues which affect Gibraltar.

On the actual 300th anniversary date of the Treaty, Saturday 13 July 2013, the Government is planning a community event. This will include the setting up of a replica period printing press which has already arrived from the United Kingdom. It will be manned by specialist personnel in period costume and it will run off copies of the Treaty of Utrecht. This activity will last for about 10 days and for the most part will be based in the Gibraltar Museum. A community event outside the Museum is being planned around the printing press for that Saturday.

Mr Speaker,

Given the historical significance of the Treaty and its impact outside Gibraltar, a seminar will take place after the summer to which speakers from different parts of Europe have been invited. The final list of panellists is currently being compiled. A similar event took place, and has been taking place, throughout the year in the city of Utrecht itself.

In addition to these events, the House will know that there is also a set of Gibraltar stamps to commemorate the Treaty of Utrecht.

The estimated funding for approval for Treaty events, Mr Speaker, can be found at Head 2(19) Treaty of Utrecht Commemoration.

PARLIAMENT

Mr Speaker

I said earlier that in the time that has elapsed since we were elected, some of the changes we have made are already manifested in many areas of life in Gibraltar. We have become so used to a new way of doing things that we take the significance of these changes for granted. We forget what was there before and the real impact of the transformations that have taken place.

We need look no further than this House.

The Opposition now complain that they need more notice of Parliamentary meetings, that they have childcare arrangements to make, that they have trips abroad to organise and other personal matters of a diary nature to attend to.

I understand that, Mr Speaker.

I understand that perfectly because for nearly sixteen years I lived it. It happened to us. This uncertainty affected not only members of the then Opposition, but even members of the then Government, former Speakers and the staff of the Parliament itself.

Indeed, my own election into this House in 1999 was itself a baptism of fire. Parliament met until two o'clock in the morning during at least two meetings that I can recall. There may have been more. Several meetings went past 11 o'clock at night and many more into the late evening. I learned very early, Mr Speaker, not to make any plans when Parliament had been called.

This is why I said earlier that it is very easy to take for granted the improvements that the change of Government has brought about. There is now an element of certainty in knowing that Parliament will meet around Chief Minister's questions during the third Thursday of the month. There was nothing remotely like this before.

There are sometimes pressing diary reasons why the House may have to meet before or after, but there can be no doubt that this is a vast improvement on the system that we inherited.

In a very short period of time, Mr Speaker, the Government has revolutionised the way in which this House does business through the increased frequency of meetings. This has happened, as we always argued, without the need for a Select Committee and simply because the new government had the political will to make it happen. I still remember, Mr Speaker, asking questions in September of one particular year about events which may have happened in March or April.

The present system allows the Government to be questioned in a regular way and when issues are relevant.

Again, this has never happened before. It is a reform that cannot be taken for granted.

Mr Speaker,

The Opposition need to take care when they are critical for the sake of being critical because it shows.

They complain that the Government does not answer questions.

The Government answers all the questions that they ask. They might not like or not agree with the answer. That is a different matter.

This Government has published more statistical information on-line, automatically and without being asked than any previous Government in the history of Gibraltar. The Government has made provision for letters to be answered in a reasonable period of time. When they were in office it was not uncommon for weeks, months and even years to go by without an answer.

It is therefore a nonsense for the Opposition to criticise the record of transparency and accountability of the present administration. This Government have done more to promote transparency, accountability and democracy in eighteen months than they did when they had the chance over nearly sixteen years in office. I am not saying they did not do anything. I am saying we have carried out more far reaching reforms in less time.

The GSLP/Liberal Government have taken concrete steps in accordance with the policies spelt out in our manifesto.

There is more to come.

A Freedom of Information Act has now been drafted.

A Referendum Act, designed to give statutory backing to any referenda organised in Gibraltar, is also in the pipeline.

A Civil Partnerships Act is now entering the final phase of consultation

The claims made by the Opposition are absurd in the context of what we have done so far and what we have pledged to do in the rest of this term of office.

Mr Speaker,

Returning to Parliament, the increased frequency of meetings has worked very well. There have been fourteen meetings of Parliament for questions since we were elected. The practice in the recent past was for three meetings, after the new Constitution made this a minimum. Before that there were sometimes two meetings for questions in a year and in 2003 there was only one. Therefore we have already had more meetings in 18 months than would have been the practice under them in the full four years of an electoral term.

Mr Speaker,

The House knows that more meetings is only one aspect to a series of improvements that we have made to the workings of this Chamber. Hansard is now produced within a few weeks, and not over many months.

A timetable is now published to provide a rough indication of who will be answering questions and at what time.

Parliament now enjoys a dedicated website which is updated by the staff of the House.

Members of the House, its staff and the media now have access to wifi in the Chamber.

The most visible hallmark of the transformation that has taken place is the overhaul and refurbishment of this Chamber after many years of decay and deterioration. This Government took a policy decision to prioritise the reform of Parliament and also to prioritise its physical refurbishment. There is a second phase of refurbishment which is currently being discussed and which honourable members will have an opportunity to comment upon when the time comes. The Government has already explained that this will include provision for disabled access.

These physical changes are important as well.

They have come with an integrated digital sound, recording and camera system which has allowed for the proceedings of this House to be televised.

This is the most important effort to take Parliament into people's homes since the decision was taken to broadcast proceedings over the radio many decades ago. It is yet another reflection of the policy of openness and transparency which is at the centre of the way in which this Government operates and it is a credit to our policies that we are the ones who have made this happen.

Mr Speaker,

We promised more meetings. We have delivered more meetings.

We promised more resources. We have delivered more resources.

We promised new technology. We have delivered new technology.

Mr Speaker,

The Government has, in just eighteen months, given effect to over 200 manifesto commitments.

This budget will give effect to or set the ball rolling on some more.

It is true that some of these have simply been the case of honouring pledges made to constituents by the previous administration. However, many more have required administrative action, others legislative action and most the provision of funding to ensure that they get underway.

Tenders have been issued for housing projects

in the aerial farm site,

the Europort Avenue site and the coach park site.

The first two have already closed and awards are about to be made very soon. This housing stems from the manifesto commitment to rehouse everyone on the housing waiting list on 9 December 2011.

The process is underway for the provision of a national theatre on the site of the old Queen's Cinema.

The small boats marina is already at an advanced stage of preparation.

New schools have been announced.

Sandy Bay will be saved from the elements.

Our beaches are looking better than ever.

Mr Speaker,

it has taken some time for the Government to give effect to a number of its more substantial manifesto commitments, both in terms of works and in terms of funding. In a sense it has taken longer than we would have liked. I know that many of us are impatient and cannot wait for the implementation of policies to make their way from the manifesto to the Cabinet to the administration and to the physical work on the ground. The reality is that people can now see that this is happening and that the Government is moving. And we are doing this because we want to make Gibraltar a better place.

However, Mr Speaker, we are not infallible.

We will get some things right but there will be other things that we could have done better. Neither do we claim to know it all. This is why we try and widen the circle of consultation and information that we put into the public domain.

However, even after detailed consultation, there will still be people who will agree with a particular project and with its location and there will be others who will disagree. We live in a democracy after all.

Before moving on, I now take this opportunity to thank the clerk and the staff of the Parliament for their enthusiasm in pushing through the Government's reform agenda and for their invaluable assistance in making the reforms that have been implemented to date such a success.

PLANNING

Mr Speaker,

One of the consultees that is now heard in relation to Government projects is the Development and Planning Commission (DPC). This was case under the previous administration.

The Government took the policy decision to place its projects before the Commission for guidance and advice only at this stage. The full plans and applications relating to Government projects are already placed on-line in the Government website. This allows the general public to be kept fully informed and up to date on such developments.

It is also a prelude to the commitment of the Government to place the entire planning process on-line. The work to make this a reality will continue during the current financial year.

The Government has already said that the presentation of its projects to the DPC will be given statutory effect in the new Town Planning Act which is currently at an advanced stage of preparation.

However, it is important to emphasise that even with the existing system, the Commission has been able to make its views known to the Government and the Government has listened and acted on those views.

The two most significant examples of this decision not to proceed with an additional floor to Moorish Castle and Laguna Estates and also the decision not to proceed with the scale of reclamation in Marina Bay which was linked to the Sunborn project.

It is therefore important to stress that even though Government projects are submitted for guidance and advice, the Government has often acted on the recommendations that have been made. The system has therefore worked very well.

The reality, is that it has been a huge challenge to organise the public administration in such a way that every corner of the Government machinery is aware that their own projects should now go to the DPC, simply because the system was not used to proceeding in this way.

The Chief Secretary has written to all Government departments, agencies, authorities and companies to officially inform them that the policy of the new Government is that all its

projects should go before the Development and Planning Commission, unless there are serious issues of public safety, urgency or national security at stake.

The resources of the Town Planning, and Building and Control Department have been increased. This has come about through the supply of additional clerical support staff and the recruitment of two Assistant Town Planners. The latter are both Gibraltarian graduates.

Outside the DPC, the two Town Planners are now consulted about Government projects at a much earlier stage where their opinions can be expressed and considered sooner. They have been involved, for example, in the team that was established to consider and evaluate the Rosia Bay expressions of interest and in other proposals made to the Government when these are still at an embryonic stage of concept design.

It will be recalled that the department and its professional staff was totally sidelined by the previous administration.

Mr Speaker,

the Opposition continue to be critical of the planning policy of the Government even though their own policy remains, first, to revert to the closed and opaque planning process that existed in the past and, second, that their Government projects would not go to the DPC.

I am afraid that this gives no credibility to anything that they may have to say on the subject.

There have been 20 meetings of the Development and Planning Commission since this Government took office and all of them, except the first purely organisational one, have taken place in public. The feedback that the Government has had on these meetings from applicants, objectors, the media and others is very positive indeed. It is difficult to envisage that all this used to happen in secret behind closed doors in a boardroom in Europort less than two years ago.

It has proved very useful for the Commission to have architects and project managers present in its meetings when considering an application. This means that any query or any issue can be cleared up on the spot. Indeed, at the last DPC meeting there was another incident which again drove home the value of meeting in public. An application was being considered for the replacement of slate roof tiles with non-original tiles of a similar kind. The Commission was not clear how the new tiles would look from photographs or designs. The issue was resolved by sending the applicant home for a tile while the meeting continued. When the applicant returned with the tile, it was considered and approved. The fact that the meeting was public allowed this to be resolved in about an hour.

Mr Speaker,

the Hon Members opposite often urge the Government to be even more transparent and even more accountable. Their arguments simply do not wash when placed against the background of the way in which they conducted themselves in office.

These reforms or other reforms to Parliament and to the planning process could have been carried out by the honourable members when they were in Government. They had nearly 16 years in which to do this. All they want to do now is to turn the clock back. They have no legitimacy to criticise what we have done.

Mr Speaker,

There have been over 880 applications considered in public by the Development and Planning Commission since this Government took office. It is significant to note that 92 of these applications have been submitted by the Government itself.

The Building Control Division processed a record number of applications for Building Control approval during the course of 2012, taking this to a total of 383.

This also reflects a record in the number of Approval Notices issued last year which totalled 368 and a record in the number of Certificates of Fitness issued totalling 177.

The Town Planning and Building Control Department is at Head 12 in the Estimates of Revenue and Expenditure with Parliament being asked to approve a total estimated expenditure of £ 1,074,000 for this financial year.

I would like to thank the staff of the department for their support in the implementation of the Government's manifesto commitments. I am also grateful to my Hon friend and colleague Dr Cortes and all the other members of the Commission who have helped to make the new system work.

LANDS

Mr Speaker,

I will now touch briefly on some lands issues.

I have discovered in a year that being in charge of lands is like supervising the construction of a giant jigsaw puzzle where the pieces do not always fit.

It is inevitable in a country of our size that something that happens in one part of Gibraltar has a knock-on effect on many or indeed is that plans for development are held back pending something else happening first somewhere else.

The root cause of the problem is simple. There is too much demand for the land that is available.

There is demand for offices, for stores, for workshops, for plots or yards – in short for almost every conceivable land use. The largest plots available to the Government have already been earmarked for housing. This is the number one priority.

LANDS - MOD

I move on now to MOD lands.

The Improvement and Development Fund shows that a total of £ 10.6 million has been received from the sale by tender of former Ministry of Defence properties. This is shown in the forecast outturn of Head 102. It is not the final amount because some sales have been agreed but not completed

The House will know that under the Lands Deal of July 2011, the Government is expected to raise £ 66 million from the sale of these and other properties in order to finance the reprovisioning of the MOD estate elsewhere

The sale of MOD properties has drawn into sharp focus the difficulty encountered by a number of prospective purchasers in obtaining mortgages. This continues to be a matter of concern to the Government. The Government is aware that one such person who wanted to buy in Buena Vista went to see nine lending institutions. These were both banks and building societies. Two of them had not yet got back to him. Two told him they did not offer mortgages. Three said that their quota was already full up. One said that they did not offer mortgages for Buena Vista and one offered a 50% loan to value only for private customers with £150,000 invested with them beforehand.

It is interesting to note that two of the lending institutions informed him that their quotas had been full since December 2012.

Mr Speaker,

In this context, we appear to have lending institutions that do not want to lend. The Government takes a very serious view of this given number of MOD and other properties that remain to be put on the market. It is not appropriate that banks and building societies, whose policy is largely determined outside Gibraltar, should operate on the basis of quotas given that local circumstances which are different to those of Head Office. There have been a number of instances where the sale of properties have been delayed or where they have fallen through altogether. This is something that needs to be addressed.

The Government has so far put out 46 ex-MOD residential units out to tender.

This comprised thirteen units at St Christopher's Court,
three in Cheshire House,

thirteen at Buena Vista,

eight at Carter House and twelve units in Currey and Pelham Houses.

The properties were allocated to the highest bidders in all cases.

The two large properties in Europa Point, Freemantle House and Napier House, went out to tender but no bids were received.

These are now being held back pending the development of the d studio projects in Europa Point.

the Government has completed all of the major demolition works needed to allow for construction work to commence in relation to the re-provisioning element of the Lands Deal. We have further refined the MOD requirements for the re-provisioning of certain facilities and this has allowed us to release the tender for the appointment of designers for the design of all such relocations. In addition, a significant amount of work has been undertaken to some of the properties returned from the MOD to get them into a condition where they could be put out to tender in the first place. This includes, in the main, connection of GOG utilities and meters as well as other essential works to the worst properties in order to bring these up to a reasonable standard so as to ensure the maximum return for the taxpayer from the sale of such properties.

LANDS Upper Town

Mr Speaker,

the long-term aim of the Government is to renew the Upper Town.

One way of doing this is to identify empty properties that we own and put them out to tender for redevelopment. The House knows that the Government is its discussions with the successful tenderer for Police Barracks in order to determine how to best take this forward.

Various properties in the Upper Town have also been put out to tender over the last twelve months. There has been a good level of interest in these properties.

The tenders for the units in Road to the Lines, Ansaldo's Passage, Richardson's Passage and Chicardo's Passage have raised nearly a quarter of a million pounds in revenue in total and will also result in the return of a Government flat.

The new owners will now redevelop these properties and give new life to the area. This fits in with the project to improve access to a part of the Upper Town through the outdoor escalator in Engineer Lane car park. It fits in with the policies for urban renewal and it also fits in with the recently announced plans for a new first school, middle school and sports facility on the site of the old St Bernard's Hospital.

The Government is presently engaged in identifying other suitable properties that can be put out to tender in order to continue with this project.

I take the opportunity to thank the management and staff of Land Property Services Ltd and the Lands Office in No 6 Convent Place for their assistance over the year.

CIVIL AVIATION

Mr Speaker,

I move on now to my responsibilities for Civil Aviation. I want to start by saying that the Government welcomes the position taken by the United Kingdom Government in relation to the inclusion of Gibraltar airport in EU civil aviation measures.

This was expressed at the new Aviation Policy Consultative Conference held at the Department of Transport in London last month. The forum included the United Kingdom Government and the Governments of the Overseas Territories and Crown Dependencies.

The Minister of State for Transport Simon Burns MP declared that the continuation of Gibraltar exclusion clauses in future EU Aviation legislation was a "redline" issue for the UK Government. This is in line with public statements that have been made already.

The Government took up EU aviation issues with the respective Director General during our visit to Brussels in March. I was able to follow up some of these issues during a further visit to Brussels last week.

The aviation conference gave the opportunity for the Overseas Territories and Crown Dependencies to be briefed on current UK thinking on a number of aviation related issues and also allowed the concern of the territories to be raised directly with the UK Government.

AVIATION SECURITY

In the three years since European Aviation Security Regulations became directly applicable to Gibraltar Airport and, in particular since the move of departures from the Old Air Terminal to the New Air Terminal, an enormous amount of work has been undertaken to ensure that the requirements of the European Regulations are now being met. The improvement in standards achieved at the Airport has been consistently commented upon in post-inspection reports. The move to the New Terminal entailed a complete revision of the security procedures and necessitated the Aviation Security Programme to be re-drafted. The success of the move and of subsequent operations speaks highly of the dedication of the Borders and Coastguard Agency Officers in implementing the revised programme.

The decision last year to employ a dedicated Training Officer for the Borders Agency and a Quality Control Officer for Gibraltar Air Terminal Limited has been fully vindicated. These

Officers have been fundamental in ensuring the new procedures required by the new premises were understood by all staff prior to them operating in the New Terminal. In addition, since the move they have reviewed the procedures employed and have suggested a number of amendments that have been incorporated into working practices.

However,

the move to the New Terminal has brought with it increased demands on the security staff through the introduction of new dedicated facilities for staff search, cargo and general aviation; in addition, the Terminal offers an increased number of screening lines to search passengers. To facilitate the use of these facilities, the Government has recognised the need to employ additional staff and has recently started training a total of 14 new Borders Agency Officers. These Officers, the majority of whom are Gibraltarian, have undergone initial training and are now undertaking on-the-job training. They will become operational in time to meet the bulk of the summer schedule.

The recruitment of new personnel will also allow the Agency to create an assistant Training Officer position, to help teach the annual Immigration and Security syllabuses. Similarly, the Agency will increase the number of Duty Managers to help them better provide 24 hour coverage for the operations they oversee in Gibraltar.

AVIATION SAFETY LEGISLATION

Mr Speaker,

European legislation introduced in 2012 regarding the licencing of Air Traffic Controllers required amendment to the Civil Aviation (Air Navigation) Regulations 2009. These amendments were promulgated in December 2012 and the opportunity was taken to review all the Regulations in the document. As a result amongst other changes, regulations were introduced to prohibit the pointing of lasers at aircraft and facilities on the Airfield, as well as the promulgation of new requirements for the use of unmanned small aircraft conducting aerial reconnaissance works.

During the year the European Union also introduced Single European Rules of the Air Regulations and these became applicable from 4 December 2012. However due to the speed with which these rules were introduced, Gibraltar, like the majority of European countries, has taken advantage of a derogation to delay the introduction of the Regulation until December 2014. In the intervening time, work is on-going to introduce the changes to the Civil Aviation (Rules of the Air) Regulations 2009, which the new Regulations require.

Finally, during the year the Director of Civil Aviation arranged for a Memorandum of Understanding to be signed between the Royal Gibraltar Police and the UK Air Accident Branch, which effectively sets out the division of responsibilities between the two organisations for investigating Air Accidents in Gibraltar.

Aviation Safety

Effective bird management throughout Gibraltar and especially at the Airport by the Airfield Bird Management Team saw only three bird strikes and one near miss reported during 2012. None of the bird strikes resulted in significant damage to the aircraft and all were found fit to fly following inspection by an aircraft engineer.

The benefits of introducing the Aerodrome Manual at the Airport last year continue to be felt. The document sets out the safety procedures, responsibilities and accountabilities that are in-place at the Airport. A consequence of the document was the change of focus of the Airport Users Group to become the Airport Safety Committee, which has resulted in a number of positive initiatives being introduced. As a result a number of significant safety improvements at the Airport have been agreed with the Ministry of Defence. The most significant of which has been the agreement of the Ministry of Defence to publish declared distances at the Airport that fully comply with International Civil Aviation Standards. This change removes the need for civil aircraft to have to calculate required civil declared distances from those declared for military aircraft.

Finally,

Improved procedures and ground markings have been introduced at the exit from the Civil Apron to prevent runway incursions by aircraft inadvertently entering the runway after passing the published holding points prior to having received permission to do so from ATC.

New Air Terminal

Mr Speaker, I move on now to the new air terminal

Departures were transferred over from the Old Terminal on 26 September 2012 and all operations have been handled successfully in the New Terminal ever since. This has only been possible thanks to the efforts of all the persons concerned, who have done and continue to do a considerable amount of work behind the scenes to ensure that everything runs smoothly.

The terminal continues to be operated and maintained by a combination of Service Level Agreements (SLAs) and in-house staff

The budgeted cost for all of the SLA's is £3 million for the financial year 2013/14.

This includes all the different electrical, mechanical and IT systems and the ground handling and cleaning contracts. Work continues to bring operating costs down to a minimum, including the installation of extra lighting controls, and the constant monitoring of all heating, ventilation and cooling systems to ensure that savings are made on power consumption.

There has also been a considerable amount of work done by the Air Terminal IT Staff and the Government's IT department with a view to configuring the various IT systems to meet operational requirements. This has included purchasing extra equipment and spares to the value of £56,500 that were not included in the original contract.

Government continues to actively try and attract business opportunities to the Terminal. In this connection, three companies have expressed an interest in occupying the seven remaining Retail Units in Departures, and Government is now considering these applications.

Similarly, most of the advertising sites within the Terminal have now been visited by prospective advertisers and they are now in the process of being allocated.

The next phases involve completing the migration of all services and entities out of the old Terminal to allow for its demolition, and building covered walkways both landside and aircraft to offer some cover from the elements for airport users. The lower baggage reclaim was recently extended in order to resolve an operation design issue which found that it was too short.

I take the opportunity to thank the Director of Civil Aviation, the Air Terminal Director, and all the staff of the different agencies and companies involved in aviation matters.

Mr Speaker, I now turn to Gibtelecom.

Honourable members are no doubt aware of the theft of around £690,000 committed over the last nine years. This serious and disturbing matter is subject to a criminal investigation by the Royal Gibraltar Police and the dismissed employee has been bailed at the Magistrates Court on charges with counts of theft and false accounting. In addition, the Company's Chief Executive has commissioned an in-depth forensic audit by the external auditor which, once completed, would be considered by the Board. In these circumstances, it would not be appropriate to go into more details or comment further at this time and I trust the Honourable members opposite will understand this.

However, I can pass on the Company's assurances that whilst Gibtelecom as an entity has suffered a loss, none of the business customers, suppliers or partners have been disadvantaged as a result of the theft.

Setting this disappointing event aside, it has been business as usual, with Gibtelecom keeping pace with demanding emerging technologies, together with competitive pressures. Not only has the Company retained its position as the leading communications provider in Gibraltar, but is making great strides in growing its new overseas business as a global carrier as well as a substantial data centres operation in Gibraltar.

Overall business turnover increased year-on-year. Steady growth in the mobile, internet and business enterprise services has given the Company a solid foundation on which to develop and continue to invest in infrastructure for the future. Indeed over the last decade the Company has invested some 25% of its revenues in technology and infrastructure.

The roll-out of the Company's Next Generation Network (NGN) is now well under way with the deployment of VDSL2 technology and the installation of new 'active' street cabinets across Gibraltar. These street cabinets, containing essential electronics and fibre nodes, will bring the customer premises closer in proximity to the technical equipment to facilitate high broadband speeds being delivered over the existing copper access network to virtually all of Gibraltar. To blend in with their surroundings, Gibtelecom have been working with the Government planners to smarten up the cabinets, widening their use to additionally provide tourist and heritage information in places. For instance. The first of the cabinets, which as installed in the Laguna/Glaxis estate areas last October, has been embellished with vinyl 'wrap' displaying information on the history of the area and other sites of interest in Gibraltar. This new network has the scope to deliver higher broadband speeds for Gibraltar and well ahead of most of European countries.

As I reported in my budget speech last year, the Company's substantial project to replace and upgrade its existing computerised system for network records, customer services and billing, is on course to be completed in the second half of this year. It is expected that this state of the art system, handling amongst other things over 100 million real time transactions a year, will serve the needs of the business and its customers for many years to come.

The Europe India Gateway (EIG) submarine cable system, activated last year, continues to provide Gibtelecom with route diversification and facilitate enhanced direct connectivity worldwide. Gibtelecom's agreement with Vodacom South Africa, part of the Vodafone Group that I reported on last year has now been complemented with other important international deals with communications companies headquartered in Australia, London, Monaco, Singapore and the United States of America. The partnership with Monaco Telecom is also providing Gibtelecom with communications capacity to access the European market through Monaco to France, thereby helping to further establish Gibraltar as a truly international communications hub.

In order to better place the Company to meet the challenges of developing technology ahead and growing customer expectations, Gibtelecom continues to invest in infrastructure and its people. It is only by taking this holistic approach that the Company will be able to satisfy the needs of its various stakeholders and maintain its commitment to provide a reliable, and important, service to the local community and for Gibraltar's economy as a whole.

Conclusion

Mr Speaker,

There is no doubt that Gibraltar has changed much in eighteen months and that it has changed for the better.

The Opposition will continue to criticise everything that we have done. They will be critical even if they used to do the same in office.

They will be critical even if what is there now is manifestly better than what was there before.

This is what everyone expects from them.

An obsessive, nit-picking criticism of everything that we do.

They should remember that we were elected to implement our manifesto and not to implement theirs.

The Government are confident, Mr Speaker, that the electorate value the efforts that the Government is making in the delivery of our policies and we will continue undeterred to give effect to the manifesto that put us in office.

I thank you too Mr Speaker for your guidance over the last year.

Thank you.

ENDS