

## PRESS RELEASE

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**THE HON NEIL F COSTA MP  
MINISTER FOR BUSINESS AND EMPLOYMENT  
BUDGET SPEECH 2015 – 24<sup>TH</sup> JUNE 2015**

Mr Speaker, as always, it is an absolute pleasure and a privilege to deliver my Budget Address in this House. This speech marks my eighth Budget contribution as a Member of Parliament and my fourth as a Government Minister. It is however, Mr Speaker, my first Budget Address as Minister with responsibilities for Business, Employment, Skills, Postal Services and the Department of Social Security.

During the course of my contribution, I will seek to report on the projects undertaken over the past six months and to set out my Ministry's objectives for this financial year.

With your indulgence Mr Speaker, I will start with my Social Security responsibilities.

### **SOCIAL SECURITY**

#### Maternity Allowance

As this House will recall, the House recently voted unanimously in favour of the Social Security (Insurance) Act 2015. This amended Social Security legislation now allows for a maternity grant to



be claimed on the basis of the social insurance record of a child's biological father. The previous position was that the mother of the child could only claim from her own, her husband's or her civil partner's contributions to the detriment of unmarried couples where the mother has insufficient insurance contributions. Applications will be accepted retrospectively, as the legislative amendments are deemed to have taken effect as from 30 June 2014.

Death grants will now also be payable in respect of "illegitimate children" and this phrase, and all of its outmoded connotations, have been removed. This amendment was necessary in the context of the other key provisions being introduced.

Further, the benefit given to a man's wife, civil partner, widow or surviving civil partner under section 27(2) of the Social Security (Insurance) Act to recover a maternity grant lost as a result of the man's employer neglecting or failing to pay contributions which the employer is obliged by law to pay on his behalf has been extended to include "the child's mother" as an eligible person who can also recover against the man's employer.

When the employed person is a man, the child's mother in addition to the man's wife, civil partner, widow or surviving civil partner, will have the same right to recover in respect of a maternity grant lost, as a result of failure or neglect by the employer.

The identity of a child's biological father may now be ascertained or proved on presenting a requisition in writing to the custodian of the register relating to the registration of births, marriages, civil partnerships and death.

Under regulation EC/883 of 2004, foreigners working in a member state are entitled to receive benefits on behalf of the family members abroad, as long as they meet the contributions



requirement for that benefit. An agreement with Morocco is also in place which establishes the same practice with that country.

Further, although the time for claiming a maternity grant is 6 months, if between 30 June 2014 and the date of publication of the Amendment Act, a woman received a reduced grant due to not satisfying the relevant contributions conditions and she wishes to claim the additional benefit, or a woman was confined and wishes to claim a maternity grant on the basis of the contributions of the child's biological father, the prescribed time for claiming will be the period of 12 months beginning with the date of confinement. Mr Speaker, this is to give women enough time to claim the benefits as the six-month prescribed period for claiming may have already elapsed in some cases by the time the Act came into force.

Mr Speaker, it gives me great pleasure to remind this House that the Honourable the Chief Minister raised the maternity grant from £600 to £700 during the course of his Budget Speech.

Further still, self-employed women now have the option of paying an additional voluntary contribution for the purpose of claiming maternity allowance. Prior to this amendment, self-employed women were not eligible to maternity allowance. This amendment to the legislation was in order to transpose, in part, Article 8 of Directive 2010/41/EU on the application of equal treatment between men and women engaged in an activity in a self-employed capacity.

### Disability Allowance

Mr Speaker, on other Social Security related matters, Her Majesty's Government of Gibraltar is in the process of reviewing the arrangements applicable for the award of Disability Allowance. In this respect, a Multi-Disciplinary Assessment Panel has now been established. This Panel will be made up of different Health Professionals, depending on their speciality and availability. For example, the Panel assessing childrens' applications



will be comprised of professionals specialised in paediatrics. As a result, these professionals are better suited to understand the impact of an applicant's disability or health condition on their daily activities and mobility.

The panel will periodically assess applications and subsequently provide the Director of Social Security with a collective recommendation on the merits of each applications. I expect these recommendations to be provided in a just, equitable and consistent manner that will be fair to all applicants.

In the light of the sensitive and urgent nature of these applications, I am pleased to report to this House that the Director for Social Security has processed a total of 13 historic applications that were pending. A total of over 30 more applications remain pending and these will be re-assessed under the new arrangements.

The Disability Allowance benefit was introduced many years ago on an 'ad hoc' basis to cater for a small group of disabled persons. The situation today, however, is that the Department of Social Security, which administers this Allowance, is finding it increasingly difficult to consider the upsurge of applications in a just and equitable manner, based on the very brief and general guidelines available. The increase in the number of applications, which now extend to a very wide spectrum of medical conditions, require more clearly defined parameters and very specific advice from doctors and health professionals.

It is with this in mind, and the importance that Her Majesty's Government of Gibraltar places on supporting persons with disabilities within the community, that it is reforming the whole process of awarding the Disability Allowance. Her Majesty's Government of Gibraltar is hopeful that these reforms will play a significant role in achieving the Government's objectives.



Upon the development of this new system of assessing entitlement, there will be a more focused method of considering needs arising from all impairment types equally, and on an individual basis, rather than labelling people by their condition. Disability Allowance will no longer be awarded on the basis of having a particular health condition or impairment but on the impact of the health condition or impairment that this has on the disabled person or on their carer's everyday life.

In this way we will work towards a system that will assess individual needs, ensure consistency of decision-making and make the whole process fair and objective, when assisting individuals.

#### Miscellaneous matters

Mr Speaker, at an operational level, I am pleased to report that the Department of Social Security Application System will benefit from a complete overhaul. The software development of the DSS Application System will assist the Department in delivering a more efficient and effective service to the public in order to meet the ever growing demand of their customers. This software will eliminate the duplication of data, which is currently occurring within the Department whilst processing different benefits. For example, a birth certificate submitted when claiming a particular benefit, would be stored in the database and can be used for other future claims. It will also streamline the information currently held in manual records therefore highlighting and eventually reducing inconsistencies in the system. This will also serve as a sophisticated analytical tool that will be instrumental in producing statistical data, expediting our estimates and analysis of future expenditure in relation to any given benefit. The Application System will be operational before the end of this year.



I very much look forward to continue my work with the DSS as we seek to tackle historic problems and introduce new streamline procedures and reforms for our community's benefit.

## POSTAL SERVICES

Mr Speaker, I now turn to my responsibilities for The Royal Gibraltar Post Office.

On the 13 May, the Royal Gibraltar Post Office (RGPO) launched its first "Post & Go" kiosk machines in partnership with Royal Mail. The launch was held at Europhilex in London, the biggest philatelic event in Europe. This Exhibition machine was a success taking £7,000 in its first week. The kiosk is available all year round at Gibraltar House in the Strand, selling UK and Gibraltar stamps. More kiosks are planned to be based locally in the future; the first two will be introduced in the Main Street Post Office and the Parcel Office by the end of July 2015. Each kiosk will have a digital screen, barcode scanner and Chip & Pin with Wavepay facilities. There are still a number of on-going trials that will demonstrate the full range of services that these kiosks will provide in the future.

Mr Speaker, given the increasingly sensitive aviation safety and security issues facing the global postal network, the Government organised a dangerous goods training program, delivered by a dangerous goods expert from the UK, not only for the Postal staff, but also for its contract customers and the screening staff at the Airport. Consequently, the RGPO will become the 21st country in the world to have legal approval to accept lithium batteries contained within equipment. Like all other batteries, lithium does have environmental impacts associated with it over its lifecycle. Nevertheless, these have been scientifically assessed to be notably less significant than other branches of batteries making lithium the best available option of its kind on



the market today. This is yet another example of how the RGPO are moving into an established circle where regulations are in force, guidance is available, and the consideration of environmental impact has been thoroughly assessed and included therein.

Mr Speaker, as we all know, one of the most important ways of improving Health and Safety is through staff training. All RGPO managers and acting managers have completed their Level 2 Award in Health and Safety in the workplace and two other managers went on to complete their Level 3 Award in Risk Assessment “Principles and Practice”.

Further, the clerical staff have completed their first stage of Customer Service training to help improve quality standards in this area. Two new independent Quality Performance Indicators were introduced. In January, the RGPO became one of the first to introduce the new International End-to-End measure, which is controlled by the UN Universal Postal Union (UPU). This Global monitoring System (GMS) works by independent external panellists sending test letters, containing a radio frequency identification (RFID) transponder, which are read by RFID antennae installed at the Sorting Office. The second measure was introduced in April, which controls the local End-to-End quality and is carried out by the Ombudsman. To improve answering times within the Customer Service team, a switchboard phone system has recently been installed that will help record complaints more accurately.

Mr Speaker, I am also pleased to inform this House, that Mr David Ledger and I visited UK in April of this year in order to secure additional cargo space on Monarch Airlines. The meeting proved to be very positive with effective and advantageous negotiations taking place as a means of securing extra space out of Gibraltar. This extra space is very much needed with the growth of outbound mail and cargo traffic. Negotiations are now being finalised and the service will be fully operational by next month.



## COMMERCIAL AFFAIRS

Mr Speaker, I turn now to my Commercial Affairs responsibilities and I start with the Department of Consumer Affairs.

### Consumer Affairs

Consumer Affairs continues to focus its efforts on raising public awareness on consumer rights. It is also beginning to focus on the business community to provide guidance on their client's consumer rights and how they can seek compliance with these rights. To this end, in July the Department will deliver a seminar geared towards the trading community and arranged by my Ministry's Business Support Unit, which will focus on their client's consumer rights. The Department also participated in a workshop organised by the GFSB, which helped to raise awareness on the new Office of Fair Trading legislation, how it will change the services delivered by the Department and how businesses can expect to be affected by it.

During the Department's annual awareness campaign held in December, a new booklet of information was introduced that allows both consumers and traders to learn of their rights and obligations under the Consumer Rights on Contracts Regulations 2013. This awareness day also informed the public on other areas of consumer protection, especially during the festive season, when consumer spending is at its peak and again served to promote the services of the Department. During 2014 the Department also participated in other awareness initiatives in collaboration with the Citizen's Advice Bureau, namely an On-line safety awareness day where a booklet of information to this effect was introduced by the Department in relation to shopping safely on-line and participation in the Careers





Fair. Further, in an effort to educate our young consumers, the Department gave a presentation in February to college students on their consumer rights and obligations. The aim of this presentation was to empower them with information that would assist them should they run into problems with any purchases locally or across the European Union.

The Department of Consumer Affairs continues to explore new ways in which to fulfil its objectives of empowering consumers and traders via education and awareness and hopes to develop a series of sector specific awareness bulletins as part of their strategy to achieve this.

Further, the Department has undergone training with the Royal Gibraltar Police in order to ensure best practice methods and procedures when using enforcement under current and future legislation. The training, amongst other areas, focused on statement writing and handling evidence that will be of great benefit when the Department's staff begin their enforcement functions within the Office of Fair Trading (OFT) structure.

Three staff members undertook Interpersonal Mediation Training and are now accredited mediators in this field. This training will ensure that when handling disputes between consumers and businesses, both these parties can be confident that their situation is being dealt with effectively and in keeping with best practice methods. The Department is hopeful that they will be able to continue their professional development in this area and are looking into further accreditation in commercial mediation.

Mr Speaker, Consumer Affairs are committed to continue delivering a high level of service under their new areas of responsibility within the OFT. To this end, staff have engaged with the Chartered Trading Standards Institute in UK to identify a bespoke training package for its staff encompassing Product Safety, Weights and Measures, Consumer Rights and



Redress and Investigation Skills, which they will be undertaking within this financial year. Also at the end of this year, two staff members will attend a best practice and work experience visit to a Trading Standards Office in UK to allow for familiarisation with their processes for comparison and evaluation against our own methods for the continuation of development and improvement of these. Moreover, it will allow these team members to have a practical insight into new areas of work that will be undertaken under the OFT structure.

### Small Businesses

Mr Speaker, dealing specifically with small businesses, and as I do not tire of saying, small businesses are the lifeblood of our economy and the Government must enable the right conditions for businesses to flourish. For us this is never about paying lip service and the proof is in the extremely wide range of budgetary measures over the past three years, such as:

1. the reduction of Import Duty to stimulate the retail sector on many items including LED lighting, LED torches, writing implements, pleasure craft, yachts, other seagoing vessels under 18 metres in length, including jet-skis and kayaks, fertilizers for all flowers, gardens and other greenery, umbrellas, musical instruments, natural and cultured pearls, artworks, including paintings, pastels, sculptures, textiles, items of furniture and furnishing, domestic appliances as well as many other goods;
2. no increase on the import duty on fuels;
3. no increase in Social Insurance contributions, for both employers and employees;



4. zero increase in electricity and water charges;
5. a discount for early payment of Rates of 65% for businesses in the first year of trading for new set-up companies;
6. those new companies that had already received a 50% general rates discount in their first year of trading, since the scheme was introduced, will also be given a 25% discount in the second year of trading;
7. discount for early payment of rates increased from 10% to 15% for offices, workshops, construction and manufacturing industries, transport and distribution industries;
8. assistance in the introduction of the smoking ban, extended to September 2015, for bars and restaurants the discount for the early payment of rates to increase to 30% between 1<sup>st</sup> October 2014 and 30 September 2015;
9. ships anchoring in the Western Anchorage (WA) whose main purpose is bunkering, now receive a 75% discount on tonnage dues;
10. any vessel calling at the Eastern Anchorage in order to take on provisions, spares, stores, or to carry out crew changes have also been receiving 75% discount on tonnage dues; and
11. in connection with the measures announced by the Honourable the Chief Minister in this year's budget, I am pleased to highlight and reiterate the following:



- (a) employer's contributions in respect of an employee's secondary employment are abolished, subject to the full contribution having been paid once in Gibraltar;
- (b) in order to further incentivise new businesses to set up in our thriving economy and generate economic activity, companies, partnerships and self-employed individuals will be able to claim 100% of its eligible Capital Allowance in the first year of trade;
- (c) following proposals from ATCOM, in order to incentivise training in the workplace, training costs will be allowed as an expense against profits of a business or company at the rate of 150%. In other words, a company that invest £1,000 in training its employees with a view to them obtaining a qualifying qualification, will now be able to claim £1,500 as a deduction against its profit for the accounting period in its tax computation;
- (d) the Audit Threshold, that is to say the level of turnover beyond which audited Accounts are required, is raised from £1,000,000 to £1,250,000;
- (e) in order to assist small scale start-ups, a capped 200% credit is introduced in respect of the cost of any architect's fees incurred in respect of successful planning applications under the Town Planning Act (and any fees charged by Government in respect of any such planning application) made by such a company in respect of its own property in the first 24 months of operation of any new company. The credit will be available to be deducted from tax liabilities in the first three years of operation of any such company. The Cap will be at a total of £5,000 as this is NOT designed to be a measure to help large scale developers of land, but to assist small scale businesses who may incurring planning fees in remodelling business premises; and



- (f) to further encourage and assist small businesses and start-up companies, a Social Insurance Credit is introduced of £100 per employee in respect of Employers' Contribution for companies who have 10 or less employees. The credit will be made against the final payment of the year and companies will ONLY be eligible if the required payments have been made on time throughout the year. For a new company, the credit will apply to companies with up to 20 employees in the first year of operation.

Mr Speaker, I am sure that I need not explain to this House the extremely beneficial importance of these measures to further incentivise new businesses and creating enterprises to flourish in what is, by any measure, our tiger-like economy. And Mr Speaker, it is not I that describes Gibraltar's economy as "tiger-like", although I would agree that it is, but the appropriate adjective is from no other publication than the internationally recognised and esteemed The Economist.

Mr Speaker, access to finance, however, can still be a real barrier to small businesses. It may be difficult for individuals setting up to obtain funding, unless they turn to savings or private investors. This dents our entrepreneurial drive and we have moved to restore that confidence and breathe new life into small business start-ups by the launch of a £250,000 fund. The fund will give a much needed advantage to potential entrepreneurs and to those established businesses that wish to expand.

Small businesses collectively are Gibraltar's biggest employer. Therefore, the availability of loans is not just vital to grow our economy, but, is equally important in creating employment opportunities, fostering technological innovation and expanding the range of goods and services enjoyed by consumers.



To date, we have received 16 applications with many more expected to be received over the next few months. The application scheme for these loans sees applicants complete a simple form. These applications are then scored by a committee comprised by a Chamber representative, a GFSB representative and a Government official. The scores take into consideration the purpose of the loan and score them against set criteria, ranging from evidence of demand, innovation, sustainability and risk, value for money, the safeguarding (and creation) of any jobs, environmental and health impact, e-commerce, urban renewal and touristic or reputational value. Applications are filtered and given a preliminary score. Applicants who obtain a satisfactory score meet with the committee. The meeting allows the applicant to meet with individuals operating in the business field and avail themselves of a steer prior to launching or expanding their business. After the meetings, the scores are finalised and a majority recommendation is made for my final approval.

We hope that the success of this fund will ensure that it is extended into the next financial year to assist an even greater number of start-up businesses. And, of course, Mr Speaker, all Honourable Members will welcome that the Gibraltar International Bank has opened its doors and is ready to offer loans to small businesses.

In addition to these economic incentives, and as part of the Government's drive to encourage and support new and existing businesses, the Business Support Unit is making a valuable contribution in launching a programme of free business seminars. These technical discussions are aimed at providing local businesses with guidance and support on a range of business related topics, from accounting to recruitment.

## OFFICE OF FAIR TRADING



Mr Speaker, I now turn to the Office of Fair Trading, which will cater to the needs of our business community and consumers. Our society is one that undoubtedly punches well above our weight in terms of business, but we must not rest on our laurels. We must keep evolving and accommodating existing businesses whilst at the same time encouraging new businesses, itself a delicate but essential balancing act. This is by no means an easy feat but I believe we have taken one long stride towards maintaining our competitive edge through the establishment of the Office of Fair Trading. You see, Mr Speaker, today's day and age calls for wide-reaching methods of doing business, one where time is even more valued, where businesses and consumers are increasingly keen to operate remotely. It is an environment that calls for a greater focus on protecting consumers whilst simultaneously meeting consumer's ever-expanding needs. To achieve these goals and to fully nurture this environment to its true potential, it is essential that we cut down on red tape. Unsurprisingly, we are not alone in seeking to minimise red tape. Frans Timmermans, the First Vice President for Better Regulation, Inter-Institutional Relations, the Rule of Law and the Charter of Fundamental Rights, echoes our ethos, having undertaken a review of existing EU law with a view to cutting formalities affecting businesses. This is one of the principal reasons why the Office of Fair Trading will be launched: to assist, facilitate and focus new business applications to the right Governmental Departments, speedily and from one single venue: the Single Point of Contact. We are confident Mr Speaker that this facility, empowered by a statutory footing, will reap rewards for our economy.

The Office of Fair Trading will be operated from adequate office premises, centrally located and accessible to both businesses and consumers alike. The staffing complement will be bolstered with a number of new additions, not least, the appointment of a legally qualified Chief Executive Officer to oversee the operation and management of the Office. The Consumer Affairs and Licensing Departments will be staffed by seasoned public servants who are experienced in their respective fields of expertise. These individuals and their supporting staff members coupled with the Business Support Unit have all



undertaken substantive practical training with other Governmental Departments, building up an internal network that will prove invaluable to the one-stop-shop service that the Office will offer to new businesses. The knowledge they have gained will be valuable to businesses seeking the services of the Office. Their network of contacts will serve them in good stead should they require additional information or to set up meetings between start-up businesses and other Governmental Departments.

In line with the EU Services Directive, there will be a Single Point of Contact that aims to ease an applicant's administrative burden and be a first port of call for new businesses in Gibraltar who need to set up and file forms with the various relevant Departments in order to start their business locally.

Start-up businesses will be able to complete and submit the forms required by the Government's Departments and agencies online via the Single Point of Contact's web portal.

Alternatively, applicants may visit the Office of Fair Trading in person, where staff has been trained to be able to advise and assist clients in completing their registration and licensing processes and arrange any necessary meetings with the different Departments and Agencies involved. Mr Speaker, I cannot stress enough that this facility will be a superb offering for businesses and a landmark and unprecedented step towards a single counter service.

The Fair Trading Bill has been continuously reviewed in order to create this level playing field amongst businesses for the benefit of consumers and businesses alike. We have received an overwhelming positive response on the Fair Trading Bill; in fact, at times I feared that this would be a never-ending consultation with no end in sight. But my teams





and I persevered and spearheaded this Bill towards becoming a seminal piece of business and consumer related legislation of which I am extremely proud to bring to this House.

I am, therefore, genuinely excited and proud of this project's imminent launch.

## TRADE LICENSING

I now turn to Trade Licensing Mr Speaker. The "trade licence", as we now know it, will be phased out to extinction like the paleontological relics before it. It will be replaced by a "business licensing" regime and more aptly named "business licences". The categories of services that will require a business licence have been extensively expanded, now comprising all service related businesses that are not covered by other enactments. Again, this allows a level playing field amongst a significant number of businesses, as it should be. There is no logical rationale for only a group of business categories to be licensed as was the case under the previous trade licensing regime; all businesses should be licensed on an equal footing.

Going back to the roots of the Trade Licence Act, I have no doubt that it may have been adequate when introduced over 40 years ago. However, since its enactment, it has lacked the enforcement powers that it craved. As a direct consequence, the licensing authority was restricted; it had some bark but no bite. The new business licensing authority will be able to step up its game and return a substantive benefit to businesses and consumers by deploying its Consumer Protection Enforcers and having the Commission of the Office of Fair Trading deal with complaints.

The new licensing regime under the Fair Trading Act will see the introduction of an objection fee for objectors to a licence application. Following our consultation with

Ministry of Business and Employment • HM Government of Gibraltar • Suite 735, Europort • Gibraltar GX11 1AA

t +350 20078871 / 20061173 (Centrex 2750/3080) f +350 20078899 / 20071950 (Centrex 3511)

e [info.mbe@gibraltar.gov.gi](mailto:info.mbe@gibraltar.gov.gi) w [www.gibraltar.gov.gi](http://www.gibraltar.gov.gi)



individual businesses, I was not pleased to learn that objections were presented as a matter of routine, with the primary and sole intention of imposing an unnecessary delay on applicants. The introduction of these objection fees will, I hope, serve as a deterrent to vexatious objectors. The ground-breaking amendment included in the Fair Trading Bill however, Mr Speaker, is the removal of one particular ground of objection that hindered competition. This ground allowed an objector to rely on the argument that the needs of the community, either generally in Gibraltar or in the area thereof where the trade or business is to be carried on, were adequately provided for. Given that the vast majority of objections to trade licence applications relied on this ground of objection, I sincerely hope that the new business licensing authority will see a vastly reduced number of objections on the remaining grounds.

There are a number of other significant changes that will improve and speed up the business licensing process: the business licensing authority will, at a minimum, now meet fortnightly, rather than monthly. The Act contains a statutory presumption in favour of carrying on business in Gibraltar, subject to obtaining the required licence. Certain applicants will also need to demonstrate suitable training or qualifications to the licensing authority, primarily for their own safety.

The new legislation also highlights that the Minister may issue guidance to certain business categories and indeed, we have already prepared three separate codes of conduct for tourism service providers, real estate service providers and for businesses holding monies in a client account. These codes of conduct are primarily concerned with the protection of deposit monies that are paid over by consumers, a type of consumer that was identified as requiring a more robust protection. These businesses that handle client monies or hold financial deposits will also be required to provide evidence of a separate client account to the licensing authority within 3 months of the issue of a business licence.



The fines for false entry on an application or objection have also been increased to up to £1,000 and the fine for non-display of a trade licence has been set at £200. The time for processing applications is now reduced to 3 days, provided that all correct documentation is submitted. The time periods for publication and objections have also been reduced from 14 to 7 days. The notice periods from the Business Licensing Authority to applicants and objectors has also been reduced to 5 days. All of these reductions should serve to speed up the licence application and granting process to the benefit of the applicant.

Mr Speaker, the Bill also introduces a number of exemptions for start-up businesses that are constructing or altering their premises and for licence holders that co-exist on the same premises in a compatible manner. The forms have also been completely redrafted to facilitate the provision of information by applicants, objectors and transferors and the processing of this information by the Licensing Authority staff.

As from the 10 November 2014, the Trade Licensing Authority has offered Trade Licence holders the facility to renew their licences on-line via the e-gov website. This accomplished manifesto commitment will be further enhanced with other on-line services to be introduced, particularly, as a result of the Fair Trading Act.

Overall, we will see a streamlined, simplified Business Licensing procedure which will speed up Gibraltar's Business Licensing system, most importantly, reducing the time a person has to wait before they are licensed to start a business.

## **DEPARTMENT OF EMPLOYMENT**

Ministry of Business and Employment • HM Government of Gibraltar • Suite 735, Europort • Gibraltar GX11 1AA  
t +350 20078871 / 20061173 (Centrex 2750/3080) f +350 20078899 / 20071950 (Centrex 3511)  
e [info.mbe@gibraltar.gov.gi](mailto:info.mbe@gibraltar.gov.gi) w [www.gibraltar.gov.gi](http://www.gibraltar.gov.gi)



I now turn to my responsibilities for Employment.

Over the past six months, the Department of Employment has been involved in the process of improving the quality of the services that it offers to its customers by conducting a wholesale review of the Department.

As this House will recall I recently announced the digitisation of forms that supports our objective to ease the administrative burden on businesses. The on-line functionality will offer round-the-clock virtual access to the Department of Employment's and the Income Tax's registration facilities. This project's advantages will be there for all to see once the new Electronic Identity Cards are rolled out at the end of this month.

The digitisation of forms supports the objectives of Her Majesty's Government of Gibraltar to ease the administrative burden on businesses, improve the interaction between the public and private sectors and strengthen the service provided to the public by electronic means. The portal will, in effect, create a one-stop-shop where the public will be able to complete and submit all necessary application forms on-line. It will now be possible to attend to employee and business registration on-line at one's leisure – as a result, entrepreneurs will be able to concentrate on what really matters during office hours: one's business.

The continuing work to digitise all Government forms will mark a quantum leap in our relations with the public and will qualitatively ease a businesses' administrative burden of complying with its legal obligations.



This month I also announced the launch of 'ERASMUS 15'. A purpose-built software designed to cater for the needs of the Department. This first class software will carry out tasks far and beyond those provided by the former program used by the Department, which was purchased from a UK based company well over a decade ago and has therefore run its course. The program called ERASMUS 15 'Employment Reporting and Software Management Utility System' will be able to perform the tasks that were currently being executed by the previous software, such as the registration of those in employment, the enlisting of the unemployed and other basic administrative tasks. ERASMUS 15 will, however, be able to undertake far more sophisticated procedures, such as matching unemployed individuals to specific vacancies according to the criteria set out by the employer. The new software will accomplish this by cross-referencing and analysing key information such as qualifications, experience, skills and other requirements. This new software together with the recently launched Departmental website and the ability to complete and submit forms on-line will mark a significant technological step in the Department's history.

Mr Speaker, we are entirely committed to increasing employment opportunities. I have no doubt that the introduction of ERASMUS 15 will result in significant improvements within the Department. Further, it will deliver to the Department's staff a modern internal software that will provide an effective and professional service to both the general public and the business community. This new software is yet another phase within my Ministry's objectives to streamline procedures within the Department of Employment and modernise administrative systems, thereby improving time management, productivity and the overall quality of services provided. Furthermore, this will empower officials in their efforts to serve the public, especially, in helping the unemployed seek employment opportunities.

In this respect, the HR forum was successfully established by my predecessor in 2013 in conjunction with the Ministry of Financial Services and Gaming. Following from these

Ministry of Business and Employment • HM Government of Gibraltar • Suite 735, Europort • Gibraltar GX11 1AA

t +350 20078871 / 20061173 (Centrex 2750/3080) f +350 20078899 / 20071950 (Centrex 3511)

e [info.mbe@gibraltar.gov.gi](mailto:info.mbe@gibraltar.gov.gi) w [www.gibraltar.gov.gi](http://www.gibraltar.gov.gi)



forum meetings, we have been able to identify skills gaps in various industries from Mechanical Engineering in the automotive Industry to accounting and software programming in the Financial Services and Gaming industries. Working in tandem with the Director of Education, we are looking at means to incentivise students towards careers that are in demand in Gibraltar and thereby increasing their chances of gainful employment upon graduation. This HR forum has also proven to be a useful window into the topics of concern for local Human Resources Departments.

Another positive outcome of the wholesale review being carried out is the speedy turnaround of Work Permits. Once the new e-ID cards are rolled out and persons complete the online registration, we will be able to complete and deliver all other Work Permits within 48 hours of receipt of the request.

Mr Speaker, further still we have completed the re-organisation of the Labour Inspectorate Section. The revamped Inspectorate is composed of two teams tasked with the full time enforcement of our laws under a new programme of inspections. To this end, additional Labour Inspectors have been appointed. It is high time, as consistently advocated by businesses themselves, that the playing field is levelled, by ensuring that every business plays by the same rules. This Government will not countenance illegal labour and the re-organisation and the full resourcing of the Labour Inspectorate reflects our commitment.

I am also delighted to say that we have started the task to restructure the Health and Safety Inspectorate in order to reclaim the Health and Safety agenda. As part of the reform, the vacancy for Principal Health and Safety Inspector at the Department has already been advertised. This post, which has remained vacant since August 2006, will increase the complement of the Inspectorate to five operational posts and one administrative post. The new Principal Health and Safety Inspector will be responsible for



the strategic implementation of the Committee's recommendations. To this important end, a Health and Safety Committee has been constituted comprising of representatives from the public sector to discuss the details of a comprehensive Health and Safety policy and Codes of Practice designed specifically for Gibraltar.

Her Majesty's Government of Gibraltar takes a serious view on Health and Safety at work and considers that it should be of the highest standard. In this regard, business organisations and the general public are reminded that the Health and Safety inspectorate is available for guidance and advice in respect of best practice on Health and Safety issues.

Mr Speaker, naturally I thank the Honourable Mr Netto for considering that I am "energetic" and "intelligent", even if he only uncharitably employs such honorifics as a means to criticise my six months as Minister for Health and Safety. Mr Speaker, I suppose that one must be grateful for life's small mercies when one must, with good grace, endure a long winded speech on a sweltering June afternoon and, therefore, welcome the opportunity when Honourable members opposite open themselves wide open to their own criticism. Amongst other things, the Honourable Gentleman said that members of this side of the House have lacked vision and a coherent strategy in the field of Health and Safety and said so, without blushes, even though Gibraltar suffered the biggest industrial scale accident in recent history with the explosion of the Nature Tanks at the North Mole, partly due, to the very thing that the Honourable Gentleman has accused us of, namely the absence of a comprehensive programme of inspections across all industries. You simply could not make it up Mr Speaker. As no other than Albert Einstein said "only two things are infinite, the universe and human foolishness, and I am not sure about the former".

Also, just to remind him, Mr Speaker, that the Health and Safety Inspectorate, in their time in office, was so under resourced that there were no Health and Safety inspections at all in



the very tanks that blew up. Where, pray, Mr Speaker, was their vision for Health and Safety? Where was their cohesive plan? Where were their resources for Health and Safety? Mr Speaker, the Honourable Gentleman statements are even more asinine and incredible when I have recently told him in this House that the Health and Safety Inspectorate is finally advertising the post for Principal Health and Safety Inspector which has been vacant since August of 2006. And, I have also told him, that I will increase the complement of the inspectorate to five operational posts and one administrative post. And, Mr Speaker, the reason why people at home would have heard the guffaws of the members of this side of the House was because the Honourable Gentleman in furtherance of his kamikaze breach of the Law of Holes, which dictates that one must stop digging, he then continued his entirely unjustified assault on the Government's Health and Safety strategy by lamenting in loud and weeping tones, the absence of Gibraltar specific codes of practice. Mr Speaker, at the risk of causing yet another tumult I am sure it will not surprise anyone, whether inside or outside, and whether Barbary Partridge or homosepian, to learn that in their sixteen years of office they did not issue a single code of practice specifically designed for Gibraltar.

But, Mr Speaker, the Honourable Gentleman by this time having decided that he could dig no further took the view that it was best that he poured dirt on himself and highlighted their supposed efficiency at Health and Safety by noting that in their sixteen years of office they established one Health and Safety committee at the GHA. Mr Speaker, although it is not easy to know where to start, let me do so by stating the obvious, that the last time I checked, the public sector was much deeper and much wider than just the GHA, as excellent as that institute has become under the unrivalled leadership of my Honourable Colleague, Dr John Cortes. Indeed Mr Speaker, "everyone is entitled to be disingenuous, but some abuse the privilege".





I have also told the Honourable Gentleman in this House that the Government has constituted a Health and Safety Committee with members that cover all breadth of Government Officers. This Health and Safety policy, although not compulsory by virtue of our domestic legislation is a move towards best practice and one which will give uniformity to health and safety within the Government departments by way of structure of committees, representatives, councils and co-ordinators. And this, Mr Speaker, will in due course extend to Authorities, Agencies and Government – owned companies. So within my humble 6 months, I have already done a lot more, with much more to follow, than the GSD did in sixteen years!

Mr Speaker, I must thank the Honourable Gentleman for allowing me the opportunity to be political, however, at least once, during the course of my Budget Speech. I also would like to take the opportunity, given that he has informed the House that he will take a step back from front line politics, to wish him well in any of his future endeavours.

Mr Speaker it would be remiss of me not to also take the opportunity to wish Mrs Ellul Hammond all the very best in her new career at the GHA. The Honourable Lady and I go back a long way to my days as a student at Bayside, and although her first budget contribution remains seared in my mind as one of the most grossly unfair I had heard in relation to our criticism as an opposition on health matters and, she knows this is to be the case because we have discussed it, the Honourable Lady knows full well that I have always held her in affection and high regard.

Mr Speaker it will not come as a shock to the Honourable Sir Peter Caruana QC to hear that I never voted for him. Indeed Mr Speaker it will not surprise him either to learn that my most ardent desire in fighting the 2007 and the 2011 Election was to oust him from Office and usher in a far more transparent and much less acrimonious style of politics. Mr



Speaker this preface is necessary, not just to say that this Government has qualitatively improved the workings of this place, agreeing with him today that more is to be done and will be done by this Government, but because I want to make clear that the following comments are self-evidently neither partisan nor biased. And Mr Speaker, my fulsome praise of the Honourable Mr Bossano and my differences with his Government are recorded for posterity in Hansard, so it may perplex those listening and, no doubt I will get letters written in fury, when I describe the Honourable Sir Peter Caruana QC as a truly world class act. The Honourable Mr Figueras and I have on many occasions discussed Sir Peter's staggering capacity for work, great intellectual ability and energy. No one Mr Speaker, no one, can seriously doubt or sincerely say hand on heart that the Honourable Sir Peter has done anything other than dedicate himself entirely and virtually exclusively to discharging his constitutional responsibilities as Chief Minister of Gibraltar. Mr Speaker, he gave a 27 year old barrister and inexperienced Member of Parliament, as was his wont to remind me at every possible opportunity, quite the education on political life and I did learn tremendously by being at the sharpest end of his wit and political put downs. But I agree with him when he said that somewhere in our DNA we can distinguish between things that are said for partisan reasons and for political effect, unfair as the comments may be, and those things meanly said just for personal humiliation – for what it may be worth to him, I can assure him across the floor of this, House that what I take from his criticism of me politically as lessons in life for which I will never begrudge him and which I sincerely value, as they stand me today in good stead. Mr Speaker, Gibraltar can feel extremely proud and happy that like Minister Bossano before Sir Peter and now with our currently Chief Minister, my Honourable and close personal friend Fabian Picardo, we have people of talent, skill and determination in steering true the affairs of our cherished community.

## INDUSTRIAL TRIBUNAL REFORM

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t +350 20078871 / 20061173 (Centrex 2750/3080) f +350 20078899 / 20071950 (Centrex 3511)  
e [info.mbe@gibraltar.gov.gi](mailto:info.mbe@gibraltar.gov.gi) w [www.gibraltar.gov.gi](http://www.gibraltar.gov.gi)



Mr Speaker, I now turn to Industrial Tribunal reform. The purpose of the Industrial Tribunal reform is simple – to make the Tribunal accessible to persons without substantial funds, whether they be employers or employees. One other major development will be the speed with which Tribunals are able to process a claim from start to end; the reduction in the overall turnaround time for Tribunal cases will be warmly welcomed by claimants, respondents and their legal representatives. Anyone going through an employment dispute will want it settled swiftly and without any unnecessary delays. This is a reasonable expectation and one that I expect will follow through as a direct consequence of the measures that I will touch on shortly. Another key objective of our reforms is to introduce substantive legislative procedures and operational processes that will ensure and secure consistency in the decisions of these Tribunals, to the peace of mind of both employers and employees. All too often parties in dispute see the decks stacked against them. Whether it be the employers or employees, who deem the system not fit for purpose as their respective underlying interests are often left out of the equation.

For decades, the informality of the Industrial Tribunal that served individuals to bring their own cases before it has been eroded. Our reform therefore introduces compulsory and fully subsidised mediation prior to a case being heard. I am confident that this measure will produce results for employers and employees alike. This ground-breaking feature will offer a new avenue of redress for the parties in dispute, one that encourages reinstatement or even a simple apology, preserving the employment relationship over a monetary settlement. As a subsidised measure, it is one that will make mediation more accessible and less costly for those involved before the dispute is escalated to the Tribunal. I trust that it will translate to a positive experience for both employer and employee and one that will allow employers to take on more staff and further contribute to our economic growth.



It is important to note that this early discussion of issues by both parties at mediation does not later prejudice their case should the mediation discussions break down and proceed to a Tribunal. It is imperative, therefore, that the parties understand that the mediation process will be “without prejudice” to their rights and remedies and that they will not be able to attend with legal representation. This method should promote open and informal discussion without fear that their admissions or compromises will be used against them before a Tribunal.

Whilst this part of the reform intends to assist parties in avoiding the Tribunal process, I am cognisant that judicial determination may be necessary in some cases. For these cases, it is vital that we have a process that deals with cases justly and resourcefully. The existing Industrial Tribunal rules are out-dated and do not square up to modern employment practices. When faced with two options, to continue to update the rules by piecemeal amendments or to provide a root and branch review, we opted for the latter. This substantive re-draft of the Tribunal rules is poised to modernise the rules and re-instil public confidence in the Tribunal. The new rules should also provide chairpersons with robust and efficient case management powers.

HM Government of Gibraltar also intends to invest in training and maintaining the professional development of the Tribunal judiciary. Employment practitioners will also be able to avail themselves of employment law practitioner textbooks at the Tribunal offices, together with copies of Gibraltar Industrial Tribunal cases, thereby minimising the number of documents that would have to be printed in anticipation of a Tribunal hearing. I am also working on bringing these cases online, so that everyone can access these cases at their command.



Taken together, these measures will allow us to deliver a flexible, effective and modern Tribunal system that meets the reputation and aspirations of our economy.

## REGISTERED UNEMPLOYED

Mr Speaker, I now turn to the number of Gibraltarians in employment.

Firstly and following on from last year, not only has the number of Gibraltarians in full-time employment once again risen to a new record high of 9,293, the total number of Gibraltarians in employment has reached an all-time high of 10,991. This is clearly a principal objective of the Government that has been met with outstanding success.

Additionally, and to be clear Mr Speaker, the private sector has experienced a record number of employee jobs with an all-time high of 18,441. The growth, compared to October 2013, comprised of a rise of 1,500 employee jobs over the year, with Gibraltarians representing 11% of this increase. In fact, the total increase in Gibraltarian employee jobs was registered in the Private Sector.

Furthermore, in October 2014, the total number of employee jobs increased to a staggering record high of 24,422, up by 1,515, with Gibraltarians representing 45% of this total, which is nearly half of all employee jobs. The number of Gibraltarians in the Public Sector has actually decreased by 0.7% compared to 2013.



During the last four years under the previous administration (2008-2011), Gibraltarians employed in the Private Sector actually decreased by 5.6% (-356). During this period the number of Gibraltarians in the Public Sector increased by 1.2% (+42).

Mr Speaker, these statistics truly put to eternal shame the abysmal record of the members opposite who, in 16 years of Government saw the employment of fewer full-time Gibraltarians than we were able to ensure in just one year. The GSLP/Liberal in just two years since coming into office, have succeeded in ensuring 681 full-time jobs for Gibraltarians, while the GSD, in a period of almost 16 years had ensured employment for just 337 full-time Gibraltarian employee jobs. Under the GSD, therefore there was an average of 21 Gibraltarians per year in employment, whereas our record is an average of 250 every year of our first three years of office.

All of these record highs in employment give me the confidence to say that further increases in Gibraltarian jobs are to be expected in the current year.

Mr Speaker, I am also proud to announce to the House that the number of unemployed persons in Gibraltar stood at a record low of 190 as at 31 May 2015. This excellent achievement speaks volumes for our local booming economy, the career prospects of school leavers and returning graduates and our firm and genuine commitment to achieving record levels of unemployment.

## CONCLUSION

Mr Speaker, before I conclude, I must thank all of my staff at my Ministry, the Department of Consumer Affairs, the Trade Licencing Authority, the Business Support Unit, the Department of Employment, the Department of Social Security and the Royal Gibraltar

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**t** +350 20078871 / 20061173 (Centrex 2750/3080) **f** +350 20078899 / 20071950 (Centrex 3511)

**e** [info.mbe@gibraltar.gov.gi](mailto:info.mbe@gibraltar.gov.gi) **w** [www.gibraltar.gov.gi](http://www.gibraltar.gov.gi)



Post Office for the, at most times, unforgiving pace they have come to expect from me and for their unstinting support in delivering this Government's exciting program - it has meant a lot of work. It is true to say, Mr Speaker, that it would simply not be possible for me to have been able to stand in this House to make as many announcements or to report on the completion of as many projects without them. I owe them, all of them, therefore, a very big thank you. And, of course, I take the opportunity to thank Mr Speaker, and the kind, patient and excellent assistance of your staff, namely, Paul, Frances, Kevin and Dani.

Mr. Speaker, it is considered a truism that we campaign in verse but govern in prose but it is my sincerely held belief that the philosophies on which we asked our community to entrust us were not abandoned in the bottom drawer under lock and key the moment we walked into our Ministerial offices.

Mr Speaker, we promised accessibility to Government Ministers, we have fulfilled that promise and continue to do so.

We promised genuine consultation of all relevant stakeholders in our areas of responsibilities, we have fulfilled that promise and continue to do so.

We promised a Government that would bring a private sector approach to the business of Government in terms of the quality of the service provided and the time in which we do so. We fulfilled this promise and continue to do so.

We promised that a Manifesto represents a contract between us and the community and not, as had been previously suggested, a mere wish list. We have fulfilled this promise and continue to do so.



We promised to place all information online, hold a minimum of ten sessions of Parliament for Questions and Answers, we have live video stream in this Chamber and Hansard is uploaded within 24 hours. We will release Government Papers under a 20-year rule and we will shortly introduce a Freedom of Information Act. We have fulfilled these promises and continue to do so.

We promised a complete divorce from one man rule and to introduce instead a collective system of Cabinet Government. We have fulfilled this promise and continue to do so.

We promised a progressive Government that will start the really important work of removing the systematic apparatus of discrimination wherever it was found. The Government has introduced the Civil Partnerships Act that provides same sex couples with the same rights and benefits of different sex married couples. Thereby making it clear that it is not the business of the Government to determine who someone may love. This Act, and other measures, show that we have fulfilled this promise and continue to do so.

We have ensured the highest number of Gibraltarians in employment and as a corollary, the lowest ever number of Gibraltarians registered as unemployed. We have fulfilled this promise and continue to do so.

We promised to employ a surgical scalpel to qualitatively ease a business's administrative burdens and introduce economic incentives that would create the right conditions for businesses to flourish. Aside from the numerous pro-business budgetary measures I mentioned in the course of my address, it cannot be left unsaid that 2013/2014 yielded GDP growth of 12.7% in money terms, with GDP forecast to grow by 10.3% in money terms this financial year. Mr Speaker, double digit growth in a global financial climate since 2008





is nothing short of staggering and a testament of Her Majesty's Government of Gibraltar, prudent macro-economic management in establishing just the right legal, regulatory and economic conditions.

Mr Speaker, we have fulfilled this promise and continue to do so.

We promised to drastically reduce the waiting time for operations and to abolish the unforgivable scourge of the cancellation of operations due to bed shortages, not to mention the establishment of many other health services and improvements. We have fulfilled these promises and continue to do so.

Mr Speaker, to provide a fair and accurate characterisation on the high poetic verse with which we have undertaken the labour of Government, I would have to read every single Manifesto Commitment that has been achieved since 9 December 2011. We promised that we would discharge our obligations under this contract and it is the very first time that any Government has so self-evidently delivered on its terms of its deal with our community.

Mr Speaker, if we have been able to achieve so very much in only four years, it can only be because we have woken up every day thinking about what is good for our community and gone to bed, likewise, thinking of how we can continue to be of service when we wake up the next morning. It is because we all have skin in the game that the Government has made these four years a veritable labour of love. Mr Speaker love for the well-being and happiness of our community and love for this tiny corner of the world that is our home.

Mr Speaker, I feel incredibly fortunate to have been given the privileged opportunity to serve Gibraltar and to try every day to fulfil the aspiration that I held, from a very young age, to try to improve my country. I am proud to have served with a team of such dedicated and talented colleagues and for the part, albeit small, that I have played. The community

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can expect that the people on this side of the House will continue to work hard every day without reprieve, as we near the General Election.

ENDS.