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The Chief Minister's New Year message

Good Evening,

This Christmas most of us have had the luxury of celebrating, in a peaceful environment, with our families and friends and in an atmosphere of prosperity and abundance.

On our festive tables, the majority have surplus food and around our Christmas trees abundant gifts.

We cannot however take these things for granted. We must always be vigilant and prudent to ensure that not just next year, but the next generations of Gibraltarians can continue to enjoy such prosperity and abundance.

That is why we were so concerned when we were elected that the GSD had left only £2m of useable cash reserves against a gross debt of £520m.

As I said at the time, we had to stop all government projects when we were elected because we could not afford to continue with them.

Otherwise, without increasing borrowing further, we could not have continued with the Government projects and paid the civil servants and public sector workers.

We had to build up a kitty by stopping projects.

That is how we have rebuilt the resilience of our finances.

That is how bad things were and why it is galling to hear the Opposition pretend that all was rosy when they were in power.

But the numbers and the independent data from the Treasury tell the truth of the dire state in which our public finances were left by the GSD.

Now we are at last in a much stronger position.

In fact, the public finances of Gibraltar are now stronger than ever.

Do not let anyone fool you into thinking the contrary.

Useable cash reserve is now at almost £80m.

And in the next financial year gross debt will be half of what it was under the GSD.

That means gross debt will fall to less than £260m.

So more useable cash and less than half the debt there was under the previous administration.

Let us be clear:

That is the soundest position Gibraltar has been in for twenty years.

And on top of that Community Care will have a fund of £100m by the time I call the next election.

In fact, instead of allowing our political opponents to worry you, as a Gibraltarian you should be proud that the Public Finances of your country under this Government are amongst the strongest, most resilient of any EU nation.

Sir Peter Caruana himself said that borrowing is lower under me than it would have been under him.

And he made clear borrowing was at prudent levels.

So again, let us be clear:

Your Government's finances are amongst the strongest in the whole world.

During the course of the next financial year you will find that Gibraltar is amongst the top 15 nations in terms of having the lowest borrowing as a ratio of GDP.

That is genuinely something to be proud of.

And don't let anyone convince you otherwise because it would not be true.

Under this Government we are moving to have the lowest debt levels we have had in years.

And one of the reasons we cannot go even lower is that the GSD saddled us with a £200m debt to two banks which we cannot repay early and on which we are having to pay 5% interest even if we don't need it.

But we are nonetheless ensuring that your public finances are amongst the strongest in the world, with the lowest borrowing, DESPITE the very bad financing deals done by the GSD.

The Savings Bank has also grown very satisfactorily.

Deposits have gone from £70m under the GSD to near £1bn today.

The large majority of that money is from local depositors.

Perhaps most importantly, the reserves of the Savings Bank have gone from one thousand pounds under the GSD to almost £20m under my administration in just 3 years.

So you can see you can trust us to make that money work efficiently for you.

Importantly, what Credit Finance Company is doing is managing a part of that money to produce the returns for depositors.

It is not spending money.

There is a huge difference.

And it is investing money prudently and very effectively in the grant of secure loans to third parties and the payment of commutations of civil servants.

Both of these provide excellent returns for the payment of interest to depositors in the Gibraltar Savings Bank.

And we are NOT using any of that money for Government spending.

Not a penny is being spent on any government project, as I have said repeatedly in Parliament.

It is untrue to suggest otherwise.

Let me emphasise again that:

NOT one penny of the money being managed by Credit Finance for the Savings Bank is being used on any government project.

The assertion that the government is somehow using that money is simply wrong.

So you can be sure that there is no hidden borrowing created by my Government.

Indeed, in order to ensure that you have full transparency on these issues and to avoid anyone being able to do mischief and mislead you, I am republishing, with the written version of this message, the balance sheet of Credit Finance Company Ltd.

This was given to the Opposition in the Parliament, and despite it clearly showing that not one penny is being used for any Government project, they keep saying the opposite.

So this updated balance sheet is being published now so you can see it for yourselves.

It will be published again every quarter in all local newspapers, so that you can see and have comfort, that there is nothing for you to concern yourselves about.

On a separate subject, early this year I will be publishing a Bill for an Act to create a permanent Advisory Commission to the Chief Minister.

This will enable me to gather senior retired politicians and other of Gibraltar's best brains to advise me on a confidential basis on any subject.

The model is the English Privy Council system.

I hope you will agree this will be a seminal step forward in our National Interest as a people.

Indeed in similar vein, before the Christmas break you heard me offer the Leader of the Opposition that we should debate issues and not be reduced to insulting each other.

I know this is novel and that this is not the way other politicians have acted in the past.

But in an election year, I believe you deserve a debate based on issues, not insults.

You deserve that we as politicians should set out arguments clearly and succinctly, supported with evidence, to explain why we propose or oppose any particular idea.

I pledge to seek to do that so that, when elections are called you, can make an informed choice about who you will support and why.

I am not afraid of the facts, or the reasoned arguments, because I have no doubt you will strongly value what we have done and are doing in Government and will want to renew our mandate.

Indeed, throughout Europe we are seeing established parties crumble in the face of new, grass roots political forces.

These new parties arise because people feel let down by the empty promises of established politicians.

But, in Gibraltar, we in the GSLP/Liberal Government have been keen to ensure that we have delivered on all our manifesto commitments so that your trust in politics and in us as politicians is strengthened.

It helps, of course, that our economy is performing very well indeed – exactly as we predicted it would.

I expect that we will not just meet our ambitious growth forecast for GDP – but that we will, in fact, comfortably exceed it.

I remember, not so long ago, our political opponents would insist on saying we would not meet our target of growing GDP from £1.1 BN to £1.65 BN.

As usual, our opponents make predictions of doom and gloom. They say we will not be able to achieve things.

Just as they said we would bankrupt Gibraltar when we introduced scholarships for all in 1988.

And then we do what we say, when we deliver to Gibraltar's benefit, they are left dumbfounded.

Please therefore regard all the statements of doom and gloom you hear about our economy and public finances in this light.

They arise because our opponents are gluttons for punishment and go on to repeat their predictions of gloom and scaremongering only to again be proven wrong by reality as they have been on public finances and the Savings Bank.

Internationally, last year you saw many positive developments.

The Resolution of the US Congress defending our right to Self Determination is a momentous step forward.

The frantic reaction of the Spanish Ambassador to the United States illustrates how positive and important what we have achieved is.

Similarly, in 2014 we have won all the arguments at an EU level.

The Spanish government presented a whole host of complaints against Gibraltar in respect of EU environmental matters.

We won the argument on all fronts.

On frontier flow, we have now also seen the letter from the EU Commission telling the Spanish Government that it had to act to reduce their disproportionate and politically motivated queues.

On every front, we have been shown to have behaved responsibly, to have properly followed EU rules and to have been right to act.

Now, as the Spanish political landscape is in flux, we are working hard to establish a dialogue with the Spanish Government that does not compromise any of our fundamental interests. And with municipal and national elections due in Spain in coming months, we are also talking to representatives of all Spanish political parties.

Because despite the attitude displayed to us by some elements of the Spanish political establishment, we will always remain reasonable and ready for dialogue – whilst never being found wanting when it comes to defending Gibraltar from unjustified attacks.

Because no one should believe that our desire to start reasonable dialogue will dissuade us from continuing to defend our legitimate interests.

We will be working harder than ever in our international lobbying to continue to advance our Self Determination.

And we will now be able to do even more in Brussels with our own office there to advance our position with the EU.

Today at Westminster there has been a debate where the cross party Foreign Affairs Committee of the UK Parliament has continued its support for Gibraltar.

And the coming elections in the United Kingdom will be important in every respect to Gibraltar.

Depending on the result, they may lead to a potential referendum that may re-cast our relationship with the EU.

That is why, in preparation for such a potential referendum, we are in the process of carrying out an in depth analysis of different areas of our economy in order to best calibrate our response to such a potential challenge in the future.

2015 promises to be a year full of important milestones for our nation.

As we embark on our fourth year in Government, you will be seeing the culmination of our work.

Indeed you will see that no other Government has so positively changed Gibraltar in recent years.

Having already made Commonwealth Park a reality, you can already see how the 700 berth marina is now taking shape.

Almost 850 affordable homes and rental homes for the elderly are heading towards completion.

And already we will be starting the planning and sales process for another 1,500 affordable homes.

If you did not succeed in buying one of the homes already sold, you will very likely be able to buy in this next round.

The refurbishment of our existing government estates continues.

This is adding not just aesthetic quality, but also dealing with water ingress, with damp and giving these buildings an extra lease of life.

We are working on all estates being refurbished to the same standard, but we obviously cannot do all at the same time.

And all of these Government rental homes remain available to purchase on discounted terms, and now on a 50/50 basis.

We have already started work on our new power station.

The cost is almost a third less for a better product, fuelled by a cheaper, more abundant and less polluting fuel.

We were right to pursue a new solution for power generation for our future and it will soon be a reality.

And the interim measures we have and are taking will hopefully result in power cuts being a thing of the past even now.

We will shortly open the new mental health facility, the Dementia and Alzheimer's facility and the Dementia Day Centre.

These have been considerably changed from the plans of the previous administration that were unfit for purpose.

The excellent facilities we will deliver are real game changers in the care we afford those in need of these services.

Our police under this Government are now better resourced than ever.

That and the able leadership they now enjoy has delivered a huge reduction in crime and an increase in detection of crimes.

There are matters still to deal with.

The GPA is investigating allegations of Bullying in the Police with the co-operation of the Commissioner and his Senior Management team.

We have not yet finalised all issues with re-introduction of Widows and Orphans pensions. We will do so this year.

But let us be clear. If we want our prosperity to continue;

If we want to see future generations of Gibraltarians enjoy the abundance that we enjoy today;

We must all take responsibility for our actions.

We cannot take out more than we put into our small nation.

If we did, we would kill the goose that lays the golden eggs.

And we must ensure that we look after our own before we start to share desirable public sector jobs with those from outside.

Let us not be ashamed to admit that.

We are addressing the long abandoned issue of arrears of rents, rates and utilities to Government – a huge unfairness for all those who do pay their dues.

Unemployment was down to 228 on the last working day of the year last year, WHICH IS THE LOWEST FIGURE SINCE UNEMPLOYMENT RECORDS BEGUN.

This produces an average for the quarter end of 268 people unemployed, also a record lower for quarter end unemployment figures..

We must work harder to get those numbers down further.

And we must do more to upgrade some of our services.

The new hours for the civil service are working well.

It has been a pleasure to introduce them and see that there have been no serious issues arising as a result.

But in some areas the public service needs to improve and we must strive to deliver those improvements this year.

So rest assured that every penny we spend is being spent wisely, with a view to future growth and our socio-economic needs as a community.

Reflecting on these past three years in which I have led our community, I am proud that wages have increased and taxes have come down.

I am proud that you can rest assured that our public finances are stronger and more resilient than ever.

Proud our public finances are at EU and World leading levels in terms of debt reduction and of debt as a ratio of GDP.

And that you can rest assured that we are finalising delivery on all the issues you voted for.

2015 is going to be another year of challenges.

With our collective hard work, it is going to be another great year for Gibraltar.

For my family, as we expect our second child in April, it promises to be particularly special.

So on behalf of Justine, Sebastian and myself, let me end by wishing you a healthy, happy and prosperous 2015.

Thank you for listening.

Goodnight.