



## PRESS RELEASE

No: 701/2016

Date: 8th December 2016

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### **Bossano responds to Feetham: Efficiency is NOT Austerity, but GSD policy IS Austerity**

The Minister for Public Sector Efficiency and Economic Development, the Hon Joe Bossano MP, has responded to the statements by the GSD in respect of the meeting Mr Bossano held with the committee of the GGCA and which they have accurately reflected in a Bulletin to members.

Mr Bossano has highlighted the reality of the GSD's policy of cutting £50m in public sector expenditure at the last election which would in effect have been a massacre of the Civil Service and Public Sector affecting the delivery of public services. Conversely, seeking efficiency is in the interests of the public, the Civil Service, the wider Public Sector and is not austerity at all by any accurate definition of that term and the serious hardship for ordinary people it has meant in the countries where it has been implemented.

Mr Bossano said: "What is evident from the reaction of Mr Feetham and the GSD to the report of the meeting between myself and the GGCA is that the opposition is not remotely interested in the facts or what is in the best interest of Gibraltar in the management of its public finances. They are claiming that the explanation given to the union by me, which is accurately reflected in the bulletin issued by the GGCA to its members shows that the government is now introducing austerity measures.

"The fact that the rate of growth in the civil service payroll numbers, which has taken place since 2011, will not continue at the same pace in the near future is what they consider to be austerity. Although they have been criticising constantly during the last four years and continue to criticise now the increase in civil service numbers, in the general election last year they angrily rejected that they were the party advocating austerity. The definition of austerity just given shows austerity is GSD policy.

"The GSD makes clear that they are against the increase that has taken place to date and criticises me for having informed the union that what has been possible and sustainable until now would become unsustainable if continued indefinitely into the future, especially in the context of not being able to predict how high future economic growth after 2019 will be.

"If not continuing to grow the numbers of civil servants on the payroll in the near future by around a hundred a year is austerity, then what Mr Feetham is saying is that they are in favour of austerity, but that it should have been introduced in 2011 and that the 400 or so jobs that have been created and have been filled by Gibraltarians, should not have taken place. These jobs have been in Customs, the police service, education and other areas where there were



either pending requests for higher manning levels inherited in 2011, or alternately requirements for extra bodies to meet expansion of services.

“The position of the Government as explained to the GGCA by me and correctly reported by them to their members is that there will be an ongoing and permanent exercise for which the Ministry for Economic Development will be responsible to ensure that the public service operates as efficiently as possible. This is in order to make sure that we are making the most of our existing human resources so that were able to undertake improvements in service to the public within the numbers that we currently employ. What in effect, I will be doing is meeting regularly, that is once a month, with the GGCA who in turn will be consulting their members from whom I expect to get suggestions as to how we can change the procedures that we now operate in order to eliminate unnecessary stages, so that results can be achieved more efficiently.

“I am grateful to the GGCA committee for the way they have responded to the explanations I gave them when we met and for their commitment to work with me in delivering more efficient working methods which will result in a more effective civil service and in a an better delivery for citizens.

“Given the reaction of Mr Feetham to what is simply a matter of common sense. I feel I should remind the civil service and citizens generally, that on the eve of the last election. Mr Feetham was promising to reduce recurrent expenditure by £50 million a year, without identifying where the axe would fall.

“A £50 million annual reduction in expenditure would involve a cut of £200 million over a four-year term. Since the payroll of the civil service is a significant part of recurrent departmental expenditure, a cut of this size would be impossible to achieve without a massive reduction in the number of civil servants, cutting them back to well below the level at which the GSD left them in 2011.

“If Mr Feetham and the GSD really believe that what we are doing about containing future growth deserves the label of austerity then, what he was proposing would have to be labelled as something much more significant. In fact the GSD election pledge would have been not austerity, but a wholesale massacre of the civil service.”