



Date: 3rd July 2018

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## The Hon Gilbert Licudi QC MP – Budget Speech 2018

### Tourism and Commercial Aviation

Mr Speaker, I start my address with Tourism and Commercial Aviation.

In the last twelve months, the Gibraltar Tourist Board has continued to work effectively on promoting and selling Gibraltar as a top destination, in order to attract more visitors to our shores, thereby developing opportunities and growth for the industry.

The relevant figures were given by the Chief Minister in his address.

It is, however, important to highlight that in 2017 total visitor numbers were up, tourist expenditure was up almost 20%, number of coaches coming into Gibraltar was up, hotel room occupancy was up, number of cruise calls and passengers was not just up but hit record highs in 2017, number of passengers by air, despite the collapse of Monarch in early October 2017, again hit record highs in 2017.

All of these are objective figures which show that the approach by Government in marketing Gibraltar is bearing fruit.

I have mentioned the unfortunate demise of Monarch Airlines. This left Gibraltar with reduced service to London Gatwick and Manchester, and saw the service stopped to both Birmingham and London Luton. As soon as the collapse of Monarch occurred, the GTB contacted all airlines with suitable aircraft and operational bases in order to fill the gap left by Monarch. Unfortunately, by early October, schedules and aircraft allocations have already been decided for the following summer season, leaving very little room to manoeuvre to replace this capacity for this summer season. One respite we received was the purchase by British Airways of the London Gatwick slots left vacant by Monarch. With this purchase, BA launched a 6 times weekly service to London Gatwick for the peak summer months of May to September, providing much needed seat capacity during this busy period. BA has also continued to show its commitment to Gibraltar by announcing a frequency increase on its London Heathrow service starting at the end of October, increasing frequency from nine to thirteen services weekly. Last winter, EasyJet also increased capacity from Bristol and Gatwick by operating slightly larger aircrafts on these routes and we're pleased to see that flights from Bristol next winter will increase to three per week from the current two flights.

We continue to remain in constant contact with existing and new airlines with regards to recovering now unserved UK departure points. Furthermore, we are also exploring opportunities to new



regional parts of the UK. We also continue to participate in the ROUTES Europe event, where airlines and airports come together to do business.

Mr Speaker the cruise industry continues to show consistency and in 2018 250 calls are expected. This is an increase of just over 6 % on last year and I am delighted to announce that eleven cruise ships will be making inaugural calls to Gibraltar.

Our consistent dialogue with the industry, at the Seatrade Global events and through the membership of MedCruise, maintains our reputation as a proactive destination and one of excellence.

Our partners in the local industry continue to play a vital role in the delivery of all services as does our hospitality and retail industry as a whole in ensuring a pleasant experience for all who come ashore.

Mr Speaker, during the 51st MedCruise General Assembly in Toulon, France last year elections were held for a new President and Board of Directors of the Association.

Nicky Guerrero, Chief Executive of the Gibraltar Tourist Board was elected to the Board of Directors comprising twelve members, with two other candidates representing large ports in the Western Mediterranean.

As I said in the relevant press release at the time, it is extremely gratifying to see that Mr Guerrero was elected to the Board of Directors of such an important Association. This is undoubtedly a testament of the respect and high regard in which Mr Guerrero personally and Gibraltar generally are held within MedCruise. Mr Guerrero has since represented the Association at various high profile events, as Director for Partnerships and Events and thereby representing Gibraltar on these occasions, too.

Mr Speaker, I attended the Monaco Yacht Show in September of last year, where we were able to support the local yacht industry and the Gibraltar Maritime Administration, with their promotion of the Rock to the yachting world. We hope to return to this prestigious event this year.

At the World Travel Market in London last year I launched the GTB's Year of Culture Campaign. For the first time ever, the GTB held a major press conference in the International Media Centre where the new campaign was unveiled by myself and by the Chief Executive of the GTB. The presentation was attended by over 60 journalists from the international media, the UK national and trade press.

The campaign is a narrative of storytelling across the key cultural areas of the Rock. The Tourist Board is presenting this through visual footage and editorial in the build up to hosting the Gibraltar 2019 NatWest International Island Games XVIII. The concept is to showcase Gibraltar's extensive history, leading up to the modern day. The theme 'A Year of Culture' is a celebration of Gibraltar's diversity, history and heritage and highlights a number of themes, which best reflect Gibraltar's spirit of endurance. The aim is to encourage a different perspective of the destination and a deeper understanding of what defines Gibraltar and its people today.

The themes were portrayed through an extensive online and offline media campaign that the Tourist Board ran this winter. The campaign commenced immediately after Christmas and will be a continuing marketing initiative. It included for the first time a TV advert running throughout



January, in addition to a UK regional radio campaign in February and a mobile phone campaign, which was being trialled also for the first time. The campaign also included destination editorial features in traditional national and regional newspaper titles, in both printed and online formats. A short burst video is being used to support the campaign on websites and throughout social media.

We continue to promote niche market tourism and once again will be represented at the Rutland Bird Fair from 17th -19th August.

The MICE Market is receiving particular attention and two familiarisation trips, in conjunction with the local industry, have already been held this year. In addition, one local hotel and tour operator cooperated with the GTB to hold an event at Gibraltar House in London for MICE market agents on 26th June.

The Gibraltar Tourist Board updated its website early this year. The update includes a fresh new look including more image and video content and the availability of the website in the Spanish language.

The ease of navigation has been improved too, with faster access to the more popular sections. The website will be made available in other languages over the coming months. New sections include suggested itineraries for visitors to Gibraltar with different requirements. The Events section has been given more prominence, building on the success of Gibraltar's increasingly popular cultural calendar. The UNESCO World Heritage Site, Gorham's Cave Complex, is given a higher profile and the Gibraltar 2019 NatWest International Island Games XVIII will feature throughout the year.

Our consistent activity on social media has proven the power of this medium. Furthermore, the ability to measure activity is a great asset.

Other activities included the release of a music video by popular Reggae artist Maxi Priest, produced with the co-operation of the Gibraltar Tourist Board. The video was released via Visit Gibraltar, the official Gibraltar Tourist Board Facebook page, and the official HM Government of Gibraltar Facebook page, as part of the Government's tourism marketing strategy. After it was posted, the video was viewed more than 86,000 times in the first 24 hours. Maxi Priest also shared the original post on his own page.

This year we also made a return to the FITUR travel exhibition in Madrid and presented the Year of Culture campaign to the Spanish market. In addition, and closer to home, the GTB led a delegation to Chiclana in Cadiz, where areas of mutual co-operation were discussed.

Event led tourism continues to be a priority for this Government. Events now range from backgammon to darts, chess, music, food and literature.

Sport will play a major role next year as we welcome the Gibraltar 2019 NatWest International Island Games XVIII, no doubt bringing many visitors to the Rock.

Mr Speaker, I was delighted once again to introduce the Gibraltar Lecture at the FT Weekend Oxford Literary Festival earlier this year. The Lecture was delivered by Baroness Kennedy, who is one of Britain's best known lawyers and has dedicated her professional life to giving a voice to those in need and to championing civil liberties. The Lecture was sponsored by the Gibunco Group of companies and is part of the yearly activities carried out to promote the Gibunco Gibraltar



International Literary Festival. Her Majesty's Government of Gibraltar sponsors the Green Room for the Festival at Oxford.

We are already looking forward to another excellent Festival in Gibraltar in November and we are very grateful to the Gibunco Group for their commitment to the Festival and their support at Oxford and Blenheim with the Gibraltar Lectures. This Government believes in delivering quality events throughout the year, not only for our residents but also for those who wish to visit us to enjoy these. I'd like to thank all our sponsors and partners that help make the Festival a great success. Last year, the Festival was made more accessible with the use of induction loops, sign interpretation, more visual aids and the website also included soundbites. Indeed, the Festival has led the way in becoming not only more accessible but also digital. We were also honoured last year to host a reception at Gibraltar House in London for Her Royal Highness the Princess Royal, Patron of the Festival.

The growth figures which we have seen reflect the continued confidence in Gibraltar as a destination for visitors. This level of confidence has been further demonstrated by the private sector investments we are seen in the expansion of tourist accommodation.

In addition to the Holiday Inn Express in Devil's Tower Road which already opened its doors to visitors, the Indigo Hotel will be built on the Corral Road site, currently occupied by NatWest bank and, in addition, there are developments planned for new serviced aparthotels on Devils Tower Road, Engineer Lane and on the site of the vacant Continental Hotel (although this final application is still going through the outline planning process). In total, these developments will make almost 500 additional rooms available for visitors to Gibraltar.

Mr Speaker, the results of the hard work carried out by the GTB, the Ministry of the Environment and the Ministry of Culture and Sport and all our partners in the tourism industry both here and further afield, are clear and speak for themselves.

## **Employment**

Mr Speaker, turning to Employment matters.

Again, the relevant figures on employment numbers and the record low unemployment figures were given by the Chief Minister. These figures are truly outstanding and show the commitment of this Government towards assisting our members of our community in finding gainful employment. We now have in place a highly successful mechanism that has taken so many out of unemployment and given them worthwhile and meaningful jobs.

I will not repeat the figures mentioned by the Chief Minister but it is worth looking at the quarterly average for the second quarter in 2011 which stood at 433 and compare this with the quarterly average for the second quarter of this year which stands at an all time record low of 45.

Picking out figures at random which suit one's argument might be considered dangerous. What is important, however, is the trend. The quarterly average for the first quarter in 2017 was 216, for the second quarter of 2017 - 114, for the third quarter of 2017 - 85, for the fourth quarter of 2017 - 62, for the first quarter of 2018 - 57 and for the second quarter of 2018 - 45.



The trend is clearly and significantly downward to low figures of Gibraltarian unemployment which we have never seen before.

I do not believe that this is purely anecdotal or accidental. Nor can I take the credit for all of this. It is a testament to the hard work of all of those at the Employment Service, very ably led by Debbie Garcia, who have made this possible. I pay tribute to them all and thank them for what they are achieving. Ultimately, the beneficiaries are all of those who have been able to find a job and who are, on a daily basis, assisted actively in their pursuit of employment.

The Department of Employment continues to enhance and improve the quality of its services by making interaction with Government more efficient, effective and easier.

The Employment Service has, since the beginning of the year, met with various representatives of the business community in order to obtain an understanding of current and future employment related needs. Meetings included the Chamber of Commerce, the Gibraltar Bar Council, the Gibraltar Federation of Small Businesses, the Gibraltar Society of Accountants and the Gibraltar Hindu Community.

The Department also recently contributed to a panel event hosted by the local branch of the Chartered Institute of Personnel and Development (CIPD), where members had the opportunity to ask questions regarding employment matters and express any concerns.

The Careers Section has developed and enhanced its provision extensively over the past 18 months. Employment Officers, Employment Coordinators and the Employment & Careers Counsellor work together in providing the best possible support and advice to service users. The teams, ably lead by the Employment and Careers Manager, assess individual needs and circumstances, match skills, qualifications and experience to available vacancies and identify possible future career opportunities. At the same time, the Employment Service has developed a high level of interaction with local employers and established direct lines of communication thus ensuring that any advice and guidance given to users reflects accurately the needs and requirements of local business and industry.

The Careers Section also provides dedicated support, delivering workshops in CV writing, cover letters and interview skills as well as allowing opportunity to explore all the options available in the job market and the potential career progression. The Employment and Careers Counsellor continues to work closely with the Department of Education offering support and guidance for school leavers, as well as providing onsite counselling at our secondary schools once a week. Through this, the Department of Employment forms an integral part of the overall initiative in working towards bridging the gap between education and employment, supporting individuals in their decision-making processes at such important stages of life.

The Labour Inspectorate is tasked with the enforcement of Employment Laws. They operate in a diligent and effective manner always demonstrating our continued commitment toward eradicating illegal labour and ensuring that all businesses are compliant with Employment Regulations. A new strategy and programme of inspections is underway, covering all sectors of business and industry, thus ensuring a level playing field is maintained.



Finally, Mr. Speaker, regarding Health and Safety at work, I am happy to inform the House that the Health and Safety Inspectorate records a non-fatality record of nearly eight years. Training in this line of work is essential, particularly as we enjoy 59 active large construction projects all over Gibraltar.

## **Gibraltar Fire and Rescue Service**

Mr Speaker, I now turn to the Gibraltar Fire and Rescue Service.

2017 has not only been a year of continued progress, but it has also given the GFRS the opportunity to overcome and adapt to new challenges. As a whole, the GFRS has responded to 1,519 operational calls, which includes actual fires, emergencies and false alarms.

The Geographical Information System has been modified to enable live access to the Land Registry address system, which should improve the accuracy of deployed resources attending to emergency incidents.

Mr Speaker, as part of the GFRS fleet replacement program, two new fire appliances (a rescue vehicle and a water firefighting vehicle), have been procured and now form part of the assets that can be deployed with a combined value of approx. £250,000. These are now fully operational and proving to be a valuable acquisition. The second phase of this replacement program is due to be completed towards the latter part of 2018, with another two appliances, both water firefighting vehicles. These are currently being manufactured and will have a combined value of approx. £300,000. The ultimate beneficiary of this replacement program will of course be our community.

In addition to the above, the Government has this year acquired a new auxiliary vehicle equipped with specialised rope rescue equipment that is used to support frontline operations.

During the month of December 2017, the GFRS played a major role in the planning of the GIBEX exercises in partnership with C3, other blue light responders and partner agencies. The service is pro-actively involved in the development of Multi-Agency Response Plans for a variety of potential scenarios and is very much at the forefront of the consultative committees for promoting interoperability.

After 18 years of Emergency Medical Care, on the 22nd January 2018, the GFRS transferred its Emergency Ambulance Service to the Gibraltar Health Authority. The longstanding professional relationship between the GFRS and the GHA remains very solid. The GFRS will continue to make every effort to support GHA Ambulance crews, as and when required, in the execution of their duties. In fact, Mr Speaker, in 2017, the Fire Control Operators have mobilised the GHA Ambulance Service on 5,394 occasions.

The GFRS forms a vital part of Gibraltar's future development, as a modern and more importantly, safe community, with involvement in major projects such as the pre-construction phase of the LNG facility. The main objective of this continued involvement is to familiarise themselves with the potential risks in order to assist in the implementation or creation of emergency response plans. The primary aim of these plans is to mitigate the effects that an unlikely incident could have on first



responders, our community and the environment, by working in partnership with other agencies and emergency services.

## **Airport Fire and Rescue Service**

Mr Speaker, on the Airport Fire and Rescue Service, the AFRS considerable training and equipment upgrades have taken place during the last 12 months, with its firefighters having undertaken a number of courses in both operational and personal development areas.

Earlier this year a large scale training exercise was held involving the Air Terminal staff and other non-emergency agencies who work at or support the Terminal and its aviation operations. Numerous lessons were learnt and these have now been incorporated into the emergency plans. It was found to be an invaluable exercise for players who do not normally get the opportunity to practice but will nevertheless be depended upon to fulfil specific roles and functions in an incident.

Following from the Tender awarded last year for the purchase of new fire fighting assets, the first vehicle has been delivered on schedule. The next three vehicles have also now arrived. A period of competency and further specialist training for these new vehicles will commence to ensure that all the staff are fully conversant with the new technology and tactics that will be introduced with these vehicles. These vehicles replace the current fleet, which have become obsolete and not economically viable to maintain. These Rosenbauer Panthers will prove to be a very significant upgrade and provide the airfield with a much enhanced firefighting capability and an assured element of resilience.

Aviation fire-fighting is very much a compliance-led industry and the AFRS last year underwent their second UK Civil Aviation Authority audit, one which was jointly undertaken together with representatives for the Military Aviation Authority. Both these regulatory organisations gave the AFRS a clean bill of health with only relatively minor observations having been raised.

The staff at the AFRS aspire with eagerness and enthusiasm to further their future development opportunities, both as individuals and collectively as an organisation. This ensures that the AFRS is well placed and fully prepared to respond to any of the demands that may be placed upon it, either at the airfield or elsewhere in Gibraltar in support of the GFRS or any other emergency service.

## **Gibraltar Air Terminal**

Mr Speaker, I turn to the Gibraltar Air Terminal.

In March, the Air Terminal exercised its role in the Airport Emergency Orders with the simulation of an aircraft declaring overheating to a wheel assembly, resulting in it becoming immobilised, away from the aircraft stands. This required all agencies to respond and deal with the logistical implications of disembarking and returning passengers to the Air Terminal from a remote location on the airfield. Valuable lessons were identified during this exercise and these will now be incorporated into the existing Emergency Orders.



The Air Terminal took possession of another Explosive Trace Detector to complement the other four already in service. These are used for the screening of passengers and hand luggage and are located at the different search areas. The extra unit will ensure that the airport is able to remain compliant with the current aviation security regulations and also provides the necessary resilience when any of the other units are being maintained.

At present the Tender for the procurement of X-Ray scanning equipment for the screening of Hold Baggage Equipment is in its final stages. The new equipment will bring Gibraltar International Airport in line with other UK Airports who must have this equipment installed this year. The new technology makes use of Computer Tomography, which is very similar to that used in Hospitals for CT Scans, and will bring with it the capability of a much higher detection rate of threats and restricted articles.

### **Air Traffic Control Contingency Tower**

Mr Speaker, the Government commissioned the National Air Traffic Services last year to provide a costed plan for the introduction of a contingency Air Traffic Control Tower.

As was proven by the rock fall onto Devils Tower Road in March, the loss of the main Air Traffic Control Tower will automatically lead to the closure of the Airport to civil aircraft. Luckily this year's event led to a closure of ATC for less than 24 hours.

In different circumstances, such as the aftermath of a fire, the closure could last for an extended period. The Government has allocated funds to provide for an independent contingency facility, which will sit on the other side of Winston Churchill Avenue from the existing ATC tower.

### **Gibraltar Port Authority**

Mr Speaker, I turn to the Gibraltar Port Authority.

Last September, Manuel Tirado was appointed as acting Captain of the Port and Chief Executive of the Gibraltar Port Authority. Mr Tirado and his team at the GPA continually strive to maintain Gibraltar as a centre of maritime excellence along with its partners and stakeholders in the local maritime industry.

Positive growth trends reported at the last budget have continued this year as highlighted by the Chief Minister. We do not, however, take the healthy growth figures for granted and we will continue to closely monitor our tariffs against competitors, global and regional trends and, of course, any impact resulting from Brexit. Overall, I hope to see the positive trends continuing during 2018.

To achieve this goal, the robust marketing programme which the Gibraltar Port Authority has been actively engaged in for the last 36 months will continue. This strategy has seen direct engagement with ship owners and operators around the world as well as attendance to a variety of bunkering and shipping events in places such as Rotterdam, Singapore, Athens, Amsterdam, London, Tenerife,





Jamaica and Fort Lauderdale. These marketing trips have helped to maintain the high profile of the Port of Gibraltar.

The Gibraltar Port Authority will continue attending conferences and exhibitions profiling the Port in tandem with its stakeholders as this approach has proved to be very successful hitherto. One recent example of this has been the Posidonia Exhibition held in Athens, Greece. This event, one of the most prestigious in the shipping industry calendar, brought our key partners together to promote the Port and to showcase the 'Gibraltar Team' rather than just the Gibraltar Port Authority.

The Port has also recently become a member of the International Association of Ports and Harbours, an association which promotes the interest of ports worldwide through strong member relationships, collaboration and information-sharing that help resolve common issues, advance sustainable practices and continually improve how ports serve the maritime industries.

Mr Speaker, I am also delighted to announce that the upgraded Vessel Traffic Services system is in the final stages of going live, with staff currently undergoing training and the new purpose-built office handed over to the Gibraltar Port Authority. This particular project demonstrates the Government's commitment of investing to improve.

Mr Speaker, with regard to the Port's finances, revenue for the last financial year surpassed the estimated budget figure of £4,506,000, with a total of £6,166,505 received. The Port Authority has been working hard on initiatives to further increase revenue streams.

One of these initiatives involves the revision of the Marpol Scheme and tariff structure which took effect from the beginning of this year with all vessels visiting British Gibraltar Territorial Waters, with certain defined exceptions, being required to pay the revised tariff as part of their calling costs. The result of this review, apart from additional income for the Port, is that all vessels paying the fee are entitled to a 'free discharge' allowance under the new Scheme, so not only are we improving our revenue income but providing the service to vessels to discharge in Gibraltar up to a certain limit. This also ties in with the Government's efforts to improve the impact shipping has on the environment. The Port Authority has also undertaken a review of the bunker fee structure in close consultation with its bunker operators and changes to the fee structures took effect from 1 April of this year. It is anticipated that the increase in bunker fees and annual bunker licence fee will also improve our overall revenue figures for the 2018/19 financial year.

Mr Speaker, I would like to thank the team at the Gibraltar Port Authority, ably led by acting Captain of the Port, Manuel Tirado, who continually strive to maintain Gibraltar as a Centre of Maritime Excellence along with its partners and stakeholders in the local maritime industry.

### **Gibraltar Maritime Administration**

Mr Speaker, I will now provide an update on the Gibraltar Maritime Administration.

Once again, the Gibraltar Ship Registry has retained its 'White List' status worldwide for the third consecutive year. This is reflected in the annual International Chamber of Shipping's 'Flag State Performance Table' for 2017/2018.



Gibraltar also ranks high in its overall technical performance levels by the 'Paris MOU' and 'Tokyo MOU' and is recognised as a quality register by the US Coastguard in their 'Qualship 21' system.

The overall Gibraltar fleet (both yachts and ships) at the end of 2017, stood at 1,261 vessels, down by two vessels when compared to the previous year. The uncertainties of 'Brexit' has had an impact on new registrations in both the Yacht and Ship registries. Once we have clarified whether Gibraltar (and the UK Ship Register) either retains or loses its EU Member State Register's status we will be able to target our services in Europe accordingly. The GMA is preparing for either scenario and has the flexibility and expertise to adjust its services. For the foreseeable future, however, it is 'business as usual' at the Gibraltar Registry.

The GMA is continually exploring new avenues to diversify its fleet. This year the GMA will be co-hosting a stand at the Monaco Yacht Show in 2018 with the Gibraltar Port Authority and Gibraltar Tourist Board.

In the last 12 months, the GMA has provided training to a number of independent authorities, including the UK Maritime & Coastguard Agency, the Cayman Islands Registry, Gibraltar Fire & Rescue Service and HM Customs. Furthermore, Mr. Speaker, the GMA's Seafarer Section continued to issue a significant number of provisional and full-term certificates in 2017, with more than 3,600 completed during the calendar year. Our new seafarers' portal has been slightly delayed in order to finalise some software issues, but the GMA is aiming to introduce this facility this summer.

The GMA is highly regarded for its technical expertise in maritime surveying. We are proud to be considered one of the best-performing Ship Registries in Europe.

HM Government's strategy for the GMA over the next two years is to continue maintaining its high level of quality service, increase the fleet size by bringing in business from new geographic areas and further develop its position as a training hub.

## **Civil Contingency**

Mr Speaker, on Civil Contingencies, the Office of Civil Contingencies continues to sit at the apex of Gibraltar's emergency planning, preparedness, response and recovery. Under the strategic direction of the Gibraltar's Contingency Council, the Office of Civil Contingencies has continued to work hand in glove with the GCC's Executive Committee and the four Joint Operating Working Groups responsible for the Land, Air, Maritime and Cyber environments. Central to the Civil Contingencies' work is the requirement to ensure that there is an appropriate level of preparedness to enable an effective multi-agency response to emergencies, which may have a significant impact on Gibraltar's community. This could range from natural disasters, large-scale accidents or indeed terror attacks. Preparing together, training together and responding effectively together is what multi-agency interoperability is all about.

Throughout this past year, the Office of Civil Contingencies has worked closely with the Emergency Services and other agencies and I will now touch upon a number of their work strands:



A National Risk Register has been created and this is owned by the Gibraltar Contingency Council. The risk register sits at the heart of what drives our work and it is a robust, collectively understood assessment of the most significant risks in Gibraltar, based on how likely they are to happen and what the impacts may be. This information is used to inform a range of risk management decisions, including the development of proportionate emergency plans and resilience capabilities.

Risk-based emergency plans underpin an agreed, clearly understood and exercised set of arrangements to reduce, control or mitigate the effect of emergencies in both the response and recovery phases. Some of the plans that are currently being reviewed include the Major Incident Response Plan; Chemical, Biological, Radiological and Nuclear Response Framework and the Liquid Natural Gas Plan.

We clearly recognise the importance of a high level of interoperability between all emergency responders and supporting organisations, as a means to ensure an inclusive, collaborative approach to Integrated Emergency Management. Work continues under the Joint Emergency Services Interoperability Programme (JESIP) to ensure that our Emergency Services develop their joint tactics, techniques and procedures. Plans are in place for the delivery of further multi-agency training under the JESIP banner for all our Emergency Services during the last quarter of this calendar year. This will also include training in response to a Marauding Terrorist Firearms Attack.

Significant investment has gone into Gibraltar's Geographic Information System. A bespoke Incident Management Platform is being developed which will improve situational awareness across all agencies and at every level of command. Mapping tools will allow management zones to be clearly defined as will the ability to mark the deployment and disposition of assets and define cordons, control points and access routes. All of this will assist commanders in gaining a better understanding of the incident they are faced with and importantly it will provide all levels of command with a single version of the truth.

The Emergency Services and other agencies are required to remain competent to fulfil their roles in emergency preparedness, response and recovery. They must work together as a matter of routine, understanding each other's roles and responsibilities, underpinned by a systematic and sequential approach to individual and collective training, rehearsal, validation, learning and improvement. Similarly, there is a requirement to develop and assure resilience capabilities and arrangements through an exercise programme that is risk-based, inclusive of all relevant organisations and recognises the cyclical process of learning and continuous development. Throughout last year, a number of training events and exercises have been planned and delivered to ensure that organisations are best prepared to respond to any major incident.

## **International Exchange of Information in Tax Matters**

Mr Speaker, turning to matters in connection with the International Exchange of Information.

In addition to handling the day-to-day Exchange of Information on Request in tax matters with TIEA-partner countries and negotiating further international agreements, including Gibraltar's first double-taxation agreement, Gibraltar Finance has continued to lead on the implementation of the various international tax compliance-related initiatives. Gibraltar Finance continues to handle the



day-to-day exchange of information in tax matters in accordance with the provisions of the bilateral agreements signed with numerous TIEA-partner countries over the years and to co-ordinate all matters relating to the automatic exchange of financial account information under the Common Reporting Standard in its various guises, including the relevant Directive and EU Agreements with European 'third countries'.

## **Social Security**

Mr Speaker, on Social Security, the total amount of benefits paid out by the Department in the financial year 2017/2018 was £41,787,000.

Des[ite Brexit, there are ongoing EU obligations which we have to meet. The Department is working towards the implementation of the Electronic Exchange of Social Security Information ('EESSI') in Gibraltar pursuant to EU Regulation 883/2004 and EU Regulation 987/2009. The primary aim is to set up an IT platform that will help social security institutions across 32 countries (28 EU Member States as well as Iceland, Liechtenstein, Norway and Switzerland) to exchange information through Structured Electronic Documents (SEDs), using a standard administration process for social security coordination activity at EU level. The project will deliver a central IT network to support the international exchanges, as well as a national application that can be utilised by the national institutions to create, send, receive and manage electronic messages. The project is progressing at a fast pace, going partially live in August 2018.

The Department is also actively involved in the process of vigorously testing the new DSS Application Program that will cater for the administration and payment of all 17 social security benefits. This will bring the Department into the 21st Century and will enable it to provide a more efficient and effective service to the public in order to meet the ever-growing demands. The system will streamline the information currently held in manual records and will incorporate a sophisticated analytical tool that will be instrumental in producing statistical data, therefore expediting our estimates and analysis of future expenditure in relation to any given benefit.

Finally, in March this year, the Social Security (Open Long Term Benefits) (Amendment) Regulations 2018 were passed, giving effect to the budget measure announced by the Chief Minister last year. Social Insurance Contributions will accrue for the benefit of the contributor, starting at age 15 as opposed to age 20, as had hitherto been the law. This applies to persons who are born on or after the 2nd July 1997.

## **University of Gibraltar**

Mr Speaker, to end my contribution, I now turn to the Gibraltar University.

Mr Speaker, as we know the University is a creature of statute. All of its powers, functions, responsibilities and obligations are derived from the University of Gibraltar Act 2015. Although much work, discussions and research were carried out in preparation of the Act and for the inauguration of the University, we were always conscious of the fact that there was no higher education institution in any place like Gibraltar which we could simply emulate or whose charter,



legislative framework or bye-laws we could just adopt and apply. Certainly, there was much to learn, and which we did learn, from other higher education institutions around the world but we had the opportunity of choosing those parts of frameworks or provisions which we felt best fitted Gibraltar and adapting those to our needs as well as including new provisions specifically designed for this particular University. We therefore created a University within a legislative framework which we felt suited the needs and aspirations of Gibraltar from a higher education perspective. It is a framework which expressly embraces the concepts of institutional autonomy and academic freedom whilst at the same time creating the structure to ensure that the Government's goals and aspirations when it established the University are met and that public funds are used in the manner for which they are provided.

We knew, from the outset, that the University would have to develop, evolve and, if necessary, change over time having regard to the actual experience of an operating institution and to respond to any change to Gibraltar's needs and aspirations or, even, global trends in higher education.

Now in its third year, there have been a number of recent developments at the University.

Mr Speaker, there has been a change in management with Professor Catherine Bachleda appointed as acting Vice-Chancellor. She is also the University's Dean of Academic Quality and Professional Learning. Prior to joining the University, Professor Bachleda was Assistant Vice President for Academic Affairs at Al Akhawayn University, a not-for-profit, accredited, English-speaking, American-style university located in Morocco, where she was responsible for enhancing the academic quality and reputation of the University through faculty development, curriculum reviews, institutional accreditation and student academic and leadership development. Over the past 25 years, she has worked in academia and/or industry, in North Africa, the Middle East, the United Kingdom and Australia in a variety of management, quality, and learning roles.

I wish Professor Bachleda well in her new role.

Earlier this year, the Government welcomed the appointments of Professor Clive Finlayson MBE and Professor Ian Peate OBE to the University's Board of Governors. Professors Finlayson and Peate are eminent academics who are internationally recognised as leaders in their fields.

Professor Clive Finlayson is the Director of the Gibraltar Museum and also has the specific roles of Chief Scientist and Curator.

Professor Ian Peate is the Head of the School of Health Studies at the GHA and has worked in nurse education since 1989.

The Government is extremely pleased with the appointment of Professor Finlayson and Professor Peate. They will enrich the Board of Governors and will no doubt make very valuable contributions to the University.

Mr Speaker, the Gibraltar Regulatory Authority has been appointed as the regulator of the University. This is an important step in the development of the University. In particular, the GRA was designated as the Gibraltar Authority for Standards in Higher Education and the Gibraltar Higher Education Commission under the University of Gibraltar Act 2015. Furthermore, the GRA was given powers to issue a Memorandum of Regulation to the University, to obtain information



from the University and to issue enforcement notices if the GRA considers that the University is failing to comply with the 2015 Act or with requirements under the Memorandum of Regulation. Following its appointment, the GRA duly issued the Memorandum of Regulation to the University.

The Memorandum of Regulation sets out how-

- a) the quality and standards of education in the University shall be monitored;
- b) compliance by the University with its functions, duties and obligations under the Act shall be monitored;
- c) the use by the University of its funds including any public funds provided to it shall be monitored;
- d) other aspects of the University's performance are monitored;
- e) the University is expected to demonstrate effective governance and accountability; and
- f) the University's autonomy and academic freedom are maintained.

Mr Speaker, in closing, I would like to highlight the significant contribution made to the University by Dr Darren Fa.

Dr Fa is currently the Director of Research and Partnerships at the University. He was truly instrumental in the establishment of the University of Gibraltar. Whilst he was still working at the Gibraltar Museum, Dr Fa was seconded to the Education Department to work with me on the University project. He accompanied me in travelling to numerous well-established universities around the world. Dr Fa worked tirelessly on the project and it was his recommendations that were accepted by the Government. He was the architect of the framework and structure which the Government adopted for the University. I wish to thank Dr Fa for his work, his dedication and his commitment to the University.

Mr Speaker, I cannot end without dealing with an issue raised by Mr Clinton in his address. He argued that Government contribution to the University was being tripled this year from £500,000 to £1.5 million. That is incorrect. Government contribution to the University is in fact being reduced this year.

What Mr Clinton has done is to look at Head 17 in the recurrent section of last year's approved estimates which mentions a contribution of £500,000 to the University and he has looked at Head 43 in this year's estimates which mentions £1.5 million. He has then incorrectly jumped to the conclusion that the Government contribution has been tripled this year.

What Mr Clinton has overlooked is that we have previously debated and passed in this Parliament a Supplementary Appropriation Bill whereby £10 million was appropriated (passed unanimously as I recall by the whole Parliament) for the University. This was to fund the capital costs relating to the establishment of the University and the first years of operation. Last year, there was still £1.4 million left of the £10 million and this, together with the £500,000 appropriated in last year's budget under Head 17, amounted to a Government contribution of £1.9 million.

The £1.5 million in this year's estimates is therefore not a tripling of Government's contribution but a reduction of almost 25% of that contribution.



Mr Clinton might be forgiven and perhaps could be thinking now "how was I to know that there was still £1.4 million left of the £10 million and that this was to be added to the £500,000 mentioned in Head 17 in last year's book". Unfortunately for Mr Clinton he cannot claim that because the £1.4 million is also mentioned in the book.

If Mr Clinton were to look at page 176 of this year's estimates, he would see under the Improvement and Development Fund - Expenditure - Head 102 Projects - where there is a forecast outturn for last year of £1.4 million under Funding for the University of Gibraltar.

It is also in last year's book which is where Mr Clinton has seen the £500,000 contribution.

At page 178, also under the Improvement and Development Fund - Expenditure - there is the estimate of £1.4 million which, when added to the £500,000 under Head 17 makes the total contribution of £1.9 million which I have mentioned.

In fact, if Mr Clinton were to add the actual figure for 2015/2016, the actual figure for 2016/2017 and the forecast outturn for last year of £1.4 million, he would find that this comes to exactly £10 million.

So what Mr Clinton has done is to use the wrong figure to reach the wrong conclusion despite the right figures being in the very same book that he has looked at.

The difference from what he has said and argued to the true position is quite startling.

From a suggestion by Mr Clinton of a 300% increase in Government contribution to the reality which is clear from the book itself and which is a reduction in contribution of almost 25%.

This can only be described as a schoolboy error and it is not one which we should expect from a qualified accountant, who prides himself in looking closely and scrutinizing the book and particularly by the person who is put forward by the Opposition as their expert on figures.

Mr Clinton's whole speech and arguments were centered on an analysis of figures. Based on the extent of his error on the University, we must conclude that we cannot believe a single word he said and must reject the rest of his analysis."

Finally Mr Speaker, I wish to thank my staff, and all those who work with me in the various departments and organisations which form part of my ministerial responsibilities. I am truly grateful for their continued support and hard work.

Thank you Mr Speaker.