

STATEMENT BY THE GSLP/LIBERAL OPPOSITION

21 January 2010

5/2010

The Government have increased admission fees to the Upper Rock without giving any firm guarantee that the money generated by the Upper Rock will be channeled back to fund improvements to the area. In the past the Government have promised to at least use the additional income from increases on the Upper Rock for this purpose and then failed to do so.

At the time of the last budget, the Government announced a series of increases in Upper Rock admission fees and stated that these would come into effect on 1st October 2009. The Opposition condemned the planned increases and argued at the time that it did not make sense to increase fees at that point in the year, a view which was also held by many in the industry. In a legal notice published in the Gazette last month, the Government enacted the new fee structure by regulation stating that it would come into operation on 1 January 2010 instead.

There is a clear policy difference between the Government and the Opposition on this issue. The Opposition have long maintained that money raised by the Upper Rock should be spent on the Upper Rock for environmental and other purposes. The Government, however, have traditionally used Upper Rock income, which is about £ 3 million a year, as general revenue to cover expenditure which may have nothing to do with the Upper Rock or indeed even with the environment as a whole.

Upper Rock fees were also increased on 1 April 2005. Prior to that increase the Government, through the Tourist Board, circulated a letter to those in the industry setting out the new Upper Rock tariff structure. The letter declared that “the additional income which will be generated by the increase in admission fees will be directly invested in the Upper Rock tourist product” and “radical improvements” were promised.

The Government failed to live up to the expectations that had been generated. Figures supplied in Parliament following questions from Shadow Tourism Minister Dr Joseph Garcia show that from the financial year 2005/2006 until 2008/2009 as a whole even the additional income generated by that increase in fees was not all spent on the Upper Rock, let alone the entire level of revenue raised.

In the financial year 2008/2009 only £25,000 was spent on the Upper Rock even though about £3 million was raised in fees. Despite the increase in entrance fees and the fact that the Government is once more projecting £ 3 million in revenue, only about 10% of that sum is earmarked to be spent on the Upper Rock during this financial year. It remains to be seen how much is actually spent given that there has been a tendency in the past to spend less than is allocated.

Commenting on the matter, Shadow Tourism Minister Dr Joseph Garcia said:

“The Upper Rock is Gibraltar’s greatest tourist asset. It is why many people come to visit Gibraltar and spend money here. It is important that the money raised by the Upper Rock should be spent on the Upper Rock in order to improve the quality of life of people who live there, of those who work there and of those who come to visit.”

ENDS