

## **STATEMENT BY THE GSLP/LIBERAL OPPOSITION**

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The Opposition considers that it is a bit rich for the Government to jump on the bandwagon of unlawful practices by employers when they themselves have been condoning those same practices in a case where nearly a million pounds has been owed. Their comments will raise eyebrows in many quarters given the way in which the Government has conducted itself over the debt owed by Haymills through its associated companies.

The Government confirmed in Parliament last month that Labour Hire (Gibraltar) which was part-owned by Haymills owed a “very, very substantial sum of money” to the Government in unpaid taxes which was close to a seven figure sum. A legal notice has been published today stating that a meeting of the creditors of Labour Hire (Gibraltar) Ltd will take place next Friday 20<sup>th</sup> November.

The Government should understand that what is totally “unacceptable” is that there should be one rule for large businesses, who do not pay their taxes and get away with it, and another rule for the small businessman who is hounded by the Government to pay on time by the 15<sup>th</sup> of every month.

Moreover, the Government have still not explained how a company connected to Haymills was allowed to build up such a vast amount of debt in unpaid taxes over the years. The Government itself, to make matters worse, paid out just over £ 28 million to Haymills in respect of the former OEM projects at Nelson’s View, Cumberland Terraces and Bayview terraces at the same time as the tax liability existed on the part of its associated company. These payments were spread out over 20 months from December 2007 following the collapse of OEM.

It therefore rings very hollow that the Government should now welcome the help and support of any organisation that will enable it to ensure that companies pay their dues, when they have just presided over a case which involves hundreds of thousands of pounds in unpaid taxes. The perception created by the Haymills case is that there is no level playfield in Gibraltar simply because the Government itself decides to press small businesses to pay on time while larger firms do not pay and get away with it.

ENDS