

STATEMENT BY THE GSLP/LIBERAL OPPOSITION
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EMBARGOED UNTIL MONDAY 13 JULY 2009

13 July 2009

The news that OEM International has been put into liquidation casts considerable doubt over the original judgement of the Government in awarding the tender for the construction of the south district housing projects to this company. This coupled with the recently publicised problems of the main contractor Haymills have all contributed to a developing nightmare scenario which appears to get worse by the day.

There were a number of issues relating to this project which raised eyebrows at the outset. The original tender for the housing projects was advertised as being for North Gorge and Buena Vista. When the tender was actually awarded to OEM, the three sites at Cumberland Terraces, Nelson's View and later Bay View were added to the tender even though these had never been part of the original tender advertisement.

In 2005, when OEM was confirmed as the preferred bidder, the Government trumpeted that the project confirmed the high level of confidence that major international developers had for investment of this magnitude in Gibraltar. They ignored the obvious point

that OEM did not have a track record as a large-scale developer locally.

The decision of the Government to site the Nelson's View development on the Rosia Tanks site, which had considerable heritage value, caused a storm of controversy at the time and was strongly opposed by many people. However, the Government sadly went ahead and rode roughshod over the views of people in the area.

It is quite incredible that at one time they attempted to allay concerns about the route that construction lorries would follow and traffic issues in general by suggesting that Dudley Ward tunnel might be open for this purpose. It is now 2009, the traffic chaos ensued and the tunnel still remains closed.

All these issues do no credit whatsoever to the Government and exposes an attitude which leaves much to be desired.

There were rumours surrounding OEM at the time of the last general election which were confirmed shortly after when a dispute arose within OEM itself. This led the Government to takeover the housing projects soon afterwards in December 2007.

Commenting on the matter, Shadow Minister for Housing Charles Bruzon said:

“Events have shown that the decision to award the contract to OEM in such circumstances was the wrong decision and the Government must bear the full responsibility for this. The continuing saga will mean more delays and more stress for the purchasers who are waiting for their homes.

When I pressed the Government last month they told me that the estimated completion for Cumberland Terraces was July 2009. They also confirmed that progress on Bayview and Nelson’s View had slowed down and that neither of these two would be completed in the summer.

The Government must answer for this catalogue of errors and in the meantime it pains me to see that the ones made to suffer once again are those who are waiting patiently for a home.”

ENDS