

## PRESS RELEASE

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### **Opposition Engage in Point-Scoring Whilst the Government Reduces Debt Arrears**

The GSD Opposition seem intent on issuing press releases for the sake of it and for no substantive value other than to attempt to undermine and insult the Chief Minister Fabian Picardo MP QC and the progress made by his Government.

Their latest press release in relation to the amendments to the Limitation Act which was passed in Parliament unanimously yesterday is such an example, and all it achieves is to infuriate the electorate who are not interested in having to endure such unnecessary attempts at political point scoring which only serves to alienate people from real politics.

Yesterday, the Government laid before Parliament a Bill to amend the Limitation Act and one of the things it sought to achieve was to remove the defence of a limitation period for contractual debts that are owed to the Government.

Previously, the period of limitation in such instances was 6 years, which means that if someone has owed a debt to the Government for more than 6 years they could rely on the age of the debt as a defence to not paying it.

The motivation for the amendment to the legislation was because for far too long there have been some members of our community who have not taken seriously their responsibility to pay their dues. When they do not do so, the money is owed to the state, and they place a burden upon the taxpayer.

This therefore is not a matter of party politics because it affects everybody, yet the GSD, as usual have tried to make it an issue.

The reality is that if any debt was 6 years old or older, it could *only* have been incurred during the time that the GSD was in office because the GSLP/Liberal alliance have not yet been in government for 5 years, so any recovery that would have been time barred could only have been incurred by the GSD. This is a matter of simple mathematics and it is absurd that Mr Feetham should try to deny it. For example, taking housing rental arrears as an example. Rent is owed on a monthly basis, for every month that rent is not paid, it will continue to accrue. While the limitation argument is now irrelevant given yesterday's changes to the legislation, but just to illustrate the point, if a time bar defence were to be raised, it would only apply the part of the debt that was older than 6 years, ie not paid during the GSD time or recovered by the GSD.



Furthermore, Mr Feetham also alluded to high levels of debt incurred during the Government's term of office, again using housing rent as an example, it is recalled that while the GSD were in office, arrears of housing rent were allowed to spiral out of control from £655,031 in March 1996 to almost £4million when they left office in December 2011, ie an increase of about 600%. That is just one example of a class of debt that was allowed to fester by the GSD by not having the will or implementing the proper mechanisms for recovery. This Government has proved its commitment to safeguarding the interests of all who dutifully pay their way and have successfully made significant inroads in the recovery of historic housing rent arrears by the Housing Department led by the Minister for Housing, Samantha Sacramento, and by re-establishing the Central Arrears Unit for the collection of other debts.

Mr Feetham needs to learn that he cannot rewrite history and that the electorate is fed up of the petty battles that he continues to pick just because he always wants to have the last word on a matter.

Commenting on the matter, the Minister for Justice, Gilbert Licudi QC, stated: "this amendment to the Limitation Act is for the benefit of all Gibraltar because those with historic debts to the Government can no longer rely on the defence that the debt is too old to be recovered because those who came before us permitted them to accrue and did not attempt to recover them. Indeed, I found some the arguments put forward by Mr Feetham in the deliberation of the Bill in Parliament yesterday somewhat bizarre as he tried to insinuate that existing debtors with historical debts somehow had a constitutional right to rely on the limitation period that had been available, in effect somehow trying to defend the rights of those who had failed to effect due payments to the Government for long periods of time. Certainly all those who would have been entitled to claim the limitation defence of 6 years could only mean that they accrued such a debt while his party was in office. In any event, after parliamentary debate the amendments that the Government proposed to the Bill were passed unanimously so the subsequent press release on the matter yesterday is highly unnecessary."