



*FIFTH REPORT OF THE*

# PUBLIC ACCOUNTS

( E N T E R P R I S E S ) C O M M I T T E E

*SECOND SESSION OF THE 11<sup>TH</sup> PARLIAMENT*

Examination of the Audited Accounts, Balance Sheet and other Financial Statements of the Point Lisas Industrial Port Development Corporation Limited (PLIDECO) for the financial years 2008 – 2015.



## Public Accounts (Enterprises) Committee

The Public Accounts (Enterprises) Committee (P.A.(E).C) established under Section 119(5) of the Constitution of the Republic of Trinidad and Tobago is mandated to consider and report to the House of Representatives accordingly on:

*“(a) the audited accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by or on behalf of the state; and*

*(b) the Auditor General’s Report on any such accounts, balance sheets and other financial statements.”*

### Current membership

Mr. Wade Mark	Chairman
Dr. Tim Gopeesingh	Member
Mrs. Jennifer Baptiste-Primus	Member
Mr. Fitzgerald Hinds	Member
Mrs. Cherrie-Ann Crichlow-Cockburn	Member
Ms. Shamfa Cudjoe	Member
Mr. Foster Cummings	Member
Mr. David Small	Member

### Committee Staff

The current staff members serving the Committee are:

Ms Keiba Jacob	Secretary to the Committee
Ms Hema Bhagaloo	Assistant Secretary to the Committee
Ms Melanie Chin	Parliamentary Intern

### Publication

An electronic copy of this report can be found on the Parliament website: [www.tparliament.org](http://www.tparliament.org)

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## MEMBERS OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE



Mr. Wade Mark  
**Chairman**



Dr. Tim Gopeesingh  
**Vice-Chairman**



Ms. Shamfa Cudjoe  
**Member**



Mrs. Jennifer Baptiste -Primus  
**Member**



Mr. Fitzgerald Hinds  
**Member**



Mr. David Small  
**Member**



Ms. Cherrie-Ann Crichlow-Cockburn  
**Member**



Mr. Foster Cummings  
**Member**

## EXECUTIVE SUMMARY

The Public Accounts (Enterprises) Committee (PA(E)C) is the Parliamentary Financial Oversight Committee tasked with the responsibility of examining the audited accounts of all State Enterprises that are owned or controlled by the state. The Committee examined **the Audited Accounts, Balance Sheet and other Financial Statements of the Point Lisas Industrial Port Development Corporation Limited (PLIPDECO) for the financial years 2008 – 2015** and produced this report to highlight its findings and recommendations.

This report focuses on the issues, endorsements and recommendations made by the Committee in an attempt to assist PLIPDECO in better performing its duties while also commending their initiatives. The issues identified are applicable to the period under examination (2008 to 2015).

During this discussion, the following issues arose:

- PLIPDECO's practice of employing Casual Workers on an ongoing basis was unclear to the Committee;
- Staff Loans were never approved by the Ministry of Finance;
- Significant increases in Trade and Other Receivables;
- Declining trends in PLIPDECO's profits between 2013 and 2015;
- The wide scope of Priority Projects to be undertaken at PLIPDECO given the current state of the economy; and
- The hazardous effects of slag piles from the Ispat Plant on PLIPDECO employees.

Based on the Committee's examination, the following recommendations were proposed.

- The Casual Employee Retirement Benefit be renamed an "ex-gratia" payment since it is a lump sum payment granted to a retired employee when there is no legal obligation or liability to pay it.
- The company should liaise with the Ministry of Finance-Investments Division to seek guidance on approval for the Staff Loan initiative by June 30, 2017 and provide a report on this decision to the PAEC by July 31, 2017.
- PLIPDECO should perform quarterly ratio analyses on its credit facilities beginning within the second quarter of 2017.

- The company should immediately establish a timetable for ultimately reducing its backlog of unrecoverable Trade Receivables and report on its progress monthly.
- A comparative analysis of other ports should be conducted to determine new ways of increasing profitability by May 31, 2017.
- Methods of reducing operating and administrative costs should be examined for the next fiscal year in attempt to boost the company's profitability.
- PLIPDECO should conduct a SWOT analysis before engaging in further expansion of the port.
- The Company should implement plans for monitoring, prioritizing and planning innovating projects in phases by May 30, 2017.
- PLIPDECO should liaise closely with the Ministry of Works and Transport, and the Ministry of Finance- Investments Division to determine the requirements of the new Public Procurement and Disposal of the Public Property Act so that the organization can be compliant within the shortest possible time.
- A specialized unit for procurement should be established by April 30, 2017.
- PLIPDECO should liaise with the Environmental Management Authority (EMA) to ensure that an air quality test is conducted by April 30, 2017 and submit the results to the PAEC no later than May 30, 2017.
- The Company should improve its prioritization of seeking full medical examination for all members of staff by April 30, 2017 and submit a report of the findings no later than May 30, 2017.

# INTRODUCTION

## Establishment

The PA(E)C of the Eleventh Republican Parliament was established by resolution of the House of Representatives and the Senate at the sittings held on Friday November 13, 2015 and Tuesday November 17, 2015 respectively.

## Mandate

The Constitution of the Republic of Trinidad and Tobago mandates that the Committee shall consider and report to the House on the audited accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by, or on behalf of the State.

In addition to the Committee's powers entrenched in the Constitution, the Standing Orders of the House of Representatives and Senate also empower the Committee (but is not limited) to:

- a) send for persons, papers and records;
- b) have meetings whether or not the House is sitting;
- c) meet in various locations;
- d) report from time to time;
- e) communicate with any other Committee on matters of common interest.

## Ministerial Response

The Standing Orders<sup>1</sup> provide for the Minister responsible for the Ministry or Body under review to submit within sixty (60) days a paper to the House responding to any recommendations or comments contained in the Report which are addressed to it.

## State Enterprises Performance Standards

The PAEC used the State Enterprises Performance Monitoring Manual as a benchmark for State Enterprises. The manual outlines the framework for compliance with official policy and the monitoring mechanisms to be used in assessing such compliance. The Government of Trinidad and Tobago monitors the performance of State Enterprises to ensure that these enterprises successfully execute their mandates and maximise value for money for the national stakeholders and shareholders.<sup>2</sup>

## Election of the Chairman and Vice Chairman

In accordance with section 119(6) of the Constitution, the Chairman must be a member of the Opposition in the Senate. At the first meeting held on Wednesday December 2, 2015, Mr. Wade Mark was elected Chairman and Dr. Tim Gopeesingh was elected Vice Chairman of the Committee.

## Establishment of Quorum

The Committee is required by the Standing Orders to have a quorum so that any decisions made by the Members during the meetings can be considered valid. A quorum of four (4) Members, inclusive of the Chair or Vice-Chairman), with representatives from both Houses was agreed to by the Committee at its First Meeting.

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<sup>1</sup> Standing Order 110 (6) in the [House of Representatives](#) and 100(6) of the [Senate](#).

<sup>2</sup> <http://www.finance.gov.tt/wp-content/uploads/2013/11/State-Enterprise-Performance-Monitoring-Manual-2011.pdf>

# METHODOLOGY

## Determination of the Committee's Work Programme

At its second meeting on Wednesday January 13, 2016, the Committee agreed to prioritize thirty-four

(34) State Enterprises as follows:

1. Caribbean Airlines Limited (CAL)
2. Caribbean New Media Group (CNMG)
3. Caroni Green Limited
4. Community Environmental & Protection Enhancement Programme Company Limited (CEPEP)
5. Education Facilities Company Limited (EFCL)
6. Estate Management and Business Development Company Ltd. (EMBDC)
7. Evolving Tecknologies and Enterprise Development Co. Ltd (eTECK)\*
8. National Commission for Self Help Limited
9. National Entrepreneurship Development Company Ltd. (NEDCO)
10. National Enterprises Limited (NEL)
11. National Gas Company of Trinidad and Tobago Limited (NGC)
12. National Infrastructure Development Company Ltd. (NIDCO)\*
13. National Insurance Property Development Company Ltd. (NIPDEC)
14. National Quarries Company Limited (NQCL)
15. National Schools Dietary Services (NSDSL)\*
16. Palo Seco Agricultural Enterprises Ltd (PSAEL)
17. Petroleum Company of Trinidad and Tobago (PETROTRIN)
18. Point Lisas Industrial Port Development Corporation Ltd. (PLIPDECO)
19. Port of Spain Waterfront Development Ltd.
20. Rincon Development Ltd.
21. Rural Development Company of Trinidad and Tobago Ltd.
22. Sport Company of Trinidad and Tobago (SporTT)
23. Telecommunication Services of Trinidad, Tobago (TSTT)
24. Trinidad and Tobago Fashion Company Ltd.
25. Trinidad and Tobago Mortgage Finance Company Limited (TTFM)\*
26. Trinidad and Tobago National Petroleum Limited (NP)
27. Tourism Development Corporation (TDC)
28. Union Estate Electricity Generation Company Limited
29. Urban Development Corporation of Trinidad and Tobago (UDECOTT)
30. Solid Waste Management Company Limited (SWMCOL)
31. Vehicle Management Corporation of Trinidad and Tobago (VMCOTT)
32. National Flour Mills Limited\*
33. Community Improvement Services Limited
34. Government Human Resource Services Company Limited (GHRS)\*

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\* Examined in the First Session of the Eleventh Parliament. The Report can be accessed via the following link:  
<http://www.ttparliament.org/reports/p11-s1-j-20160913-PAEC-R1.pdf>

At a meeting held on September 7, 2016, the Committee identified the following entities for examination in the Second Session of the 11<sup>th</sup> Parliament:

- i. Sport Company of Trinidad and Tobago (SportT);
- ii. Community Improvement Services Limited (CISL);
- iii. Community-Based Environmental Protection & Enhancement Programme (CEPEP);
- iv. Point Lisas Industrial Port Development Corporation Limited (PLIPDECO);
- v. Solid Waste Management Company Limited (SWMCOL);
- vi. Estate Management and Business Development Company Limited (EMBDC);
- vii. National Gas Company of Trinidad and Tobago Limited (NGC);
- viii. Telecommunications Service of Trinidad and Tobago (TSTT);
- ix. Tourism Development Company of Trinidad and Tobago (TDC);
- x. Caribbean Airlines Limited (CAL); and
- xi. National Entrepreneurship Development Company Limited (NEDCO).

## The Inquiry Process

The Inquiry Process outlines steps taken by the Committee to conduct an inquiry into the operations of PLIPDECO. The following steps outline the Inquiry Process agreed to by the PA(E)C:

- I. Identification of issues in the Audited Accounts, Balance Sheet and other Financial Statements of the PLIPDECO for the financial years 2008 – 2015;
- II. Preparation of Inquiry Proposal for PLIPDECO. The Inquiry Proposal outlines:
  - a. Background;
  - b. Objective of Inquiry; and
  - c. Proposed Questions.
- III. Consideration and approval of Inquiry Proposal by the Committee, when approved, questions were forwarded to the PLIPDECO on April 20, 2016. Written responses were received from PLIPDECO on May 4, 2016;
- IV. Preparation of an Issues Paper, based on written responses received from the PLIPDECO. The Issues Paper identified and summarised any matters of concern in the responses provided by the PLIPDECO;
- V. Determination of the need for a Public Hearing based on the analysis of written submissions. In this instance, a public hearing was held on Wednesday February 1, 2017.
- VI. Written request for additional information was sent to the PLIPDECO after the public hearing on February 03, 2017.
- VII. Report Committee's findings and recommendations to Parliament upon conclusion of the inquiry.

# PLIPDECO PROFILE

## Background:

PLIPDECO, incorporated on 16<sup>th</sup> September, 1966, is a public company owned 51% by the Government of Trinidad and Tobago and 49% by private shareholders including banks, insurance companies, financial institutions, company employees and the general public.

PLIPDECO's two core activities are:

- Industrial real estate management
- Port management and operations, including cargo handling services

PLIPDECO is the owner and landlord of the 860-hectare Point Lisas Industrial Estate, located on the west coast of Central Trinidad. The estate houses more than 103 tenants, comprising a mix of world-class methanol, ammonia and urea plant, and smaller light manufacturing and services companies.

Port Point Lisas, the second major port in Trinidad and Tobago, consists of six general cargo and container berths. The facility handles a variety of cargo including containerised, break bulk, lumber, paper, consumables dry bulk and steel.

## Mission:

To develop, market and operate port, logistics and industrial estate infrastructure for optimal economic growth.

## Vision:

A global Leader in port and estate management by consistently providing superior, innovative service.

## Core Values & Guiding Principles

**Integrity-** "We will act with honesty, without compromising the truth and be personally accountable for the highest standards of behaviour."

**Innovation-** "We will convert knowledge and ideas to new approaches that will revolutionise the way we work."

**Equity-** "We are committed to acting with equity when dealing with our employees and other stakeholders, so that we continue to maintain the trust and confidence of those with whom we do business."

**Service Excellence-** "We will provide our customers with service and professionalism that far surpasses their expectations."

**Health, Safety & Environment-** "We are committed to ensuring that the working environment is safe and that all individuals take responsibility for achieving this."

**Line Ministry** – Ministry of Works and Transport

**Minister** – The Hon. Rohan Sinanan

**Permanent Secretary** – Ms. Dhanmattie Ramdath (Ag.)

**Chairman-** Mr. Ian R.H. Atherly

**President -** Mr. Ashley Taylor

# ISSUES, OBSERVATIONS AND RECOMMENDATIONS

In the Committee's examination of PLIPDECO, the following issues were identified and the corresponding observations and recommendations proposed:

## **I. Casual workers and Casual Employee Retirement Benefit**

The Committee was not clear about PLIPDECO's practices of recruiting Casual workers on an ongoing basis and granting Casual Employee Retirement Benefits. The Company advised that casual workers are recruited on an "as-needed" basis since the working demand on the port is cyclical in nature and at times, there may be a demand for fifty (50) workers or a demand for one hundred and fifty (150) workers, depending on the demand on the port. The number of casual workers at PLIPDECO has increased over the years and now stands at six hundred (600). Moreover, PLIPDECO advised the Committee that the Casual Employee Retirement Benefit was implemented to put these Casual workers in a better financial position upon retirement. This plan was initially implemented in the year 2000 and amended in 2013. The structure of this fund is a one-time payment and is determined by a formula set in the Collective Agreement that assesses the employees' years of service, salary earned and number of hours that the employees worked. The fund is managed in house and financed by the company. It is paid to the retiring staff members as they fall due. It is important to note that during the period 2013-2015, twenty-one (21) persons received this payment.

### **Recommendations:**

- *The Committee recommends that Casual Employee Retirement Benefit be renamed an "ex-gratia" payment since it is a lump sum payment granted to a retired employee when there has been no legal obligation or liability to pay it.*
- *The Committee also recommends that an employee who has served PLIPDECO for more than two (2) years ought to be offered a more secure position at the establishment.*

## **II. Staff Loans Recoverable**

The Ministry of Finance- Investments Division advised that PLIPDECO's initiative of issuing staff loans was not in accordance with policy and was never approved by the Ministry. Based on PLIPDECO's Human Resources policy, however, these loans were offered to employees who were studying and required financial assistance. The loan was equivalent to one (1)

month's salary repayable over one year. Additionally, the employees received this loan to address any personal issues. The company advised that this initiative has been in existence for over twenty (20) years and approximately six (6) employees would have benefitted from this arrangement annually.

**Recommendations:**

- *The company should liaise with the Ministry of Finance-Investments Division to seek guidance on approval for this initiative by June 30, 2017.*
- *The company should provide a report on this decision to the Secretary of the PAEC by July 31, 2017.*

### **III. Trade and Other Receivables and Bad Debts**

Significant increases in PLIPDECO's Trade and Other Receivables between 2014 and 2015 have caused concern to Members of the Committee as it relates to the accumulation of unsustainable debts. In 2015, PLIPDECO's trade and other receivables grew by approximately thirty (30) per cent as a result of refunds owed and amounts due from related parties. The Corporation's credit policy requires that customers settle all invoices no later than thirty (30) calendar days from the invoice date and will be required to pay an interest rate of two (2) percent for any late payments. However, it was noted that these receivables were written off as bad debts after failed attempts to retrieve the money owed.

**Recommendations:**

- *PLIPDECO should perform quarterly ratio analyses on its credit facilities beginning within the second quarter of 2017.*
- *The company should immediately establish a set timetable for ultimately reducing its backlog of unrecoverable Trade Receivables and report on its progress monthly.*
- *PLIPDECO should immediately set a standard for collection of all debts no later than May 30, 2017.*

### **IV. Performance of PLIPDECO**

Improving profitability and performance in the company is a key priority which involves many challenges and will not be easily resolved due to the current economic climate. PLIPDECO has monitored their performance based on annual throughputs in comparison to other regional ports. Based on an analysis of nineteen (19) regional ports, PLIPDECO was ranked seventh

(7<sup>th</sup>) with an annual throughput of 208,972 TEU's<sup>3</sup>. However, the Committee noted a declining trend in PLIPDECO's profitability between 2013 and 2015 from \$174Million to \$83Million which contradicts the analysis on throughputs.

**Recommendations:**

- *PLIPDECO should conduct a comparative analysis of other ports to determine innovative ways of increasing profitability of its operations by May 31, 2017.*
- *PLIPDECO should also examine ways of reducing operating and administrative costs for fiscal year 2018 in attempt to enhance its profitability in the coming years.*

**V. Status of Priority Projects**

Based on the current economic situation, the Committee was concerned about the scope of the work planned to be undertaken and the costs of the expansion of port facilities. The Committee was advised that the rationale for deciding to expand the port operations was twofold:

- i) to increase the flexibility of the port in terms of the size of the vessels that could be accommodated and therefore expanding the potential base of customers; and
- ii) the port was rapidly approaching its estimated capacity of 250,000 TEUs by 2015.

**Recommendations:**

- *PLIPDECO should immediately conduct a SWOT analysis before engaging in any further expansion of the port.*
- *PLIPDECO should implement plans for monitoring, prioritizing and planning innovative projects in phases by May 30, 2017.*
- *PLIPDECO should implement robust procedures with respect to the budget-planning process by May 30, 2017.*

**VI. The Implementation of Public Procurement and Disposal of Public Property Act**

It is essential that PLIPDECO becomes familiarized with the Public Procurement and Disposal of the Public Property Act which will be operationalized and effective no later than

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<sup>3</sup> Twenty-Foot Equivalent Unit (TEU) is the standard unit for measuring a ship's cargo carrying capacity, or a shipping terminal's cargo handling capacity.

<http://www.businessdictionary.com/definition/twenty-foot-equivalent-unit-TEU.html>

March 31, 2017. This act seeks to ensure that accountability, transparency, integrity and value for money is obtained from future purchases and disposals made by Ministries, departments and other state agencies. PLIPDECO advised that there has been an internal procurement policy in effect for the past two decades but in order to prepare for the implementation of the new Act, staff had already been sent on specific training programme to familiarize themselves with the new policies and so as to facilitate swift adjustments to new procedures when they become effective.

**Recommendations:**

- *PLIPDECO is required to liaise closely with the Ministry of Works and Transport, and the Ministry of Finance- Investments Division to determine the requirements of the new law, so that the organization can be compliant within the shortest possible time.*
- *PLIPDECO should establish a specialized unit for procurement by April 30, 2017.*
- *PLIPDECO should provide the PAEC with a report on its progress as it concerns the implementation of the new act no later than May 30, 2017.*

**VII. Effect of Slag on the Health of Staff**

The Committee was not confident that the PLIPDECO was fully aware of the detrimental health effects that may arise as a result of the pollution emitted by ArcelorMittal on their staff. Though ArcelorMittal has been shut down, slag continues to remain an issue on the estate. Thus, employees are forced to inhale toxic chemicals such as chromium, beryllium, manganese and much more which can lead to medical conditions such as asthma attacks and several forms of cancer in the long run. In addition, it was advised that no air-quality tests were conducted, nor were any medical examinations conducted on the staff members who were continuously exposed to these chemicals.

**Recommendations:**

- *PLIPDECO should immediately liaise with the Environmental Management Authority (EMA) to ensure that an air quality test is conducted no later than April 30, 2017 and the results should be submitted to the PAEC no later than May 30, 2017.*

- *PLIPDECO should improve its prioritization of seeking full medical examinations for all members of staff by April 30, 2017 and should submit a report of its findings no later than May 30, 2017.*

The Public Accounts (Enterprises) Committee respectfully submits this Report for the consideration of the Parliament.

Sgd.  
Mr. Wade Mark  
**Chairman**

Sgd.  
Dr. Tim Gopeesingh  
**Vice-Chairman**

Sgd.  
Mr. Fitzgerald Hinds  
**Member**

Sgd.  
Mrs. Cherrie-Ann Crichlow-Cockburn  
**Member**

Sgd.  
Mrs. Jennifer Baptiste-Primus  
**Member**

Sgd.  
Ms. Shamfa Cudjoe  
**Member**

Sgd.  
Mr. Foster Cummings  
**Member**

Sgd.  
Mr. David Small  
**Member**

# Appendix 1

## Minutes of Meetings

**THE PUBLIC ACCOUNTS ENTERPRISES COMMITTEE –  
SECOND SESSION, ELEVENTH PARLIAMENT**

**MINUTES OF THE FIFTEENTH MEETING HELD ON WEDNESDAY,  
FEBRUARY 01, 2017 AT 9:43 A.M.  
IN THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR, OFFICE OF  
THE PARLIAMENT, TOWER D, THE PORT OF SPAIN INTERNATIONAL  
WATERFRONT CENTRE, 1A WRIGHTSON ROAD, PORT-OF-SPAIN.**

Present were:

Mr. Wade Mark	-	Chairman
Dr. Tim Gopeesingh	-	Vice- Chairman
Mr. David Small	-	Member
Mr. Foster Cummings	-	Member
Mrs. Jennifer Baptiste-Primus	-	Member
Ms. Candice Skerrette	-	Secretary
Ms. Hema Bhagaloo	-	Assistant Secretary

Excused were:

Mrs. Cherrie-Ann Crichlow-Cockburn	-	Member
Ms. Shamfa Cudjoe	-	Member

Absent was:

Mr. Fitzgerald Hinds	-	Member
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**COMMENCEMENT**

- 1.1 At 9:43 a.m. the Chairman called the meeting to order and welcomed those present. Mrs. Cherrie-Ann Crichlow-Cockburn and Ms. Shamfa Cudjoe were excused from the meeting.

**THE EXAMINATION OF THE MINUTES OF THE FOURTEENTH MEETING**

- 2.1 The Committee examined the Minutes of the Fourteenth (14<sup>th</sup>) Meeting held on Wednesday December 07, 2016.
- 2.2 Having no other omissions nor corrections, the Minutes were confirmed on a motion moved by Mr. David Small and seconded by Mr. Foster Cummings.

**CONSIDERATION OF THE COMMITTEE'S REPORT**

- 3.1 The Chairman reminded Members that the Committee’s Reports on the examination of SPORTI, CISL and CEPEP were circulated for their consideration and the deadline date to make any comments and/or suggestions on the reports is on February 13, 2017.
- 3.2 After some discussions, it was agreed that the Report will be finalized for signature and presentation at the next Sitting of the House of Representatives and the Senate after February 13, 2017.

**PRE-HEARING DISCUSSION RE: POINT LISAS INDUSTRIAL PORT DEVELOPMENT CORPORATION LIMITED (PLIPDECO)**

- 4.1 The Chairman reminded Members that the purpose of the meeting was to examine the Audited Accounts, Balance Sheet and other Financial Statements of the Point Lisas Industrial Port Development Corporation Limited (PLIPDECO) for the period 2008 - 2015.
- 4.2 Members discussed the issues of concern and the general approach for the Public Hearing.
- 4.3 Having no further business for discussion *in camera*, the Chairman suspended the meeting at 10:04 a.m.

**PRE-HEARING DISCUSSION RE: POINT LISAS INDUSTRIAL PORT DEVELOPMENT CORPORATION LIMITED (PLIPDECO)**

- 5.1 The Chairman called the public meeting to order at 10:15 a.m.
- 5.2 The Chairman welcomed officials from the Ministry of Finance – Investments Division, the Ministry of Works and Transport, PLIPDECO, members of the media and the public and introductions were exchanged.

**The following officials joined the meeting:**

**Point Lisas Industrial Port Development Corporation Limited (PLIPDECO)**

- Mr. Ian R.H. Atherly - Chairman
- Mr. Ashley Taylor - President
- Mr. Niegel Subiah - Vice President- Business Services
- Mr. Harold Ragbir - Vice President- Port Operations
  
- Ms. Merle Dennis - Manager- Legal Services
- Mr. Michael Phillip - Corporate Secretary

**Ministry of Works and Transport**

- Ms. Dhanmatte Ramdath - Permanent Secretary (Ag.)
- Ms. Sonia Francis Yearwood - Chief Planning Officer
- Ms. Marissa Chattergoon - Auditor III

### **Ministry of Finance – Investments Division**

- Mr. Suresh Dan - Senior Business Analyst (Ag.)
- Ms. Mary Hussein - Senior Audit Analyst

5.3 The Chairman of PLIPDECO made a brief opening statement.

**5.4 The following issues arose from the examination with the officials from PLIPDECO:**

1. The role of PA(E)C in assisting PLIPDECO to improve its delivery of services in an efficient, effective and economic manner.
2. The role of the Investments Division, Ministry of Finance to ensure oversight and accountability in state enterprises.
3. The reasons for the delay by the Ministry of Finance in submitting the Audited Financial Statements for the financial years 2008-2015 to the Parliament.
4. The role of the Ministry of Works and Transport in assessing the effectiveness of the internal audit function of PLIPDECO.
5. The priority project of expansion of the port facilities.
6. The number of permanent and casual employees, employed at PLIPDECO over the period.
7. The genesis of the Casual Employee Benefit Retirement Benefit.
8. The distribution of bonuses to staff.
9. The performance of the PLIPDECO port in comparison to other local and regional ports.
10. The status of the last wage renegotiations.
11. The environmental problems caused by the operators of the Arcelor Mittal plant and the actions taken by the company.
12. The plan for the expansion of the port in the area of real estate.
13. The health effects of slag on staff and the wider community.
14. The status of PLIPDECO's strategic plan.
15. The systems in place to increase the efficiency at the port.
16. The reasons for the extraordinary increase in Trade and Other Payables and Trade and Other Receivables.
17. The criteria for issuing staff loans.
18. The criteria for writing off trade receivables as bad debt.
19. The reasons for the declining trend in profitability.
20. The preparations by PLIPDECO to be in compliance with the Public Procurement and Disposal of Public Property Act, 2015.

**Please see Verbatim Notes for the detailed oral submission by the witnesses.**

5.5 The Chairman thanked the representatives from the Ministry of Finance – Investments Division, the Ministry of Works and Transport and PLIPDECO for attending the Public Hearing.

## **SUSPENSION**

- 6.1 At 12:37 p.m., the Chairman suspended the *in public* meeting to resume a post-hearing meeting *in camera* with Members only.

## **RESUMPTION**

- 7.1 At 12:42 p.m. the Chairman resumed the post-hearing meeting *in camera*.

## **POST-MORTEM DISCUSSION**

- 8.1 The Members held a post-mortem discussion to determine the way forward, following the public hearing.
- 8.2 The Committee agreed to examine the audited financial statements of the Solid Waste Management Company Limited (SWMCOL) for the financial years 2008 – 2013 at the next meeting.

## **ADJOURNMENT**

- 9.1 The Chairman thanked Members for their attendance and the meeting was adjourned to **Wednesday February 15, 2017 at 9:30 a.m.**
- 9.2 The adjournment was taken at 12:44 p.m.

**We certify that these Minutes are true and correct.**

CHAIRMAN

SECRETARY

*February 02, 2017*

# Appendix 2

## Attendees

# Attendees

## **Point Lisas Industrial Port Development Corporation Limited (PLIPDECO)**

Mr. Ian R.H. Atherly	-	Chairman
Mr. Ashley Taylor	-	President
Mr. Niegel Subiah	-	Vice President- Business Services
Mr. Harold Ragbir	-	Vice President- Port Operations
Ms. Merle Dennis	-	Manager- Legal Services
Mr. Michael Phillip	-	Corporate Secretary

## **Ministry of Works and Transport**

Ms. Dhanmatte Ramdath	-	Permanent Secretary (Ag.)
Ms. Sonia Francis Yearwood	-	Chief Planning Officer
Ms. Marissa Chattergoon	-	Auditor III

## **Ministry of Finance – Investments Division**

Mr. Suresh Dan	-	Senior Business Analyst (Ag.)
Ms. Mary Hussein	-	Senior Audit Analyst

# APPENDIX 3

## List of entities falling under the purview of the PAEC:

1. Agricultural Development Bank (ADB)
2. Caribbean Airlines Limited (CAL)
3. Caribbean Leasing Company Ltd (owned by ExportTT)
4. Caribbean New Media Group Limited (CNMG)
5. Caroni Green Limited
6. Clico Trust Corporation Limited
7. Cocoa Development Company of Trinidad and Tobago Ltd
8. Community Environmental & Protection Enhancement Programme Company Limited  
(CEPEP)
9. Community Improvement Services Limited
10. East Port of Spain Development Company Limited
11. Education Facilities Company Limited (EFCL)
12. Estate Management & Business Development Company Ltd. (EMBDC)
13. Export Centers Company Limited
14. Export Import Bank of Trinidad & Tobago (EXIMBANK)
15. ExportTT (formerly BDC: Business Development Company Limited)
16. Evolving TecKnologies & Enterprise Development Company Limited (eTeck)  
(formerly Property & Industrial Development Company of Trinidad & Tobago)
17. First Citizens Bank (FCB)
18. First Citizens Holdings Limited
19. Government Human Resource Services Company Limited (GHRS)
20. Government Information Services Limited (GISL)
21. Human Capital Development Facilitation Company Limited
22. InvesTT
23. Lake Asphalt of Trinidad & Tobago (1978) Ltd.
24. La Brea Industrial Development Corporation
25. Metal Industries Company Limited (MIC)

26. National Agricultural Marketing Development Corporations Limited (NAMDEVCO)
27. National Commission For Self Help Limited
28. National Energy Corporation of Trinidad and Tobago Limited
29. National Entrepreneurship Development Company Ltd. (NEDCO)
30. National Enterprises Limited (NEL)
31. National Flour Mills Limited (NFM)
32. National Gas Company of Trinidad & Tobago Limited (NGC)
33. National Helicopter Services Limited
34. National Information & Communication Technology Company Limited (NICTCL)
35. (iGovTT) (ttconnect)
36. National Infrastructure Development Company Limited (NIDCO)
37. National Insurance Property Development Company Limited (NIPDEC)
38. National Maintenance, Training & Security Company Limited (MTS)
39. National Project Development Services Ltd
40. National Quarries Company Limited (NQCL)
41. National Schools Dietary Services Limited
42. National Training Agency (1997) Ltd.
43. Natpat Investments Company Ltd.
44. Oropune Development Ltd. (owned by UDECOTT)
45. Palso Seco Agricultural Enterprises Limited (PSAEL)
46. Petroleum Company of Trinidad & Tobago Limited (PETROTRIN)
47. Phoenix Park Gas Processors Ltd.
  
48. Point Lisas Industrial Port Development Corporation Ltd (PLIPDECO)
49. Point Lisas Terminals Ltd. (owned by PLIPDECO)
50. Portfolio Credit Management Limited
51. Port of Spain Waterfront Development Ltd.
52. Rincon Development Ltd.
53. Rural Development Company of Trinidad & Tobago Limited
54. Seafood Industry Development Company Limited

55. Sports Company of Trinidad & Tobago Limited (SporTT)
56. Taurus Services Limited
57. Telecommunications Services of Trinidad & Tobago Limited (TSTT)
58. Tourism Development Company Limited (TDC)
59. Trinidad Nitrogen Company Limited (TRINGEN)
60. Trinidad Northern Areas Ltd.
61. Trinidad & Tobago Entertainment Company Limited (TTent)
62. Trinidad & Tobago External Telecommunications Ltd.
63. Trinidad and Tobago Fashion Company Limited
64. Trinidad & Tobago Film Company Limited
65. Trinidad & Tobago Fish Processors Ltd.
66. Trinidad & Tobago Food Processors Ltd.
67. Trinidad & Tobago Free Zones Company Limited
68. Trinidad & Tobago International Financial Centre Management Company Limited
69. Trinidad & Tobago Marine Petroleum Company Ltd.
70. Trinidad & Tobago Mortgage Finance Company Limited (TTMF)
71. Trinidad and Tobago Music Company Limited
72. Trinidad & Tobago National Petroleum Marketing Company Limited (NP)
73. Trinidad & Tobago Solid Waste Management Co. Ltd. (SWMCOL)
74. Trinidad & Tobago Tourism Business Development Limited
75. Trintoc Services (owned by PETROTRIN)
76. Union Estate Electricity Generation Company Limited
77. Urban Development Corporation of Trinidad & Tobago Limited (UDECOTT)
78. Vehicle Management Corporation of Trinidad & Tobago Limited (VMCOTT)
79. Youth Training & Employment Partnership Programme Limited (YTEPP)

# **APPENDIX 4**

## **VERBATIM**

**VERBATIM NOTES OF THE FOURTEENTH MEETING OF THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE HELD IN THE ARNOLD THOMASOS ROOM (EAST), SIXTH FLOOR (IN CAMERA) AND THE J. HAMILTON MAURICE ROOM, MEZZANINE FLOOR (IN PUBLIC), OFFICE OF THE PARLIAMENT, TOWER D, INTERNATIONAL WATERFRONT CENTRE, #1A WRIGHTSON ROAD, PORT OF SPAIN, ON WEDNESDAY, FEBRUARY 01, 2017 AT 10.15 A.M.**

**PRESENT**

Mr. Wade Mark	Chairman
Mr. Foster Cummings	Member
Mrs. Jennifer Baptiste-Primus	Member
Mr. David Small	Member
Miss Candice Skerrette	Secretary
Miss Hema Bhagaloo	Assistant Secretary

**ABSENT**

Miss Shamfa Cudjoe	Member
Mr. Fitzgerald Hinds	Member
Mrs. Cherrie-Ann Crichlow-Cockburn	Member
Dr. Tim Gopeesingh	Vice-Chairman

**PLIPDECO**

Mr. Ian Atherly	Chairman
Mr. Ashley Taylor	President
Mr. Niegel Subiah	Vice-President Business Services
Mr. Harold Ragbir	Vice-President Port Operations
Ms. Merle Dennis	Manager Legal Services
Mr. Michael Phillip	Corporate Secretary

**MINISTRY OF WORKS AND TRANSPORT**

Ms. Dhanmattie Ramdath	Permanent Sec. (Ag.)
Ms. Sonia Francis Yearwood	Chief Planning Officer
Ms. Marissa Chattergoon	Auditor III

**MINISTRY OF FINANCE-INVESTMENTS DIVISION**

Mr. Suresh Dan	Snr. Bus. Analyst (Ag.)
Ms. Mary Hussein	Snr. Audit Analyst

**Mr. Chairman:** Good morning. May I on behalf of the Public Accounts (Enterprises) Committee warmly welcome the officials from the Ministry of Finance, Investments Division; Ministry of Works and Transport; the Point Lisas Industrial Port Development Corporation Limited, Plipdeco; members of the media as well as members of the public.

First of all, may I advise that the meeting today is being held in public and is being broadcast live on the Parliament Channel 11, and radio105.5 FM, and the Parliament's YouTube Channel, *ParlView*. Viewers and listeners can send their comments related to today's topic at our email address which is [parl101@tpparliament.org](mailto:parl101@tpparliament.org), [facebook.com/ tpparliament](https://www.facebook.com/tpparliament) or Twitter at [tpparliament](https://twitter.com/tpparliament).

May I also advise all our officials who are here today, from the very outset, that the purpose of this meeting of the Public Accounts (Enterprises) Committee is to examine audited accounts, balance sheets and other financial statements of the Point Lisas Port Development Corporation Limited, Plipdeco, for the period 2008 to 2015.

Our committee is desirous of hearing from the key stakeholders at Plipdeco to learn of the challenges being faced and determine some of the possible solutions and measures to overcome these challenges. May I emphasize that the role of the Public Accounts (Enterprises) Committee is to help—may I repeat—the role of the Public Accounts (Enterprises) Committee is to help Plipdeco improve its delivery of services in an efficient, effective and economical manner.

At this time I would like to introduce members of our committee. When we are through with our introductions, we will then invite officials from the Ministry of Finance, Investments Division, to be followed by the Ministry of Works and Transport and the Point Lisas Port Development Corporation Limited, Plipdeco, to introduce themselves. So I can start on my extreme right in terms of introduction of our committee members.

*[Introductions made]*

**Mr. Chairman:** Thank you and welcome once again. May I on behalf of the committee invite Mr. Ian Atherly, Chairman of Plipdeco, to make a brief opening statement on Plipdeco at this time. So you are welcome to do so, Mr. Atherly.

**Mr. Atherly:** Thank you very much. Good morning to the Chairman and members of the Public Accounts (Enterprises) Committee, I am Ian Atherly, Chairman of Point Lisas Industrial Port Development Corporation. The other members of the Plipdeco team present here today we have just met.

Mr. Chairman and members, on September 16, 2016, Plipdeco celebrated 50 years of existence. During this time, the story has been one of continuous improvement and development. For the eight-year period under review, 2008 to 2015, the corporation has registered a substantial

list of accomplishments that span equipment acquisitions, infrastructural development, technology improvements, personnel development and process improvements.

Throughout this time, after adjusting for the effect of one of transactions and payments, the corporation has also managed to progressively improve and maintain profitability, despite the challenges associated with port and estate operations and the prevailing economic and industry climate. Notwithstanding the current difficulties being faced by the country due to the slowing economy, we remain quite confident in the stability of the corporation and look forward to the opportunities that lie ahead.

It is indeed a privilege to be here before the Public Accounts (Enterprises) Committee of Parliament, and our team looks forward to providing you with the answers to the questions posed by the members of the committee.

I thank you very much, Sir.

**Mr. Chairman:** Thank you very much, Mr. Chairman.

May I begin our enquiry today by addressing the Investments Division? According to what is called the State Enterprises Performance Monitoring Manual, the Investments Division is responsible for executing the investment policy as prescribed by Cabinet. Accordingly, the mandate of the division includes oversight, monitoring, and where necessary, the rationalization of the Government of Trinidad and Tobago equity holdings in commercial enterprises. The division acts on behalf of the Minister of Finance, Corporation Sole, and carries out the corporate function. This includes representation of the Minister at shareholders' meetings, the establishment of new enterprises and rationalization of the investments portfolio of the shareholders.

May I ask the Investments Division representatives here this morning for clarification, not only for us but for all the officials here and for the public: What is the role of the Investments Division in ensuring oversight and accountability in such a state entity as Plipdeco? And you may even widen it if you wish to deal with the state enterprise sector. Whoever wishes to respond, you are welcome.

**Mr. Dan:** Good morning again everyone. Mr. Chairman, through you, the Ministry of Finance, Investments Division is the division responsible for assisting the Corporation Sole, which is the Minister of Finance, in the monitoring and evaluation of the state entities. Usually our method of monitoring is through certain reports, reporting from these state entities.

According to the manual at page 33, we have a list of reports that are usually submitted by the state entities and we have the relevant timelines.

Based on our records at the Investments Division, Plipdeco has been submitting their reports on a timely basis and they are fairly up-to-date. For example, the annual financial

statements were submitted for the financial year ending December 31, 2015, and that was also submitted to the Parliament according to the rules and regulations. They held their annual meeting on June 16, 2016, for the acceptance of said financial statements for the close of financial year December 31, 2015. Their board minutes have been submitted to us in a timely manner, those that were approved by the board. They have been submitting their monthly, quarterly status on loans and overdraft portfolios. Those have been submitted up to September 30, 2016. They have also been submitting their monthly statements of cash operations, and that also has been submitted up to November 30, 2016.

So based on those reports, if they were not complying in other words, then we would normally write to them to try to extract the information so that we would be aware of what is happening at the Plipdeco division.

**Mr. Chairman:** Would you therefore say that Plipdeco is one of the enterprises that has been adhering to the basic guidelines established by this particular booklet called State Enterprises Performance Monitoring Manual?

**Mr. Dan:** Yes, I would say so.

**Mrs. Baptiste-Primus:** Thank you kindly, Chairman. Mr. Suresh Dan, good morning again. If what you have just told the committee is true and correct, why are we contemplating financial statements dating back to 2008?

**Mr. Dan:** I am unable to provide that answer to that, Madam.

**Mr. Chairman:** I think what the hon. Member is asking is—and maybe you can clear it up—is whether these financial audited accounts were submitted on time to the Parliament—well, first of all to the Minister of Finance, then to the Parliament and once it reaches here we would receive them. The question is being asked, could you clarify whether all those reports spanning 2008 to maybe 2014 were submitted on time to the Ministry of Finance from Plipdeco? Or if you cannot answer, maybe I can ask the Chairman of Plipdeco to answer whether financial audited accounts, balance sheets, profit and loss accounts statements were duly, in accordance with the law, that is the Companies Act and the guidelines, were they submitted on time to the Ministry of Finance and through the Minister? So you could answer Mr. Dan and maybe Mr. Atherly could follow.

**Mr. Dan:** From our records at the Investments Division they were submitted on time.

**Mrs. Baptiste-Primus:** Mr. Chairman, then it begs the question—because I am quite sure members of the public, we at the level of this committee here, it is a perennial problem we have to be addressing. If, in fact, we are being told that Plipdeco submitted their audited financial statements on time, why then is the Parliament in 2016—eight years later—we are now addressing it. Something has to be wrong somewhere in the process. So if Plipdeco submitted it on time to

the Ministry of Finance—I assume it would be to the Investments Division—then if it is received at the Investments Division, there must be a credible reason why Parliament is addressing it eight years later. That is totally unacceptable.

**Mr. Chairman:** Maybe Mr. Atherly could help us from your memory, seeing that you have been there for a few years, maybe you can tell us if you recall Plipdeco submitting its financial statements, audited statements to the Ministry of Finance beyond the stipulated four months after the completion of the financial year—for example, 2008, 2009, because we are now dealing with them. We had a Parliament for 2010 to 2015 and there was a Public Accounts (Enterprises) Committee. So we are just seeking clarification on the matter.

**Mr. Atherly:** Mr. Chairman, my knowledge is that we have submitted all accounts on time, as is specified in the performance manual to date up to 2015. We continue to be compliant in all areas, Sir, and it was to my surprise as well in respect to the hon. Member's question just now, why we were going back to 2008. I joined the corporation in November of 2011 and it was up-to-date then and we continued until the end of 2015 to be fully compliant.

**Mr. Chairman:** What we would have to do as a committee is do some further enquiries as to where we went wrong in this area, because clearly these things are now before us and we have to do some enquiries. You are confirming as Chairman from 2011 to the current time that when you are arrived Plipdeco was up to speed, up-to-date with all previous reports, and since you have been there you have been honouring and complying with the commitments of the Companies Act as well as the guidelines, and that has been confirmed by Mr. Dan as well. So we will have to do some further enquiries. Let us move on, please.

I would like to again raise the following question. The State Enterprises Performance Monitoring Manual on page 8 states that the Ministry of Finance and the line Ministry collaborate in respect of one, communicating policy issues affecting state enterprises and ensuring compliance; reviewing strategic plans and annual budgets; ensuring consistency between the Government of the Republic of Trinidad and Tobago macroeconomic policies and plans of the enterprises, and providing updated information on the composition of the boards of directors, including dates of appointment and termination of members.

So I therefore direct this question to the Ministry of Works and Transport. What is the role of the Ministry of Works and Transport in assessing the effectiveness of the internal audit function of Plipdeco? That is the first question.

You may write and respond. The second question, how has the internal auditing activity contributed to improving value for money and controlled processes of the company over the period under review? And the final question I would like to put to the Ministry of Works and

Transport: is the internal audit unit sufficiently staffed to meet the needs of the company? These are some important areas of concern that we would like to have clarified via the Ministry of Works and Transport on the internal auditing function.

**Ms. Ramdath:** Thank you Chair and members. I only assumed in December 2016, so I am now in the process of going through the annual statements, financial statements, strategic plans to ensure that the state enterprises and companies that fall under the purview of Ministry of Works and Transport comply with the guidelines of the performance monitoring manual.

At this time I could only say that Plipdeco is one of our shining stars right now, among all the state entities that fall under the purview of Ministry of Works and Transport. I did not see any issues with the internal auditing, as well as Plipdeco engages a company to audit their financials and they submit. I have not seen any issues with it yet.

Further, the question on whether the internal audit in the Ministry is equipped, they are not—to answer you. We are now trying to ensure that they are equipped to assess risk management. That is one of the weaknesses in our internal controls, within the internal audit in the Ministry of Works and Transport at this time.

**Mr. Chairman:** In any event, we are going to write to you, seeing that you are new and you are speculating in many respects. We would have to write to you so that you can submit to this committee in writing the areas we have just raised with you. As you rightly said, because of the fact that you are new to the portfolio and you do not have all the facts before you. So we will write to you on this matter.

Maybe I can ask the Chairman of Plipdeco: Do you have an established audit committee of your board and can you tell us the composition of that committee, and how has this audit committee of the board been functioning?

**Mr. Atherly:** Mr. Chairman, yes we do, and the audit committee is that committee of our board that has us very proud. It has made us proud. The Chairman is Prakash Ramnarine (Director), and they meet very often as required and, of course, the information is brought to the board for processing for approvals and that sort of thing. So yes we do function effectively in that area.

**Mr. Chairman:** Could you tell us what is the composition? How many members make up that board, the names of those members, the offices that they occupy? And could you provide us with a copy of the last two or three reports on this committee?

**Mr. Atherly:** Mr. Chairman, as I said before Prakash Ramnarine is the Chairperson of that committee. Mr. Ibn Llama De Leon, member and Dr. Dale Sookoo, the third board member.

**Mrs. Baptiste-Primus:** Thank you kindly, Chairman. Mr. Chairman, the composition is a three-person composition. These members of the board who sit on the audit committee, do they sit on

any other committee of the board?

**Mr. Atherly:** Yes they do, member.

**Mr. Chairman:** May I follow up by asking you, apart from these directors who sit on the committee, three members you mentioned or three directors who function otherwise. Do you have independent company professionals who sit on the audit committee of the Plipdeco board, independent company professionals, in accordance with the manual? May I refer you to page 11, Mr. Chairman and team. Let me tell you what page 11 of this manual says:

Every State Enterprise is required to appoint an Audit Committee. It shall be composed of a minimum—it could be more—of two non-executive directors and other independent company professionals.

That is in the manual. I am asking, could you tell us, apart from these three directors, do you have any independent company professionals sitting on that body? And do you have an internal audit charter that guides the work of that body, and if you do, can you make that charter available to this committee?

**Mr. Atherly:** Yes we do have the charter, Mr. Chairman, and the two other members that sit on the committee—it is actually four: the President Ashley Taylor, our manager of internal audit, Miss Manwarren and Niegel Subiah, who is present here with us, and the corporate secretary on my left, and of course external auditors from Pricewaterhouse. They come in from time to time.

**Mr. Small:** Just to be clear. The role of the audit committee is to guide and do compliance and oversight for the company. I just want to be clear that the line of communication between the internal auditor and the Chairman of the audit committee is open. That is actually key to having a properly functioning committee of the board, that the manager of internal audit should not be reporting issues directly to his line. He should be reporting to the Chairman of the audit committee who can action whatever needs to be done. I just want to be clear that is the actual process at Plipdeco.

**Mr. Atherly:** My understanding is that is the process.

**Mr. Chairman:** I have a few questions before I turn you over to another member.

I am looking at your total staff cost in terms of salaries, wages and benefits over the period 2014 to 2015. I have observed that your wages and salaries and benefits stood at approximately \$147,535,000 at the end of 2014 and at the end of 2015 financial year, it went to \$156,024,000. First of all, I would like you to explain to us: what is the number of permanent employees that you have engaged at Plipdeco, the number of contract employees that you have at Plipdeco and the number of temporary employees that you have at Plipdeco?

The second point I would like to raise, how often are wage negotiations conducted? I

think you said that in your submission the current collective agreement would be completed at the end of this year 2017. So it is every three years I would imagine. Could you bring us up-to-date with the outcome of the last negotiation? What are some of the benefits offered to your permanent employees that you would like to share with us?

**Mr. Atherly:** Mr. Chairman, the President Ashley Taylor would answer.

**Mr. Taylor:** Thank you, Mr. Chairman. The overall staff count of Plipdeco, including permanent and casual staff, is approximately 1,000 employees and of that we have approximately 400 permanent staff and approximately 600 casual employees. Casual meaning that these workers are utilized on an as-needed basis.

As far as the wage negotiations are concerned, we are actually up-to-date with our negotiations with the majority union, the SWWTU. In fact, the current collective bargaining agreement, one expires in November 2017 and the other one expires in July 2018, so we are actually up-to-date with those negotiations.

**Mr. Chairman:** Before I ask my colleagues to join me. So you do not have any contract employees on your establishment, because you used the word “casual”?

**Mr. Taylor:** Chairman, I do not have an exact number but I would believe that the contract employees would number less than 10.

**Mr. Chairman:** Contract employees?

**Mr. Taylor:** Yes.

**Mr. Chairman:** How does a casual graduate from casual to a permanent worker, or do they remain permanent casualties?

**Mr. Taylor:** With the collective bargaining agreement, there is what you call an establishment in terms of how many crane operators there should be, how many equipment operators there should be, how many stevedores, how many foremen and so on. This establishment would basically consist of what we call the permanent pool of workers. You have a casual pool consisting of these same types of workers and who would support on an as-required basis whenever there is a shortfall, based on the demands of vessel operations.

So in a case where a permanent employee from the establishment leaves the job, whether he is retired or whatever, we make a determination from the casual pool based on longevity of service, based on performance and based on his skill.

**Mr. Chairman:** Would you be able to share with us—maybe Mr. Chairman could advise or your good self—what was the establishment like, that is both your permanent work force and your casual labour force? It is 1,000 now as we speak. What was it like five years ago?

**Mr. Taylor:** There has not been much change.

**Mr. Chairman:** So you have had a permanent establishment around that number for the last few years?

**Mr. Taylor:** More or less, Chair.

**Mr. Chairman:** May I ask also, when you talk about an efficient port competing in a very dynamic global environment, with the opening of the Panama Canal as an example, trying to get more trade and opportunities, how does this port compare with other ports in terms of, let us say, that work force? Do you think that for instance 400 is a very reasonable number, or it should be 500 or it should be 300, given your state of play as a port that is seeking to be very competitive and to attract as much business as possible? How do you compare your level of efficiency with other ports that we have to compete with, particularly with the recent expansion of the Panama Canal?

**Mr. Taylor:** As far as ports go, we would be considered as a small to medium port, because when you look at other regional ports, for example Jamaica, with throughput close to 2 million TUs, our annual throughput is just over 200,000 TUs, so we are a relatively small port. In comparison to the smaller regional territories, the smaller regional ports, we are considered one of the more efficient ports. Yes we still have some challenges, but overall we are still considered to be fairly efficient. In fact, our market share for domestic cargo has grown significantly over the last few years where, in fact, now we stand as the receiving, or should I say handling, the majority of domestic cargo, that is, import/export cargo that comes through Trinidad and Tobago. In fact, we handle now about 55 per cent of Trinidad and Tobago's domestic cargo.

**Mr. Chairman:** We have not had sight of your strategic plan and maybe you may wish to provide us with a copy. But as we do not have sight of it, we are constrained somewhat. In those circumstances you may wish to share with us what is the ambition, what is the goal of Plipdeco as it relates to the future, re: expansion of your operations so your throughput could be increased? Given the size, medium to small port, given the kind of possibilities that await us internationally and globally, given the expansion of the Panama Canal as an example, how is Plipdeco strategically positioning itself to expand its operations to attract more goods, more opportunities so that you can become more profitable and more viable and where you can expand overall your operation?

In these times of economic difficulties, revenues are very critical and therefore we would like to know in your strategic plan for the next five years—because you know plans are no longer set for two years and three years. Plans are set for 15 years and they are reviewed periodically, long term planning. So what I am asking you on behalf of the committee, what are the plans on a medium to long-term basis for the expansion of the port of Plipdeco? That is what I am trying to get at.

**Mr. Taylor:** Chairman, I would start off by saying that the vision of Plipdeco is to be a global

leader in port and industrial estate management, by consistently providing superior innovative services. So that is our vision. Consistent with that vision we have been moving away from just being seen as a port, and more seeing ourselves as what we would call a logistic services provider, which encompasses port operations as well.

So our view, our vision really is not only to expand the port operations, but also to provide services around or associated with port operations. In fact, this year we will be embarking upon establishing managed warehousing to facilitate logistics management and therefore to work hand in hand with the port expansion. We will be able to garner not only local business, but also regional and international business as well.

**Mr. Chairman:** I will ask my colleague Mrs. Jennifer Baptiste-Primus or my brother David Small and then followed by Foster, before I return.

**Mr. Small:** I had asked to jump in a little bit on the questions you were raising about the staff. Mr. Taylor has just completed some issues, an area regarding the operations of the port. I have quite a few enquiries on that, but I need to understand the situation of the casual workers. My concern is this, I understand that the port's needs vary. What I would like for the committee to understand is the length of service profile of the casual pool. What I am thinking about is that you may have people working as casual employees for 10 years or more, and their ability to plan their own lives might be difficult. It does not mean that the company has to hire everyone, but we do not have a feel—so I am requesting that information. You do not have to respond on it right now, but we would like to understand what the length of service profile of your casual pool is. So we could understand if you have somebody working 20 years on casual—I cannot do anything with it until I have the data.

But arising from that, I looked at your accounts and you have an interesting item here called “casual employee retirement benefit”. It is linked to my earlier point, because I would like to understand the genesis of this, because if you have a casual worker, I am not understanding the retirement benefit. I would like to understand the structure of the thinking, and then ideally if you are paying a retirement benefit, I would have thought that would be paid to a permanent worker, but I do not know the structure. It is a fairly significant number. I will not put the number in the public domain, but it is a significant number and I am seeing it is growing. It is not a static number. So if the casual pool is staying relatively stable, but the number is growing, for me there is some disconnect.

I want to understand: how did this arise? I did not notice this in the older accounts, I think this is a fairly recent addition to your cost profile. So what lead to this, and then I just need information to understand why the company is going down this route, and then why is it growing

if your casual pool is not really changing?

**Mr. Taylor:** Mr. Chairman, the purpose of the retirement benefit was specifically for the casual workers. It was put into place because it was found that there are a number of casual employees who would have reached the age of retirement, they left the corporation with next to nothing. So the corporation took a decision to put in place this fund to basically put these employees in a much better financial position than they would have normally been in the past. So the permanent employees would have their pension and the casual workers would have their terminal benefits.

**Mr. Small:** I will give way to the Mrs. Jennifer Baptiste-Primus.

**Mrs. Baptiste-Primus:** Thank you colleague, member. Mr. President, I find that a strange concoction from an industrial relations point of view. Why create a retirement fund for your casual workers and do not make them part of your permanent staff? If they are with your organization five, 10 years, it is a clear indication that the services they provide is critical to the organization. Why have your permanent employees to whom you would have to pay pension, and have a casual work force who becomes eligible for the payment of a pension? Explain that. I have never heard about that kind of situation before, and I have been involved in the arena for about 40 years. Could you explain?

**Mr. Taylor:** Member, the reason is the working demand on the port is cyclical in nature. So there are times when there might be a demand for 50 workers, and there might be a time there may be a demand for 150 workers, depending on the number of vessels in port and so on.

It would be extremely difficult, from a financial point of view, to be able to facilitate having the additional 600 of these casual workers on the permanent staff and still be able to maintain the profitability of the corporation.

**Mrs. Baptiste-Primus:** What is the cost in operating the fund, and how much pension—is it a monthly pension the casual workers who would have attained retirement age? Am I to assume the retirement age that is under reference here is 60 years? Is it a monthly pension that is paid to these casual workers, and what is the cost of operating this retirement fund to the organization? What is the annual cost of operating this fund?

**Mr. Taylor:** I would like to defer the answer to that question to my Vice-President (Business Services).

**Mr. Subiah:** Good morning all. The structure of the fund is a one-time payment upon retirement of the casual employee. The payment is made based on a formula that is set in the collective agreement. It is the severance formula in the collective agreement based on the employee's years of service, the salary that the person would have earned at the end as well. Qualifying criteria would be based on the amount of hours that the employee works for the year. So the employee

does not have to work for the whole year, we prorate the amount of payments in accordance.

So the annual operating cost of the fund is nil. What you are seeing is the actual value of the payments outstanding at this point in time that is done by the valuers. So the only payments that we actually make on a year on year basis is when an employee actually retires, and we make the payment based on that.

**Mr. Chairman:** Are we being advised or informed that someone can get into the labour force of Plipdeco at the age of 20, as an example, and because of the nature of your operations this individual can work from the age of 20 to the age of 60 on a casual basis? Or the person, let us say if you want to be generous, he comes in at the age of 40 and that person can work as a casual worker until the age of 60. You are saying that you have hundreds of workers who may be in that catchment area and they are just graduating every year until they reach the age of 60? And you are saying that there is a formula in a collective agreement that would provide for a kind of enhanced severance payment, so that the worker, when he leaves at the age of 60 may get, I do not know if it is \$100,000 minus taxes or whether he would get \$100,000 before taxation.

I think that this committee needs to be provided with some more information—detailed information—so that we can have an understanding. Because our business is not the permanent exploitation of any category or group of workers in the country. We would hate to know that a state enterprise that is 51 per cent owned by the State is engaged in some form of activity that when we examine we find it unacceptable, and we would therefore have to recommend to the Parliament that this particular practice ought to be reviewed or discontinued. But we need to have the facts before us.

We do not want to detain you unnecessarily, but if you can provide to this committee some details on this particular provision, because as my friend said I saw the figure myself, and I was a bit startled in terms of the annual figure you have to pay to these casual workers upon their retirement. I think that we need to probably get from you how this thing is done, how many people are involved.

As the hon. Member asked, that is Mrs. Jennifer Baptiste-Primus, do we have people coming in on a casual basis and they are just working their way because they now have entrenched in their minds that they will never become permanent and therefore they are almost resigned to a life of casual labour, and then at the end of the day they are given a little something, a little whatever amount, I do not know what it is based on. You said it is a formula, we have not seen it. But please, please we would not want to detain you unnecessarily on this one, because there are in many, many other areas that we want to address. But we will like to submit to this committee a detailed analysis of this particular arrangement, how long it has been in existence and how many

workers are affected, have been affected, how much money you have paid out since it came into existence.

Maybe the company may wish to posit recommendations for our consideration to make this thing a little more acceptable. I am hoping that we are not in violation of any of our collective and international obligations in that regard. But that is a matter we will deal with as we go on. I think Mr. Small would like to raise something, and then I go back to the hon. member.

**Mr. Small:** Thank you very much, Mr. Chair. I want to say, in my own respectful view, I believe the company has tried to fix a situation where you have a worker on and you do not want them to just be away from the company. Because it is actually an oxymoron to say someone who is a casual worker is retired. Casual workers cannot retire, because by nature they are casual. I think the company has tried to do something, but in doing what you have done, my respectful initial view is that you are treating not with the cause, you are treating with the symptom. The symptom of what is going on. How the company manages the issue is to organize to make a payment, but you are not treating with the cause, and perhaps that is where we need to train our minds on.

Just to refresh, through the Chairman, I would like to make sure that as part of the information package on the issue, you provide to us you have “X” amount of casual workers, what is the length of service profile. So I want to know how many workers have been working over 20 years, 15 to 20 years, so we can get an idea of what we are dealing with, because I am starting to get a little antsy about it. Let me move on.

I now want to move topic completely. I want to talk about the performance of the company. I have looked at your submission, and you indicated that you have some priority projects. I would like to understand in particular you have expansion of your port facilities. I would like to know what the scope of this work is. I would like to understand how this is being financed, which is a critical issue given the current situation, and then the rationale for doing this to begin with. Is this tied to some kind of forecast for increased vessel traffic?

From the information we have here it was difficult to get that, so I need to understand three things: what is the rationale for doing it; what is the scope of this work and how long it is going to take, and then how are you financing it or planning to finance it?

**Mr. Taylor:** Mr. Chairman, members, the rationale for deciding to expand the port operations is twofold. One is to increase the flexibility of the port in terms of the size of vessels that could be accommodated and therefore expanding the potential base of customers. The second reason is that the port has an estimated capacity of 250,000 TUs, and up until 2015, we were rapidly approaching that capacity. So in 2015, we actually had two consecutive years of record throughput. In 2014, we had a throughput of 208,000 TUs, which was a record, and then in 2015 we had a

further improvement again, where we had 221,000 TUs. So based on that, and also as the Chairman had also mentioned, the phenomenon of the Panama Canal would eventually have an impact on regional trade. It would not happen immediately, but it would ultimately be an impact. So there was the rationale for contemplating the expansion.

The scope of the expansion is determined that it would be done on a phased basis, as opposed to doing a full-fledged expansion all at the same time. As you would know, once you invest that money, it would have to be paid back based on the port volumes that you receive. So the intention was that it would be done on a phased basis initially, probably estimated going initially another 150 metres with our largest berth, and then when they reach close to capacity once more, then we embark on another phase of the expansion.

I think going forward we probably have to rethink the timing of the expansion, because last year would have been a practically challenging year because there was a substantial decrease in our throughput, consistent with the prevailing economic climate in Trinidad and Tobago and the prevailing economic climate regionally, where we saw a substantial drop in our overall throughput. So even though the expansion would probably still be on the cards, we probably have to rethink the overall timing of that expansion programme.

In terms of how we are going to finance the expansion, that has not yet been fully determined. It may be some combination of between debt and equity.

**11.15 a.m.**

**Mr. Small:** Thank you very much Mr. Taylor. So that, essentially, this is a plan? You have looked at it and given the change in economic circumstances in Trinidad, in the region, you recognized that it may not be prudent to pursue this plan at this point in time? Okay, good. I just want to get one quick follow-up from you, and it has to do with the performance of the port. In your submission you provided some information regarding the amount of TEUs coming through the port, but what the Committee was really seeking is to understand how the port is performing? The TEUs is not one measure; that is just the volume of traffic.

So, I mean, we have the wonderful team at the Parliament here was able to trace a UN document for us which details a whole series of comparators about total time in port, the duration of ships in the port, the ship output measures, what we would like is for the company—you do not have to necessarily respond today, because this is difficult, but what we want to understand, how is the port compared to other ports in the region in terms of not only the amount of traffic coming through it, but efficiency and output measures?

So, through the Chairman, the Committee will be requesting for us to get a little more information that allows us to be able to make a determination as to how efficient the port is.

Because, the amount of volume traffic coming through it is not the best or single indicator, because if the berthing time is long, you have the operational time at the berth, it is too long as compared to other ports, then that means the port charges—there is a whole series of information presented to support this Committee, and we found that based on what was submitted we could not make a determination as to whether or not the Port of Point Lisas is efficient or not. I am sure this is information you guys have, so we would be requesting that. Mr. Chairman, thank you.

**Mr. Cummings:** Members of the board and executive of PLIPDECO. Now, in terms of the expansion which was dealt with recently, are there any plans for the expansion in the area of real estate? Because PLIPDECO is also the landlord for the estate, not so?

**Mr. Taylor:** Yes. Mr. Chairman, and members, PLIPDECO formed the industrial estate for a number of years and has actually reached practical capacity, so there is not really much room now for expansion. What we are actually—our strategy going forward really is that as part of our overall plan for improving the logistics output of the corporation, any small parcels of land that would have become available we have been retaining those small parcels for the construction of warehouses as part of our logistics developmental plan. As far as any—we are unable to do any large scale industrial estate development at this time, as I said, because the 865 hectares as allocated to us is really at practical capacity. There are areas to the north and areas to the west of us as well that are vested with other state agencies, but there is process that needs to be followed if we are required to get any of those parcels of land for additional industrial estate development. But, as I said, as it stands right now, the current industrial estate is really at practical capacity.

**Mr. Cummings:** I get that from your documents submitted, so I guess—the question I am asking is whether, as part of your strategic plan, there is any intention to look towards outside of the 800 hectares expanding northwards?

**Mr. Taylor:** As far as expanding northward, that may not be possible. Because I believe that there are plans on the way based on other Ministries for as far as development of that part of the estate is concerned. There are other areas adjoining the developed industrial estate that may be possible to be utilized, but it requires some investment to be able to develop that land so it could be utilized. In other words, remember that PLIPDECO itself was developed on reclaimed land, so additional areas adjoining would need to be reclaimed as well to ensure that those pieces of land are usable for further development.

**Mrs. Baptiste-Primus:** Thank you very kindly, Mr. Chairman. I would like to just tie up the loose end regarding the negotiations at PLIPDECO. What was the outcome—and the questions are directed to you, Mr. President—of the last two negotiations, and for what periods were they?

**Mr. Taylor:** The last two negotiations with the majority union would have been—for one

bargaining unit—for the period 2012 to 2015, and the other one for the period 2015 to 2018, and the other unit would have been for the period 2011 to 2014, and 2014 to 2017.

**Mrs. Baptiste-Primus:** And the percentage?

**Mr. Taylor:** Well, the percentage, I think, we had a fairly novel approach as far as the final percentage payout. I think there was a guaranteed 9 per cent for the last agreement, and a further 3 per cent—

**Mrs. Baptiste-Primus:** Mr. President, I like to take things in sequential order, so if we will go back, for the period 2012 to 2015, what was the percentage agreed upon for that period?

**Mr. Taylor:** Oh, I am sorry. For that period was 12 per cent.

**Mrs. Baptiste-Primus:** And for the period 2015 to 2018?

**Mr. Taylor:** So, there was 9 per cent guaranteed and a further 3 per cent over the life of the bargaining agreement based on the company's performance. That is revenue growth.

**Mrs. Baptiste-Primus:** So, you are saying that the 3 per cent was locked into—it was productivity bargaining?

**Mr. Taylor:** Well, yes. It was tied to revenue growth of the corporation.

**Mrs. Baptiste-Primus:** And for the period 2011 to 2014 for the other bargaining unit?

**Mr. Taylor:** Would have been the same.

**Mrs. Baptiste-Primus:** The same thing, in both instances?

**Mr. Taylor:** In both instances, yes.

**Mrs. Baptiste-Primus:** All right. I just want to shift the focus a little and to focus on the situation regarding the ArcelorMittal plant. With respect to the environmental pollution by ArcelorMittal, what is the status of this issue? I have knowledge that you all had taken ArcelorMittal to court, there were one or two court issues, what were the outcome of those court issues?

**Mr. Chairman:** Mr. Chairman, and members, the court judgment was delivered on that case, July 27<sup>th</sup> last year. PLIPDECO basically won the judgment as far as costs are concerned, and limited damages. And when I say limited damages, I think there were two aspects to the damages claimed, one was the effect on our operating equipment, and the other aspect of it was the nuisance factor, and the work stoppages as a result of the ArcelorMittal operations. So, we won on the latter aspect, and the judge did not find, as far as the former, that is with respect to the effect on the equipment, the judge did not find sufficient case to justify. But, basically, based on that, it was really a kind of a hollow judgment to some extent, because as you would all know, Mittal would have ceased operations in March last year—

**Mrs. Baptiste-Primus:** Well, that leads to my other question, whether or not you all were in a position to retrieve anything from ArcelorMittal via the cost awarded by the court?

**Mr. Taylor:** Thus far we have retrieved a cost.

**Mrs. Baptiste-Primus:** And what was/were the cost/s?

**Mr. Taylor:** \$1.9 million.

**Mrs. Baptiste-Primus:** And ArcelorMittal have paid off that debt?

**Mr. Taylor:** Yes, it was. Because, I think when the judgment was delivered the attorneys representing ArcelorMittal asked for a 28-day stay as far as the payment for the costs was concerned, and then we approached Mittal again based on what was promised at the court hearing, and that payment was subsequently made towards the end of last year.

**Mrs. Baptiste-Primus:** Why did you all take so long to pursue legal action against ArcelorMittal for the perpetual breaches?

**Mr. Taylor:** Again, it really—in developing the case, it was really a substantial amount of information that would need to be collected/collated to ensure that there was an airtight case. I assumed the position of President of PLIPDECO in 2009, and almost immediately after discussions with our executive team, we commenced the process of putting together a case, putting the information together and bringing the issue before the courts.

**Mrs. Baptiste-Primus:** Was medical attention provided for the employees of PLIPDECO with regard to the pollution created by ArcelorMittal? Your employees? The employees of the organization?

**Mr. Taylor:** Of PLIPDECO's employees?

**Mrs. Baptiste-Primus:** Yes.

**Mr. Taylor:** Well, we have had no documented cases whereby any health issues arose directly out of the pollution from ArcelorMittal.

**Mrs. Baptiste-Primus:** As the owner of the estate, would you say that ArcelorMittal's plant is an environmental hazard?

**Mr. Taylor:** I would not say the plant is an environmental hazard, I would say that certain aspects of their operations created a hazard, which we requested of them on several instances to have it addressed.

**Mrs. Baptiste-Primus:** ArcelorMittal has absconded and gone their way, there is a liquidator in place, have you all at PLIPDECO had the plant, the land, the environment assessed for continued pollution and damage to human health?

**Mr. Taylor:** Well, as it stands now there is no operations going on with the plant, so there are no emissions.

**Mrs. Baptiste-Primus:** Are you familiar with the term "slag"?

**Mr. Taylor:** Yes, I am.

**Mrs. Baptiste-Primus:** Is there not a great amount of slag remaining on ArcelorMittal plant, on the grounds?

**Mr. Taylor:** So, coming out of the court judgment, the learned judge at the time found no evidence to suggest that the standing slag piles had a direct impact on PLIPDECO's operations. But, that being said, we have had a fairly good relationship with the current liquidators, and we have had discussions with them with respect to the slag piles, and I think they have been working fairly diligently to have the slag pile reduced. I know for a fact that a fair amount of the slag has actually been exported, and some of it has also been used locally as well for filling certain areas.

**Mr. Small:** Mr. Chairman, I have asked the good member to give way because this is an issue that concerns me greatly. Slag is a by-product of smelting, and out of smelting the slag contains some really not so good things such as beryllium, chromium, cobalt, manganese and lead. And because of where the slag piles are located and the prevailing winds—I had the privilege of visiting your port two years ago, and on the day we visited I almost thought I was in another place, because the dust in the atmosphere was horrendous. The workers were walking around wearing dust masks, and whatever else they could put to protect themselves.

So, I am surprised at your revelation today that there has not been any issues raised by workers directly on this. But, a slag pile is an environmental disaster. There is a treatment for slag piles, something called a geomembrane tarp, which is something that you receptively put over the slag pipe to prevent the molecules from being dispersed in the atmosphere and ending up in your water courses. Okay? So, what I am trying to get at is given that you said you have made some moves to reduce the amount of slag, but the last time I was in that area, there is still, probably the majority of it is still there, and it presents, in my respectful view, an environmental disaster waiting to happen. And to the extent that you have a company and you have employees working and breathing in chromium, beryllium—you need to have someone go in there, in my respectful view, go in there, do an analysis of what is in the slag and what is coming out.

Did you have the EMA or someone go and do an air quality test? These are the things I would have liked to hear from the company to say that, listen, we recognized slag is an issue, we have workers on the site, we have engaged this authority to do air quality testing, water quality testing, effluent testing to understand what impact, if any, the slag has had, and I am fairly confident that it might not be a good result. So, I need to understand what has the company done proactively to understand—notwithstanding the fact that ArcelorMittal has absconded, according to my good colleague here, the fact is we remain with the slag piles.

And, my last addition on this, could you tell this Committee, inside of your lease agreement, is there a term and condition for remediation of the site? That is so critical, because even though

they have absconded, whoever is here should not be able to leave that site without fully remediating that site. That should not be a cost that comes back to the people of Trinidad and Tobago, because they have put workers out of bread and butter, and I do not want them to be in a place where they can abscond from their legal responsibility under your terms of contract to remediate the site. So, I would like your responses on that please, thank you. And thank you very much member for giving way.

**Mr. Taylor:** Okay, I will answer—Chairman and members, I would answer your last question first. Yes, there is a clause in there for remediation of the site. As far as the effect of the slag, you recall I had stated that the basis of the court case that we brought against Mittal was in respect of the slag pile, and in respect of the plant operations. The plant operations being the melt shop as well as the vessel loading operations as well. Unfortunately, the judge in handing down his judgment, I think, found that the slag pile was, for want of a better word, was inert, and that the material from the slag piles were not being disbursed in such a way as to affect our operations. Our experience, really, has been different, and that is one of the reasons why we continue discussions with the liquidators as far as having that issue resolved.

**Mrs. Baptiste-Primus:** Mr. President, I understand what the information shared regarding the view held by the learned judge, but that has to do with the equipment of the organization. Our questions are directed to the health of the workers, the employees of the organization. And if there is a clause with regard to remediation of the site, what is it, and what action has your company taken to enforce this particular aspect of the agreement?

**Mr. Taylor:** As far as the remediation of the site, you remember that overall site is still in possession of ArcelorMittal in liquidation. So, they are actually in the process now of either selling the assets and eventually remediating, or selling the assets as a going concern. So, the issue of remediating the site overall would not come up unless or until Mittal—or if they eventually make a decision to abandon or leave the site, or terminate the ongoing lease arrangement.

**Mrs. Baptiste-Primus:** Mr. Chairman, we should ask, and I am requesting that the company obtain the necessary qualified expert testing with regard to the health of the employees. My learned colleague has indicated clearly the component aspect of the slag, and that ought to be of concern to all of us, and therefore there are competent authorities in this country that can be called in to engage in the necessary assessment. I mean, one understands that the outcome of the court case presented what I would term a pirate victory, because really it is hollow, because they have gone. But, we have to ensure that not only the workers, but the citizenry in the immediate environment, because the impact on people's health may not reveal itself in the short-term, but in the long-term, and therefore it creates a heavier, a greater responsibility on PLIPDECO to take this issue to the

logical end.

**Mr. Chairman:** May I endorse the view expressed by Mrs. Jennifer Baptiste-Primus, and it may be necessary, in fact I believe it is necessary, for PLIPDECO, the Ministry of Works and Transport, and the Investments Division, the Ministry of Finance, to collaborate on this particular matter, and to determine with some degree of urgency, what action, measures, steps, could be immediately taken to ensure that the health and safety, as well as the environment, the welfare of the workers in question—you have 1000 of them—400 permanent, 600 casual—and then you are talking about persons who would be indirectly affected, as Mrs. Baptiste-Primus has alluded to in terms of environmentally, and in the outer spaces of PLIPDECO itself. We need to conduct some kind of arrangement to determine, for instance, what possible health risk this matter that we have been discussing, pose to the workers in that area.

So, I think it is a duty on the part of PLIPDECO, the Ministry of Works and Transport, and the Investments Division to collaborate on this matter, because it might be much more than meets the ordinary eye, and as you know, these things tend to erupt not immediately, but in the medium and long run. So, that is a very important matter. So, we will be writing you officially on this matter, but we are asking you in the meantime to collaborate on this issue, to try to find some solution and, maybe, you can submit it to us as to the solution that you would have come up with.

**Mrs. Baptiste-Primus:** Thank you, Mr. Chairman, I just have two other areas I would like to engage the team from PLIPDECO. I read where the organization developed a strategic plan for the period 2015 to 2017, may I be advised what was the process used in the development of the strat plan, and who were the providers engaged in this process?

**Mr. Taylor:** I do not recall immediately the name of the company.

**Mr. Atherly:** Opus.

**Mr. Taylor:** The name of the company was Opus Limited, and they worked collaboratively with the executive management team in developing the strategic plan. The plan would have been developed, presented to the board of directors, the board of directors would have given their feedback, comments and the plan was further adjusted and then approved by the board.

**Mrs. Baptiste-Primus:** Were the employees involved in the development of the strategic plan?

**Mr. Taylor:** Feedback would have been sought from the employees prior to.

**Mrs. Baptiste-Primus:** So, one gathers that your strat plan was top-down?

**Mr. Taylor:** Yes.

**Mrs. Baptiste-Primus:** Not bottom-up?

**Mr. Taylor:** No, no, no. I said feedback would have been obtained from employees in the development of the plan.

**Mrs. Baptiste-Primus:** The strategic plan expires when in 2017?

**Mr. Taylor:** It is for the whole of 2017.

**Mrs. Baptiste-Primus:** So, December 2017.

**Mr. Taylor:** Yes.

**Mrs. Baptiste-Primus:** What actions have PLIPDECO put in place to ensure that the strategic direction supports the strategic goals of the Ministry of Works and Transport?

**Mr. Taylor:** Well, basically we have not been given any direct feedback as far as the strategic goals and direction of the Ministry of Works and Transport. However, the Ministry of Works and Transport are regularly updated on the activities of the corporation through the submission of board minutes on a monthly basis, as well as financial information with respect to the corporation. So, any changes, for example, that would occur with respect to the strategic plan would be updated and discussed in the board meetings and be minuted, and that information would be passed on to the Ministry of Works and Transport.

**Mrs. Baptiste-Primus:** Based on the recommendations that would have been made within the strategic plan, how did you all go about converting the strategic plan into operational policies?

**Mr. Taylor:** Right, so, basically in developing the plan a number of various focus groups would have been developed. So, from the specific strategic goal objectives would be developed, and then from the objective specific operational plans, which would come under the responsibility of the respective managers would then be developed. Managers will be required to report on the progress of their various plans on a monthly basis. In fact, we have weekly management meetings where managers are required to provide updates. On a monthly basis they are required to provide an overall update as far as the plans are concerned, as well as financial status of the individual departments.

**Mrs. Baptiste-Primus:** Do you all pay bonuses to your managers?

**Mr. Taylor:** We pay bonuses to all members of staff.

**Mrs. Baptiste-Primus:** What was the last bonus paid out?

**Mr. Taylor:** Approximately—overall to the entire corporation was approximately \$2 million.

**Mrs. Baptiste-Primus:** And that \$2 million would have covered how many persons in the organization?

**Mr. Taylor:** All. It would have covered all employees. The bonus formula was changed in 2015 when the collective bargaining agreement was renegotiated.

**Mrs. Baptiste-Primus:** At the level of the executive management, does this \$2 million include the bonus paid at the level of executive management?

**Mr. Taylor:** The formula or the payment of the bonuses is the same throughout the entire

organization.

**Mrs. Baptiste-Primus:** That is not what I asked you, Mr. President.

**Mr. Taylor:** Well, it includes, yes.

**11.45 a.m.**

**Mrs. Baptiste-Primus:** My final question, Mr. Chairman. How many shipping lines or agents and exporters or importers conduct business with PLIPDECO?

**Mr. Taylor:** Approximately 10 shipping lines. As far as importers and exporters—I do not have an exact figure. It could probably number over 150 or so. I do not have an exact number.

**Mrs. Baptiste-Primus:** From time to time and with increased regularity you would hear the business sector complaining bitterly about challenges that they experience in the importation of their products and their materials. So I would want to ask, I would want to know, what systems are in place to ensure that there is an effective service provided by the Port to facilitate the kind of economic activity that is required within the challenging economic times that we are facing in this country. What are some of the systems that you all will implement for increase efficiency at the level of the Port?

**Mr. Taylor:** Okay, for example, we recently upgraded our terminal operating system to what we would call the “Best in Class” of its type. That was implemented in September of last year and that would basically enhance access for shipping lines, agents, stakeholders. It will also enable the planning of vessel and yard operations on a more systematic basis.

We have also embarked on what we call an “Express Processing System” for our larger customers, to the extent that the larger customers, for example, bringing in 10 or more containers would not have to go through the process of having to clear, each time, one container individually. But basically these large customers would have been vetted, would be able to, for example, clear these containers on a blanket type basis.

In addition to that, with the recent implementation last year or what we would call “the Safety of Life at Sea,” under the International Maritime Organization, whereby customers were required to provide the exact weight of the containers as a result of the safety concerns with vessels. We are actually in the process now of actually implementing an automated type system to make the process for truckers coming into the Port to do operations, make that process as seamless as possible through an automated type system. So these are some of the measures that are taking place.

**Mrs. Baptiste-Primus:** Mr. Chairman, I crave your indulgence. I know I said final, this is the last. Mr. President, from time to time the population learns via the media of various types of

contraband material coming through the Port at Point Lisas, drugs, money, the range. What systems have you all put in place to detect the will of those who are determined to break the law in this country?

**Mr. Taylor:** So we have over the years and within recent times, we have been working a lot more closely with Customs and Excise to vet containers that are coming through in the Port, especially from certain territories. We on our own cannot make a decision to just take a container, put it aside and examine it. It really has to come out of the directive of Customs and Excise.

We have a security team that is trained, who work generally very close with Customs. We have put some other measures in place to be able to ensure that documentation cannot be forged. We have put systems in place that persons who have come to clear containers provide proper evidence that they are the correct persons to clear the containers. We have actually also been—have a CCTV system. Over 180 cameras were installed at the Port as well to be able to monitor and detect and we are also in the process now of changing some of our security procedures at the in and out gates as well as implementing additional cameras as well to screen. We anticipate, based on the feedback from Customs and Excise, that the implementation of the much awaited container scanners would be finally implemented by the beginning of the first quarter of this year.

**Mrs. Baptiste-Primus:** That is what I was waiting to hear.

**Mr. Taylor:** We have actually had the infrastructure in place to facilitate the scanners for the last year and a half, but again, we await on the feedback from Customs to be able to start the process.

**Mrs. Baptiste-Primus:** Thank you very much, thank you, Chair.

**Mr. Chairman:** Thank you very much. I have a few questions, then Mr. Foster and then my colleague, Mr. David Small. First of all, we would like you to provide us with a copy of the strategic plan of PLIPDECO. We would also like to have an organizational chart of that company or the corporation. So please provide us with same.

I want to go on to procurement. March 31<sup>st</sup> has been set as the deadline by the Government for the implementation, operationalization of the new Public Procurement and Disposal of Public Property Act in Trinidad and Tobago. It will cover close to about 240 to 250 entities, including Ministries, Statutory Authorities, State Enterprises, regional corporations, among others.

In the case of PLIPDECO, could you tell us, either the Chairman or the President, what is the state of play? What preparations are being made? What training is being conducted? What personnel is being engaged consistent with the provision of the new legislation? Could you advise this Committee the state of readiness of PLIPDECO to comply with the law when it is operationalized by March 31, 2017?

**Mr. Taylor:** We believe that based on the operational procedures that we employed, that we are fully equipped to be able to comply with those guidelines. You actually have a procurement policy in place for the last two decades which has been working fairly well. We have the systems there; we have a continuous training programme with our employees; we have what you would call, enterprise systems, software systems in place to ensure that procurement is done efficiently, effectively and accurately.

**Mr. Chairman:** Have you been in contact with the Ministry of Finance, Investments Division, for example, the Ministry of Works and Transport to guide you as to the kind of structure and personnel that would be required to give effect to the legislation? You may have had something in place for two decades. It may have worked very well. I have no doubt it has worked, well based on what you have submitted. But there is a new law that is going to come on stream which is going to be very, very, stringent and it is not as what used to operate in the past and this is why I am asking you, first of all whether you have familiarized yourself with the new law? Whether you have worked or you are working very closely with the Ministry of Works and Transport and the, Ministry of Finance, Investments Division, to determine what are the requirements of the new law, so that you would be compliant when it becomes operationalized in March of 2017, not what you currently have. We have a clear appreciation of what you have. We are dealing with what is the law to come and the operationalization of that law.

**Mr. Taylor:** We are familiar with the law to come. In fact, we have sent staff on specific training so that once the law is enacted we would already be familiar and would be able to move swiftly to adjust the necessary procedures. We have also been in contact with the Ministry of Finance as well in that regard.

**Mr. Chairman:** Have you, as my colleague is reminding me. You know you will have to establish a specialized unit for procurement in order to give effect to this law.

**Mr. Taylor:** Yes.

**Mr. Chairman:** Are you taking steps to get that in place?

**Mr. Taylor:** Yes, we are.

**Mr. Chairman:** Okay. We will be monitoring PLIPDECO to that effect, eh. May I also go on to ask the following? There is an item called trade and other payables, are you aware of that item?

**Mr. Taylor:** Yes, I am, Chairman.

**Mr. Chairman:** Now, I saw where in 2014 it was \$28.5million and at the end of 2015 it rushed up to \$43.6 million. Now, what is even more important to observe is that between the periods 2014 to 2015 trade and other payables have increased by \$15 million. Now trade and other payables are obligations by PLIPDECO to pay for goods and services that have been acquired in

the ordinary course of business from suppliers. Could you tell this Committee what are the reasons for this extraordinary increase in trade payables in one year, 2014/2015? You are owing suppliers, you increased by \$15 million. So first of all, explain to us the reason for this extraordinary increase and what systems are being put in place to monitor this account so that we ensure that we do not continue along the line that we are at the moment. Mr. President, maybe you can provide some clarification.

**Mr. Taylor:** Mr. Chairman, I would ask my Vice President, Business Services to provide some clarification on that.

**Mr. Subiah:** Good day all. Trade and other payables in 2014 verses 2015, the many reasons for the difference was a timing difference. In 2014, we would have paid all the deductions, NIS, health surcharge, credit union dues, credit union sports club dues, pension payments, we would have made those payments in the month of December. In 2015, those payments were made in January. That difference was actually \$7 million. So it is actually a timing difference.

In 2014, also the company did not make any provisions for bonuses because we were below the threshold and then the provision was made in 2015. So that would have accounted for the majority of the differences. In 2015 also, we had a slight increase in the accruals for expenses as well as for utilities. That being said, in 2016 there was a substantial reduction as you can see up to September 2016 and even when we published in 2016 you will see a substantial reduction in that field.

**Mr. Chairman:** You said something that has me a bit astounding. Should you be paying bonuses out of trade and other payables?

**Mr. Subiah:** No. This is the financial as at December. So the bonus payments are made after or around the time of the AGM and after the financials are approved by the board and by the shareholders. So we accrue for it at the end of December and the payments are normally made May/June the following year.

**Mr. Chairman:** Could you give us a detailed breakdown, submit to us a detailed breakdown of the trade and other payables for 2014 and 2015, items and amounts, so we will have an appreciation.

The other area, before my colleague Foster Cummings comes in and then Mr. Small, I want to ask on the receivables, trade and other receivables, I have observed where in 2014 this was increased by \$6.6 million. So people who are owing PLIPDECO they are rising both in numbers and the volume in terms of value I should say. So in 2014, it was \$22.1million. In 2015, it went up to \$28.7million, a difference of \$6.6million. Now trade and receivables are amounts owed or due from customers for services performed by PLIPDECO in the ordinary course of your

business. So this is moneys that are owed to PLIPDECO, \$22 million in 2014 rising to \$28.7 million. So somebody is getting a bad habit here and they feel that they could get away in not paying their moneys or whatever you are providing them, paying and honouring their commitment.

So what I am asking on behalf of this Committee, explain this increase from \$22million to \$28.7. The difference I have here is about \$6.6million. Explain this increase and tell us what systems are being put in place to monitor this account so that those delinquents who owe PLIPDECO would be able to meet their obligations to PLIPDECO. Could you explain to this Committee?

**Mr. Subiah:** So between 2014 and 2015 the actual trade receivables did not vary much between the two years. What caused the difference is two major items, VAT refunds and amounts that are due from Customs. Now, of course, the increase in the amounts due.

Now, that being said, PLIPDECO has an advance payment policy that we have been working along with our major customers to enforce and that will see some fruition during the course of 2016.

**Mr. Chairman:** Could you again, like trade and other payables, could you give us a detailed breakdown of the items or the persons or organizations that are owing PLIPDECO in 2014, \$22million and in 2015 inclusive of what you have indicated to us. We would like to have clarification on that. My colleague, Mr. Foster Cummings and then Mr. David Small.

**Mr. Cummings:** Thank you, Chairman. I want to move a bit to the expansion that was spoken of earlier in the Port facility. I see here that the rehabilitation of Berth 1 has been completed and three and four in progress. Is that the current information? You stated earlier that the Port operates at maximum capacity. Yes?

**Mr. Taylor:** I said that we were not yet at maximum capacity. In 2015, we were approaching maximum capacity. In other words, the estimated capacity is 250,000 TEUs and in 2015 we achieved 221,000 TEUs.

**Mr. Cummings:** What was the performance last year?

**Mr. Taylor:** It was 168,000 TEUs.

**Mr. Cummings:** What accounted for the decline?

**Mr. Taylor:** Well, the decline as was mentioned before was mainly as a result because of the prevailing economic climate. So we saw overall the 14 per cent drop in domestic cargo, both imports and exports declined by 14 per cent and we saw approximately 54 per cent decline in trans-shipment cargo.

**Mr. Cummings:** Upon the completion of this rehabilitation or I should ask first, the expansion of Port facilities that you speak about here, is that the construction of a new berth?

**Mr. Taylor:** The extension of our largest berth, which is Berth 5.

**Mr. Cummings:** And upon the completion of the rehabilitation and expansion, what would be the capacity of the Port then?

**Mr. Taylor:** We estimate that the capacity then would be approximately 400,000 TEUs.

**Mr. Cummings:** Now, your major competition is the Port of Port of Spain?

**Mr. Taylor:** Correct.

**Mr. Cummings:** And the region, in terms of trans-shipment cargo?

**Mr. Taylor:** I would say Barbados, because we compete in a different space to countries like Bahamas, Jamaica, Dominican Republic. They are what you would consider major regional trans-shipment players and the majority of the trans-shipment cargo that they handle are really destined for markets on the East Coast, USA. We compete in a totally different space as far as trans-shipment cargo goes. We are more competing, if you are talking about trans-shipment for cargo that is going to the smaller islands. For example, to St. Lucia, to Guyana, to Suriname, to Antigua, to Barbados and so on, to a lesser extent to the countries of Latin America.

**Mr. Cummings:** So any additional—following expansion, any increase in your business can be directly tied in to a decrease in business at the Port of Port of Spain. Can I make that assumption?

**Mr. Taylor:** If the expansion results in an increase in domestic cargo, more than likely it would be at the expense of the Port of Port of Spain. If it is an increase in trans-shipment cargo, it will probably be at the expense, to some extent, Port of Spain and to some extent as well, some of the other regional port players in Latin America.

**Mr. Cummings:** Thank you.

**Mr. Chairman:** Before Mr. Small comes on, Mr. Small just allow me a few—

**Mr. Small:** Certainly, Mr. Chairman.

**Mr. Chairman:** I wanted to ask the Chairman or the President, on page 16 of your submission where you delineated administrative expenses and what you called “Other Operating Expenses”. You know when, Mr. Chairman, Mr. Atherly as well as the President, you know when people owe money to an organization or a company and they are bad paying because they are not meeting their commitments and they get a lot of space they are still not paying. You know what ultimately happens? Bad debts. You know what bad debts means at the end of the day? The taxpayers of Trinidad and Tobago have to bear the burden. So I am seeing on page 16, in 2014 bad debts amounting to \$2.2million.

So I want to know if PLIPDECO had to write-off \$2.2 million in receivables that whoever owed us, the company and the taxpayers of this country, \$2.2 million they did not pay, and after pleading with them over a period of time they still did not pay. At the end of the day we say, look,

we cannot plead any more. It is on our books, the best thing to do, bad debt, write-off, 2.2. Is this \$2,200 or is it \$2.2 million? I am not too sure, maybe I am wrong, because I do not believe that we can just write-off \$2.2 million. So first of all, explain to us how this has arisen and give us a detailed breakdown of those organizations and individuals and companies that would have benefited from this and whether they are still in operation or whether they have gone out of business. What has happened? I do not know. We need clarification on this matter. That is the first thing I want you to address before I ask Mr. Small to get into the picture.

Then I saw something that is a bit worrying. I do not know if you have it there, but let me see if I get it. Yes, it is again under trade and other receivables. I see other receivables consist of a number of things, but the one that struck me was staff loans recoverable. And I want to know if PLIPDECO is a bank or PLIPDECO is a credit union. So please explain to this Committee what you mean by staff loans recoverable. I do not know if that means outstanding moneys that you would have loaned to members of staff and they have not paid back. Could you tell this Committee how many workers are involved or staff members? What is the value of the moneys that were loaned to these staff and what rate of interest? And could you tell us in this manual, this is a manual called the State Enterprises Performance Monitoring Manual. Where in this manual does PLIPDECO derive the power to lend moneys to staff?

I would like somebody to explain that to this Committee because this is alarming. I saw it and I just want to get clarification, Mr. President, whether I am reading right, whether I need new glasses, whether I am interpreting this thing properly, I could be wrong. But please guide me. Please help me, both in terms of the bad debt, \$2.2 million being written off and this item called Staff Loans Recoverable, 3 per cent. Tell us what these things mean, please.

**Mr. Subiah:** Okay, Committee members. When we looked at the financial statements we made a provision for some long outstanding invoices. So what you see in the financial statements, there is actually a provision for bad debts. Those amounts we have determined, more likely than not, it may be difficult to collect. Now the corporation's policy is that all debts are collectable. In so much that as far as we stand now that amount has gone up to \$1.3 million. Then we also have initiated some action against the other long outstanding amounts. So it is not specific amounts that we have written off the books totally, we just created a provision and now we are working towards clearing it off.

**12.15 p.m.**

**Mr. Chairman:** So at this moment, we have reduced—we have moved from \$2.2 million to \$1.3 million. So we have \$1.3 million outstanding.

**Mr. Subiah:** Correct.

**Mr. Chairman:** Okay. Any timeframe for collecting that \$1.3 million? And if within that timeframe you do not collect it, would you then be writing it off?

**Mr. Subiah:** We have not decided fully if we are going to actually write off the amounts because the position right now is that we will try as far as possible to collect all.

**Mr. Chairman:** Okay.

**Mr. Subiah:** I would say in another year and a half or so before we make a formal decision.

**Mr. Chairman:** All right. Thank you very much. And could you explain to us, clarify for us, guide us, on this item called “Staff Loans Recoverable”? I am not too clear on it.

**Mr. Subiah:** We have within our approved human resource policy a facility where we offer to employees who are studying, as a loan equivalent to one month of their salary repayable over one year to facilitate the study of the employee. So that is really what the staff loan is about. There is another instance where we can give the employee up to one month’s salary in advance for any personal issues that they have, in accordance with the agreement we have with the union. All those amounts are repayable over a one-year period of time and are all collectible.

**Mr. Chairman:** But may I be advised as to whether this is part—your human resource policy that you mentioned is laudable but the question here is whether you are operating in breach of the State Enterprises Manual, or whether you have consulted with the Ministry of Finance and they have given you the all-clear to approach that matter in the way that you have outlined, or whether this is a unilateral decision taken by the company to put into action a measure that may be laudable. Because if somebody is studying and they want a loan to help them—a month, you know—who can argue? That seems to be reasonable. But what I am trying to ask, really, is: do you have the power, without the approval of the Ministry of Finance in terms of policy, to effect that measure? I am not too clear and maybe the Ministry of Finance, Investments Division can guide this committee. Can a company, creatively, in its human resource policy, effect such a measure without approval from the Ministry of Finance? Do they have that power to do so?

**Mr. Dan:** From our records, without the permission of the Minister of Finance, no, they should not.

**Mr. Chairman:** All right. That is one. And maybe the President can tell us how many members of staff would have benefitted from this programme, first of all, and how long this programme has been in existence; over what period of time?

**Mr. Taylor:** I think that programme would have been in place for possibly over 20 years. As far as how many persons would benefit on an annual basis, I would probably estimate about six or seven workers benefit on an annual basis.

**Mr. Chairman:** Do these loans attract some rate of interest or is just a flat—if you borrow

\$10,000, you just pay back \$10,000?

**Mr. Taylor:** No, there is no interest charged, but it is, as the Vice-President said, it would be payable over a period, a maximum of one year to reduce the exposure to the company.

**Mr. Chairman:** Well, you have now been advised by the Ministry of Finance that that policy that you have been pursuing for 20 years is not a proper policy and it does not have the agreement of the Ministry of Finance, and even though you are an independent company under the Companies Act, there is something called fiduciary duty—due diligences, the duty of care. These things are very serious, and more importantly, if you have a Ministry that gives strategic direction in terms of policy and you need to be au courant with that relationship between the Ministry of Finance, and the Ministry of Works and Transport, it seems to me that you may have to revisit that approach that you have taken, as you said, for 20 years. I will pause at this time and call—

**Mrs. Baptiste-Primus:** Mr. Chairman, I just want to piggyback a bit. Mr. President, is this arrangement part of the collective agreement with the union?

**Mr. Taylor:** No, it was not.

**Mrs. Baptiste-Primus:** The reason I ask the question, Mr. Chairman, because if it is not part of the collective agreement with the union but it has been in place for all these years, the question that may very well arise would revolve around legitimate expectations.

**Mr. Chairman:** All right. Mr. Small would like to ask a question.

**Mr. Small:** Thank you very much, Mr. Chairman, a very interesting session this has been so far. I have a question here, and I think Mr. Subiah may be the best person. I am looking at your statement of comprehensive income and there is a number here that is described as “Unrealized fair value gains on investment properties”. Now, I understand what that is, and it is a non-cash, and that is the reason why I am asking the question, because how it is structured here in your statement it is an addition. It flows into your operating profit but it is a non-cash transaction. So that because it is a non-cash transaction, for me, is this the proper placing for this number? Because if you remove this non-cash transaction, your operating profit in a couple of years might actually be almost none, nothing. It is a non-cash transaction on the statement, it is structured here. So that is my concern. Is this the usual placement for this number? Because it is not a cash transaction but at the end of it you get your operating profit. So that, for me, perhaps I have been used to seeing different types of operating accounts but operating profits tend to be the hard things with the company. Non-cash transactions come after. But I would be happy to be guided.

**Mr. Subiah:** Correct, it is a non-cash item. It is as a result of the changes in the value of the estate as a result of changes in market value of the land, as well as the tenure of the leases. Because that is a part of the fundamental business of the corporation in terms of leasing of the lands, based

on the accounting standards, is where it should be, as part of the operating profits. Now, that being said, that is just the format of the financial statements, but in terms of making operational decisions, payments for dividends, payments for bonuses, investment decisions, the company may or may not include that as part of an item in making those decisions.

**Mr. Small:** Well, Mr. Subiah, you have gone to my next question. That is what I would like to understand. Could you provide, through you, Mr. Chair—when you are making the decisions on dividends and bonus payments and other things, this should not be included in that calculation.

**Mr. Subiah:** Correct.

**Mr. Small:** So that is exactly where I was going. I just wanted to get it clear in my mind. So I am all right. I just wanted to hear it from you to make sure that we are on the same page. I have one last question, Mr. Chairman, if you would permit me. Could you tell me whether or not the company has any litigation matters ongoing now, either in the civil courts or in the industrial courts?

**Mr. Taylor:** We have two matters in the Industrial Court and three matters in the High Court.

**Mr. Small:** How long have these matters been—have they been recent matters or they are long outstanding?

**Mr. Taylor:** Those would be old matters. The most recent would have been about approximately three years ago.

**Mr. Small:** Three years old. So let me be clear. Industrial Court or High Court?

**Ms. Dennis:** If I may—

**Mr. Small:** Certainly.

**Ms. Dennis:** At the Industrial Court the two matters that we have there, in terms of the causes of action they would have been matters that arose about, probably eight years ago and, yes, the Minister allowed the matter to proceed and they have been there—this is about the second year and those matters should be heard shortly. That is at the Industrial Court. The ones at the High Court have been there a while now. It is not anything new. They have probably been in the system between, probably, two/three years about. They are all insured matters because we do have insurance to deal with.

**Mr. Small:** I am interested because if what you are saying is that you only have a couple of matters in the Industrial Court—

**Ms. Dennis:** Just a couple.

**Mr. Small:**—but they, I suspect, would have been employee issues?

**Ms. Dennis:** Employee, yes.

**Mr. Small:** So that if you have an employee issue going on for several years, would the legal fees

not have probably outstripped the amount of money that, perhaps, is being—I am concerned. Let me share my concern. I am not enamoured of a company that is owned or controlled by the State delaying fair treatment of a worker and in the meantime attorneys are making money while the worker is left to figure out what is going on. That is not something that I am enamoured of.

**Ms. Dennis:** No, no, that is not—

**Mrs. Baptiste-Primus:** If you permit me, colleague, I think the question is: who represents the organization at the level of the Industrial Court and who represents the organization at the level of the High Court?

**Ms. Dennis:** External attorneys are always retained.

**Mrs. Baptiste-Primus:** You are on track.

**Ms. Dennis:** Yes.

**Mr. Small:** So that is just my concern and it is a position that I take that—and it is not only with—it is other entities, that I do not think it is an appropriate practice. I think that if a matter has been going on, as you say, for several years now, and it is supposed to come up this year—

**Ms. Dennis:** If I may, perhaps I did not make myself clear enough. It is not that these matters were in the system for eight years. It is like someone coming long after the fact, having left the organization eight years ago, going before the Minister—that is in the case of the matters at the Industrial Court—and then filing and indicating that there was a dispute back then, and the Minister—yes, and the Minister—gave leave. So that it is not that PLIPDECO would have been engaged in any particular dispute for that period, but that the person coming long after that time and obtained leave through the Minister, to bring the matter at the Industrial Court.

**Mr. Small:** I just want to be clear. So what you are saying is that you have no matters at the Industrial Court that are from an employee that has been going on for years?

**Ms. Dennis:** None, none.

**Mr. Small:** Okay, good. I just want to get it on the record.

**Mrs. Baptiste-Primus:** Mr. Chairman, permit me. Ms. Dennis, are you saying that an employee would have demitted the organization eight years ago and in the year 2016 would have filed a trade dispute?

**Ms. Dennis:** Yes, surprisingly—

**Mrs. Baptiste-Primus:** And the matter would have been forwarded to the Ministry of Labour and Small Enterprise Development?

**Ms. Dennis:** Yes, and approved.

**Mrs. Baptiste-Primus:** Was it sent at the personal level or via a trade union?

**Ms. Dennis:** Via a trade union.

**Mrs. Baptiste-Primus:** And the trade union would have requested an extension of time from the Ministry?

**Ms. Dennis:** Yes, and was granted.

**Mrs. Baptiste-Primus:** I will speak to you off camera on that issue.

**Ms. Dennis:** Yes. That, surprisingly, is what occurred.

**Mr. Chairman:** Well, we are now approaching 12.30 and we do not want to go beyond that time, but I just want to raise one final point. Mr. Chairman and Mr. President, I am looking at the profitability of PLIPDECO and I am seeing a declining trend. I have observed in 2013 your profit for the year was \$174 million; in 2014 it was reduced to \$115 million, and at the end of 2015 it has gone down to \$83 million. So there is a declining trend in the profitability of PLIPDECO between the period 2013 to 2015. I think your administrative expenses and your operating costs play a very big role in this situation, along with the overall economic environment as was mentioned earlier by your good self. But I advise you to watch this trend. Maybe you might have an explanation.

**Mr. Taylor:** You would like my Vice-President to provide some clarification on those numbers with respect to the fair value gains as opposed—

**Mr. Chairman:**—to tell us what is causing this trend that we are seeing.

**Mr. Subiah:** Well, we kind of spoke to this earlier when I was discussing with Mr. Small. That is really the impact of the fair value gains on the profitability of the company that causes it to go up and down. In 2013 it was \$170 million; 2014 was \$108 million and in 2015 it decreased to \$71 million. If you take that element out of it you will actually see that in 2013 the profitability was \$5 million; 2014, \$6.3 million and 2015 went up to \$12.1 million in profits before tax. So the actual operations of the business, excluding fair value gains, have been trending up for the last three years.

**Mr. Chairman:** All right. Mr. Atherly, Chairman, at this time we would like to ask you if you would like to advise us on your thoughts on what we can do to assist you and PLIPDECO to improve its efficiency, its effectiveness and its profitability in the coming period. You may not be able to provide all the answers today, all the recommendations or suggestions, but you can summarize and you can proceed to submit in writing your thoughts on how this Public Accounts (Enterprises) Committee can assist PLIPDECO as it embarks upon another leg of its long journey, as was identified earlier, 50 years of celebration of operation, of existence, as of September of last year. So maybe you can give us an appreciation—very tight appreciation—of what your thoughts would be on the way forward and how we can help and assist.

**Mr. Atherly:** Mr. Chairman and members of the Committee. Today was one that has brought us even closer together in working to finding the answers to your questions, and what have you. And

we had an instance earlier today where Mr.Small and I had contact when the question of the \$2 million bonus was paid, and he has great retenance, because when we were at the Joint Select Committee, it was then \$12 million. So we share that because he remembered and we are proud to know that coming here and going there to the Joint Select Committee, only good comes out of these meetings, Sir. So we were able to bring our bonuses down to \$2 million and link it to profitability.

I trust that going forward, this Committee—and I saw a trend today, because you asked us to so send in writing, you know, additional information. I would hope, Sir, that that door remains open and that we can come back to you for issues as they come forward. So, Sir, you know, I would hope that our answers provided have found acceptance with the members of the Committee and we remain ready to provide those written responses for additional queries and clarifications which you require.

And, Sir, I would like to say here that we are happy; we leave here richer, having had this interaction with the Committee and thank you very much.

**Mr. Chairman:** Well, on behalf of the Public Accounts (Enterprises) Committee, we would like to also record our appreciation and congratulations at the same time to PLIPDECO, the officials from the Ministry of Works and Transport and the Investments Division, for coming and for accepting our invitation, and being very forthright in terms of our exchanges, because at the end of the exercise the objective is to help PLIPDECO improve its efficiency, its operations, its economy and its profitability at the end of the exercise.

So we are very happy that you were able to come. We look forward to inviting you again. So we put you on notice. If the Committee desires to have you come back for further clarification, we will invite you. If we believe that through our questions we submit to you and the response that we have received subsequently would be adequate, then we may decide otherwise. But we always put our colleagues on notice that we may invite you back again.

So on behalf of the Public Accounts Enterprises Committee, we would like to thank again, the members of the Investments Division, Ministry of Finance, members and officials from the Ministry of Works and Transport and, of course, PLIPDECO officials headed by the distinguished chairman, Mr. Ian Atherly. We also like to extend our appreciation to members of the media for covering the event and, of course, members of the public who would have followed our proceedings.

This meeting is now suspended and, once again, we thank you.

**12.37 p.m.:** *Meeting adjourned.*