THE MINISTRY OF ATTORNEY GENERAL AND LEGAL AFFAIRS

MINISTERIAL RESPONSE

The Eight Report of the Public Accounts Committee, Second Session of the 11th Parliament on an Examination of the Report of the Auditor General of the Republic of Trinidad and Tobago on a Special Audit of the Public Transport Service Corporation (PTSC).

I. Introduction

The Eight Report of the Public Accounts Committee, Second Session of the 11th Parliament on an Examination of the Report of the Auditor General of the Republic of Trinidad and Tobago on a Special Audit of the Public Transport Service Corporation (PTSC) was presented in the House of Representatives on June 30, 2017, and in the Senate on June 29, 2017.

Standing Orders 100(6) and 110(6) of the Senate and House of Representatives respectively, require the Minister with responsibility for the Ministry/Body reported on by a Joint Select Committee to present to each House, a paper responding to the recommendations/comments contained in the Report.

This report is the Ministerial Response to the recommendations and comments as presented in the said Eight Report, to be presented to Parliament, through the Attorney General and Minister of Legal Affairs.

II. Summary of Issues Identified, Recommendations and Responses

During the Committee's inquiry into the Special Audit of the Public Transport Service Corporation the following issues were identified and recommendations proposed that require written responses from the Attorney General and Minister of Legal Affairs. The responses of the Attorney General and Minister of Legal Affairs to these recommendations are contained hereinafter in this report.

<u>Issue Identified</u>

IV. Falling Passenger Ridership (pages 18-19 of the Eight Report)

PTSC's Strategic Plan for the period 2012 – 2016, proposed increasing passenger ridership and income whilst aligning to its strategic goal of improving the efficiency and effectiveness of public transportation service. Targets were set to increase passengers transported and income by 10 percent in 2011, 30 percent in 2013 and 50 percent in 2015, but were not met as PTSC failed to meet any of its established objectives. Passengers transported declined from 12.6 million in 2010 to 7.6 million in 2014, a decrease of five million passengers or 39 percent. In 2011 a recorded high of 14 million passengers were transported followed by a continuous decline of 6.7 million or 47 percent from 2012 to 2014. Ticket sales steadily declined from $34 million in 2011 to $23 million in 2014 or 33 percent.

PTSC's sale of bus tickets is its main source of income generation. Fares at different rates were charged for accessing bus services. There has been no adjustment to its established fares since the 1990's although section 27(1) of the Act states *"The fares and other charges to be charged by the Corporation for the carriage of passengers and goods and other services shall be in accordance with such fares and charges as may, from time to time, be fixed by or under this Act or any other* *enactment…".* To date PTSC has not made any adjustments to its fares. Although PTSC increased the number of routes serviced, it failed to increase its passenger numbers or income generated.

PTSC informed the Committee that the declining ridership was based due to the lack of buses which hampered the Corporation ability to provide services to thirty percent (30%) of its routes.

<u>Recommendations:</u>

- **PTSC, MOWT in collaboration with the Ministry of Attorney General and Legal Affairs should review section 27 (1) of the Act.**

<u>Response:</u>

The Attorney General and Minister of Legal Affairs notes that any proposed amendments to the fares or other charges imposed by the PTSC, pursuant to powers granted to the PTSC by virtue of section 27(1) of the ***Public Transport Service Act***, Chapter 48:02, would firstly fall under the purview and the jurisdiction of the Ministry of Works and Transport (MOWT) which has the designated authority and responsibility for proposals for amendment in respect of making changes to fares and other charges to be imposed by the PTSC for the carriage of passengers, goods and other services. The Attorney General further notes that any contemplated changes in the subsidized rates charged by the PTSC, is a change which may have complex or far reaching implications for the PTSC and, by extension, the travelling public.

The Attorney General and Minister of Legal Affairs therefore advises that whilst the Ministry of the Attorney General and Legal Affairs can amend the law, any such amendment must be based on a clearly articulated policy with respect to the PTSC. This policy, by necessity, must be brought by the PTSC to the MOWT for the approval of the MOWT. Upon approval by the MOWT, this policy must then be brought by the MOWT to the Cabinet in order to seek the Cabinet's approval.

The Attorney General and Minister of Legal Affairs therefore advises that draft amendments can be prepared in respect of making changes to fares and other charges to be imposed by the PTSC for the carriage of passengers, goods and other services upon the Ministry of the Attorney General and Legal Affairs receiving written instructions from the Cabinet in accordance with the procedure referred to hereinabove.

The Attorney General and Minister of Legal Affairs further wishes the Committee to note that the Ministry of the Attorney General and Legal Affairs is aware that the matters aforesaid are currently receiving attention within the PTSC and the MOWT.

III. Conclusion

The Attorney General and Minister of Legal Affairs remains willing to prepare all necessary amendments and collaborate together with the PTSC and the MOWT, where necessary, to ensure that amendments can be prepared in respect of making changes to fares and other charges to be imposed by the PTSC for the carriage of passengers, goods and other services.