

*Leave of Absence**Monday, October 05, 2015***HOUSE OF REPRESENTATIVES***Monday, October 05, 2015*

The House met at 1.30 p.m.

PRAYERS[MADAM SPEAKER *in the Chair*]**LEAVE OF ABSENCE**

Madam Speaker: Hon. Members, Mr. Prakash Ramadhar MP, Member for St. Augustine has asked to be excused from today's sitting of the House. The leave which the Member seeks is granted.

PAPERS LAID

1. Draft Estimates of Expenditure for the financial year 2016. [*The Minister of Finance (Hon. Colm Imbert)*]
2. Draft Estimates—Details of Estimates of Recurrent Expenditure for the financial year 2016. [*Hon. C. Imbert*]
3. Draft Estimates of Revenue and Expenditure of the Statutory Boards and Similar Bodies and of the Tobago House of Assembly for the financial year 2016. [*Hon. C. Imbert*]
4. Draft Estimates of the Development Programme for the financial year 2016. [*Hon. C. Imbert*]
5. Draft Estimates of Revenue for the financial year 2016. [*Hon. C. Imbert*]
6. Public Sector Investment Programme 2016. [*Hon. C. Imbert*]
7. Public Sector Investment Programme—Tobago 2016. [*Hon. C. Imbert*]
8. Social Sector Investment Programme 2016. [*Hon. C. Imbert*]
9. State Enterprises Investment Programme 2016. [*Hon. C. Imbert*]
10. Review of the Economy 2015. [*Hon. C. Imbert*]

APPROPRIATION (FINANCIAL YEAR 2016) BILL, 2015

Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2016 [*The Minister of Finance*]; read the first time.

The Minister of Finance (Hon. Colm Imbert): Madam Speaker, I beg to move: That a Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2016, be read a second time.

Madam Speaker, the people have spoken. On September 07, 2015 the people of Trinidad and Tobago rejected the politics of deception, betrayal, greed, arrogance, waste and mismanagement. [*Desk thumping*] They rejected officially sanctioned corruption. They rejected squandermania. They rejected discrimination. They rejected immorality. They rejected inequality. They rejected nepotism and cronyism. [*Desk thumping*]

At the same time, Madam Speaker, the electorate embraced the values of honesty, integrity in public life and value for money in public expenditure. They asked for impartiality, transparency and sincerity in government. They asked for equity and prosperity for all. They asked for growth, progress, harmony and social peace. [*Desk thumping*] The people thus voted emphatically and unequivocally for a new government, giving the People's National Movement both a majority in Parliament and the popular vote. [*Desk thumping*]

Madam Speaker, it is an honour to present the first budget of the new PNM Government led by our Prime Minister Hon. Dr. Keith Christopher Rowley. [*Desk thumping*] For this honour and privilege I must thank God, who is responsible for all things, the people of Trinidad and Tobago who placed their confidence in us and our Prime Minister who had sufficient confidence in me to give me the serious responsibility of managing the nation's finances. [*Desk thumping*]

In fashioning the 2016 budget we have relied heavily on the policies and programmes in our 2015 election manifesto which is now official government policy, and was a team effort that was several years in the making. We also took careful note of the many helpful suggestions and recommendations made by concerned citizens, industry experts, sectoral interest groups, economists, the business community, the labour movement and the population at large.

Madam Speaker, I also wish to take this opportunity to convey my heartfelt appreciation and gratitude to the many public officers, too numerous to be mentioned, for their assistance and support in the preparation of the 11 documents laid before this honourable House today. [*Desk thumping*] Because of the confidence that the population has reposed in us and because of the comprehensive manner in which the previous administration was rejected at the polls, I had two options available to me with respect to the form and tenor of this budget statement. I could have easily resorted to political bacchanal, picong and rhetoric and the statement could have taken the form of a fiery campaign speech

on a political platform. In fact, there are sections of the society who would wish me to do so, so angry are they at the travesty that has passed for a Government in the last five years and three months. [*Desk thumping*]

However, Madam Speaker, the time for that sort of behaviour is long gone. The majority of the population is exhausted with the politics of mamaguy. Rather than descending into the political gayelle, therefore, this budget statement will instead, in a clear and sober manner, give a professional, honest and transparent analysis of the true state of the nation. In this way all of our citizens will understand the situation in which we have found ourselves and what we must do to get out of the dangerous trap of spending more than we earn.

Madam Speaker, my pre-budget consultations allowed me to establish the underlying principles, programmes and policies for restoring confidence and for rebuilding the economy of Trinidad and Tobago, an exercise which will require a collective effort by every citizen. This will not only involve the full engagement by the Government, but would also involve those on the other side.

I now wish to make a call to all to rally around our programmes and policies—and our budget theme reflects this vision: “Restoring Confidence and Rebuilding Trust: Let us do this together”.

Madam Speaker, we must start this new journey with a commitment to fiscal prudence anchored in a medium-term fiscal consolidation framework. This is a strategic necessity. Macroeconomic stability with fiscal discipline at its core will generate a revival in growth and more resources which will all redound to the benefit of our children and future generations. We will restore our international reputation, especially with investors, multilateral institutions and credit rating agencies.

I now turn to the global context. Madam Speaker, this country has long been integrated into the international economic and financial system. We are not isolated from events taking place in the rest of the world, and those events today have a direct impact on Trinidad and Tobago. The 2016 budget is being presented at a time of great uncertainty in the global economy. While economic growth is expected to be satisfactory in the United States and the United Kingdom, at around 2—2.5 per cent of GDP in both 2015 and 2016, there are concerns about some of the other major economies. China’s economy has continued to slow to about 6.4 per cent in 2015, compared to an average rate of over 10 per cent for more than a decade. In addition, growth in the European Union has been disappointing at less than 2 per cent, notwithstanding low oil prices and a series of economic stimulus measures.

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The deceleration of China's economy is having a major impact on emerging and developing economies, especially raw material producers. Given their extensive trade links with China, many Latin American countries have been hit very hard. Brazil, which has benefited the most from trade links with China, now finds itself in a severe recession.

Madam Speaker, concern about the slow growth in the global economy has been cited as one of the principal reasons for the US Federal Reserve's delay in commencing the long-expected rise in interest rates. This upward trend in US interest rates now projected before year end could lead to a reversal in capital flows and higher borrowing costs for emerging and developing countries like Trinidad and Tobago, further complicating their growth prospects. We in Trinidad and Tobago must therefore be ever mindful of developments in the rest of the world and prepare ourselves accordingly.

I now turn to the state of the local economy. Madam Speaker, all incoming governments have the unenviable task of assessing the true state of the national economy before they can begin formulating and implementing their plans and policies. This Government placed high priority on the conduct of a rigorous and unbiased assessment of the state of the economy. This was done with a view to devising appropriate solutions to confront our immediate developmental challenges.

Officials at the Ministry of Finance had been undertaking their own economic assessments and had identified a range of solutions for addressing these challenges. Several previous missions from the International Monetary Fund have conducted their own in-depth review of our economy in their Article IV Consultation Reports. I have reviewed these reports and I have also met with major stakeholder groups since assuming office, who have provided me with their own assessments of the economy, as well as their own solutions. We have also benefited from the findings of an IMF team who came at our request just after the election.

Many of the proposals from the various interest groups, organizations and experts have a common theme and include: implementing a property taxation system; broadening the VAT base; increasing excise taxes; increasing personal income tax; increasing corporation tax; eliminating fuel subsidies; reducing other subsidies and transfers; and introducing wage and hiring restraint mechanisms. We at the Ministry of Finance have reviewed all of these proposals; some but not all of them were found to be appropriate, fair and equitable and are included in the fiscal package for 2016.

Madam Speaker, I am now better informed as to the true state of the economy. In fact, our economy is in an even more perilous state than we, the new administration, had first envisaged. Even before the election we had reason to believe that our economy had deteriorated significantly over the past year. Indeed, several independent commentators, including Moody's Investors Service, supported our view. However, the previous administration doubted our analysis, insisting that our economy was strong and everything was fine.

However, here are some of the stark facts. Far from being strong on a growth path, the economy remained stagnant for the last five years. Real output in the energy sector declined again in 2015 making this the fourth annual decline in the past five years. Activity in the non-energy sector has also weakened with a loss of momentum in construction, distribution and manufacturing. Total energy exports are estimated at only US \$7.5 billion in 2015, a significant decline when compared with an annual average of US \$12.7 billion in the period 2010 to 2014.

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The sharp decline in export receipts will mean that Trinidad and Tobago's trade balance will be reduced by more than half from US \$4.6 billion in 2014 to US \$1.7 billion in 2015. Conversely, in the five years prior to 2010, there were current account surpluses averaging over 20 per cent of Gross Domestic Product. In 2015, because of the reduction in our export receipts and continued private capital outflows, there was an overall balance of payments deficit and a loss in official foreign reserves of US \$720 million.

Further, Madam Speaker, international oil and gas prices have been on the decline throughout fiscal 2015. However, notwithstanding their public declaration to the contrary, the previous Government took virtually no action to stabilize the public finances. Thus, for fiscal 2015, while government revenues from petroleum fell by \$8 billion, compared with the budgeted estimates, government expenditures were only reduced by a mere \$3 billion. As a result, the fiscal deficit ballooned to \$7 billion, or roughly 4.2 per cent of GDP, compared to the budgeted deficit of \$4.3 billion or 2.7 per cent of GDP.

But even this preliminary fiscal outturn may be underestimating the real deterioration of the central government finances, for two main reasons:

Firstly, these estimates are on a cash basis, which means they do not include certain sizable commitments made in fiscal year 2015 which now need to form part of the 2016 budget. Information is available on some of these outstanding arrears, such as the unpaid balance of some public sector wage settlements and

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payments arrears accumulated by some state agencies, such as the Housing Development Corporation, the Urban Development Corporation, the National Infrastructure Development Company, Education Facilities Company Limited and the Estate Management and Business Development Company. But there is much more we need to know.

It should be noted that the Ministry of Finance is still gathering comprehensive data on outstanding arrears due to contractors and other suppliers of goods and services. Further, despite our best efforts to conserve and maintain expenditure in 2016 at the revised 2015 level, the previous administration has encumbered the new Government with \$5 billion in arrears of salaries based on the conclusion of collective agreements with a number of trade unions in the frenzied run-up to the 2015 election. Let me repeat that: the previous administration has encumbered the new Government with \$5 billion in arrears of salaries based on the conclusion of collective agreements in the frenzied run-up to the 2015 election.

However, we have managed through prudent fiscal discipline, to contain most of this extraordinary expenditure in 2016, but regrettably, because of this unprecedented \$5 billion liability on the personnel expenditure side, our expenditure level for 2016 has of necessity increased by \$1.2 billion over the 2015 level. We were able to save \$3.8 billion, but that was all. To have done otherwise would have risked crashing the economy, with attendant job losses and economic decline. Fortunately, we do not anticipate another \$5 billion hit on expenditure in 2017.

Secondly, the estimated fiscal deficit comes after counting as revenue, receipts from asset sales, repayment of loans from the Central Government to state enterprises and extraordinary dividends from the National Gas Company. Without these non-recurrent revenue items, the fiscal deficit would have been that much higher.

Madam Speaker, permit me to touch on some of the main highlights of the fiscal year 2015 outturn. Revenue collections from the oil companies in fiscal year 2015 amounted to \$13 billion, \$8 billion less than the budgeted estimate, reflecting both price and volume setbacks. I wish to underscore that this is the lowest level of revenue collected from the energy sector since 2011. There was also a shortfall of \$1 billion on income taxes and VAT combined, reflecting the stagnation in the non-energy sector.

On the expenditure side, current expenditure was \$3.1 billion lower than projected, primarily because of the significant reduction of \$1.2 billion in the petroleum subsidy due to the decline in oil prices. However, the public sector wage bill exceeded budget estimates because of the part payment of the back pay from the wage settlements with civil servants. You would realize the \$5 billion was not all. It was more than that in back pay.

Some other significant items of expenditure in 2015 were: the Government Assistance for Tuition Expenses in an amount of \$712 million; short-term employment programmes, such as CEPEP at \$606 million and URP at \$717 million and social sector programmes in the sum of \$7.5 billion. The need to maintain these programmes at current levels, in the face of sharply declining revenues, contributed to serious fiscal pressures in 2015.

Another point of interest is the behaviour of capital expenditure during the last fiscal year. Up to the end of the third quarter, capital expenditure was lagging way behind budget allocations due to a low rate of implementation. However, after the announcement of the election in June 2015, all caution was thrown to the wind and capital spending was ramped up significantly in the fourth quarter such that, for the first time in several years, capital expenditure for the year as a whole is estimated to have exceeded the budget allocation by over \$225 million.

The inordinate haste to ramp up expenditure in the last quarter of the fiscal year, which just happened to coincide with the pre-election period, created a serious cash flow challenge for the Government. This was facilitated, in part, by increased access to Central Bank overdraft facilities which almost reached the legal limit by hurried central government borrowing and by an accumulation of payments arrears; in fact, Madam Speaker, at one point in September 2015, just after the election, with no new contractual obligations on the part of the incoming Government or new items of expenditure, the overdraft at the Central Bank reached 98 per cent of the legal limit, with barely enough funds available to service the country for a few days. Fortunately, this fiscal crisis was averted by prudent fiscal management, targeted budgetary support and timely intervention on the part of the new PNM Government.

Further, the evolution of our public finances over the past five years has seriously undermined our once comfortable net public sector debt position. At the end of 2010, our net public sector debt stood at 32.2 per cent of GDP. By the end of fiscal year 2014 this ratio had risen to 40.2 per cent of GDP. With the explosion in government borrowing combined with the decline in nominal GDP, the net public sector debt to GDP has surged to 46.3 per cent of GDP in September 2015. And within our public debt profile, external public sector debt increased from 8 per cent of GDP in 2010 to 9.2 per cent of GDP in 2015.

Madam Speaker, in summary, after the spending of over \$300 billion in five years and three months by the previous administration, can the average citizen conclude:

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That they are living in a safe and sound environment without criminal activity?

That they are being provided with better medical and health care services?

That they are exposed to a modern and efficient transportation system without traffic gridlock?

That they are being provided with a reliable source of public utility services?

That they have access to an effective educational system?

That they are benefiting from an agricultural sector geared towards achieving food security?

That the vulnerable and disadvantaged are being better protected?

The results of the general election show that the answer to these questions is a resounding, no. Further, this unprecedented level of expenditure was financed by a mix of mechanisms, all of which were unsustainable. These included:

- a higher average budgeted crude oil price of US \$76 over the 2010 to 2015 period—an average increase of \$24 per barrel when compared with 2009;
- increased dividends from state enterprises, including significant amounts from the National Gas Company;
- tax amnesties;
- proceeds from the sale of assets;
- borrowing from the international and domestic markets which increased our public debt; and
- usage of not only the built-up balances in the Treasury but also the full annual overdraft facility of approximately \$9 billion in the Central Bank.

Madam Speaker, notwithstanding billions of dollars in borrowings, tax amnesties, extraordinary dividends, sale of assets and high oil and gas prices, our cash balances at the Treasury moved from a positive \$6.5 billion on May 24, 2010—we were in credit then—to a negative of \$8.5 billion in the middle of September 2015, a reversal of \$15 billion. Let me repeat that: our cash balances at the Treasury moved from a positive \$6.5 billion on May 24, 2010 to a negative of \$8.5 billion in the middle of September 2015, a reversal of \$15 billion. What this means is that we are unable to use the resources of our surplus funds, including the Green Fund or the Unemployment Fund since they are pledged against the overdraft and are unavailable for drawdown.

Miss Mc Donald: What!

Mr. Deyalsingh: Say that again?

Hon. C. Imbert: What this means is that we are unable to use the resources of our surplus funds, including the Green Fund, or the Unemployment Fund, since they are pledged against the overdraft and are unavailable for drawdown.

To put it simply, in order to maintain its inordinate and unsustainable levels of expenditure, the previous Government maxed out our overdraft at the Central Bank, taking us from a positive cash position in 2010 to a perilous situation in 2015, where, to use the local parlance, we were running on fumes, dangerously close to the legal overdraft limit.

Madam Speaker, we will no doubt appreciate that the extraordinary sources of one-off financing, such as the sale of assets, used by the previous administration to maintain its profligate spending were, and are, sustainable.

Hon. Member: Unsustainable.

Hon. C. Imbert: Unsustainable. Were, and are, unsustainable. Let me repeat that: Madam Speaker, we would no doubt appreciate that the extraordinary sources of one-off financing, such as the sale of assets, used by the previous administration to maintain its profligate spending were, and are, unsustainable, given that such quality, non-strategic assets, will not be available beyond 2017.

Conversely, generating sustainable non-energy revenue in a predominantly oil and gas economy is a necessary requirement for ensuring that public services and development expenditure are met in a competitive environment. We had initiated that process when we demitted office in May 2010, but it was recklessly abandoned by the previous administration.

Madam Speaker, as if our current economic problems are not serious enough, indications are that we face a most challenging medium-term outlook. Unless oil and gas prices and output recover dramatically, projections show that our real GDP growth will continue to be no more than 1—1.4 per cent per year. The projections are based on the uncertain outlook for the energy sector and increasing public sector financing constraints. These factors will limit Government's capacity to drive the non-energy sector which will now depend on the private sector's willingness to expand investment and production for export markets.

Madam Speaker, this Government is committed to taking measures to reverse the decline in oil and gas production and to boost exploration activity. However, there is the harsh reality that even if exploration leads to sizable new discoveries,

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production from these new wells will take another five years or so to be realized. In the interim, the budget will need to bear the cost of fiscal incentives, including incentives for capital allowances needed to spur exploration activity. This is another aspect of the fiscal challenge we face.

Indeed, before oil prices collapsed in 2015, the previous administration had made generous adjustments to the oil and gas fiscal regime, allowing substantial early write-offs of capital expenditure, which are now constraining our country's ability to generate tax revenue from the energy sector. If oil prices had remained at \$80 a barrel, these incentives might have borne fruit. However, with oil price averaging US \$45 per barrel, revenue from energy companies is now being seriously depressed. In fact, due to capital expenditure write-offs and the low oil prices, it is expected that corporation tax payments from the oil companies in 2016 will be nominal, compared to two years ago, when income from this sector exceeded \$18 billion.

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Accordingly, it needs emphasizing that in the absence of a well-thought-out adjustment strategy—let me repeat, in the absence of a well-thought-out adjustment strategy, our fiscal projections will definitely show continued and sizeable deficits over the next three years, a substantial reduction in our official foreign reserves, and a rise beyond 60 per cent of GDP in our net public sector debt. This will be an untenable situation, which we must avoid at all costs, through prudent fiscal management. [*Desk thumping*]

Madam Speaker, there is no denying the need for fiscal stabilization in order to facilitate faster economic growth over the medium term. However, it must be an adjustment strategy based on consultation with the public and one that protects those most in need in which the costs are shared proportionately by all.

Madam Speaker, the one month period since the general election has not been sufficient time to conduct full consultations with our various stakeholders. Accordingly, over the next six months, we plan to hold a series of consultations with all main stakeholders and with the country at large, on the state of the economy and on the financial challenges and opportunities we face as a country. Coming out of these consultations, we shall make appropriate budgetary adjustments, if required, at the time of the normal mid-year review, which is carded for the end of March 2016.

Madam Speaker, let me emphasize that this budget statement covers only some key policy areas and in summary form. During the debate, my colleagues will present in greater detail the plans and policies in the areas under their remit.

Madam Speaker, the energy sector has always been the main driver of economic growth in this country contributing on average approximately 40 per cent of GDP.

Madam Speaker: Members, I am hearing a constant buzz. May I remind you of the provisions of the Standing Orders please.

Hon. C. Imbert: Thank you, Madam Speaker, I was about to speak to you myself. The energy sector has always been the main driver of economic growth in this country, contributing on the average approximately 40 per cent of GDP. Since 2008, when its contribution to GDP achieved a high of 50.8 per cent, the sector's contribution to growth has been on the decline, reaching a low of 37.2 per cent in 2014.

This decline can be attributed to a number of factors such as the reduction in the production of oil and gas and lower energy prices.

As one of several hydrocarbon resource-rich countries vying for capital investment we are mindful of the significant developments taking place in the production of unconventional energy resources, such as shale oil and gas production in many parts of the world, including in one of our markets, the United States of America.

Madam Speaker, we will be guided by a framework of general principles as we seek to arrest the decline in the sector. Stakeholder consultation will be essential.

During the last five years, fiscal incentives were provided for the energy sector. However, there were no specific incentives that targeted the development of small and marginal gas fields. These are important resources which can make a significant contribution to addressing the current supply/demand imbalance. Accordingly, we will commence discussions with all stakeholders on the adoption of appropriate strategies and incentives that will result in new production in these fields.

We will also move forward with a comprehensive review of existing arrangements along the natural gas value chain and where necessary, implement appropriate measures on key aspects of the oil and gas sector. These measures will include modifications with the methodology for natural gas and product pricing, the adoption of transfer pricing principles and the application of fair and transparent taxation regimes.

Madam Speaker, the stark reality is that oil and gas production has been on a steady decline since 2010. Specifically, oil and condensate production has fallen from 100,000 barrels a day in 2010 to 80,000 barrels in 2015, a decrease of 20 per

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cent. The August 2015 production low of 75,238 barrels is of particular concern. This is in stark contrast to the glowing picture of the energy sector painted by the previous administration.

Natural rates of decline and the absence of new discoveries are impacting on the major economic growth driver and our revenues. We must, therefore, take decisive action in our energy sector, to reverse the stagnation in decline of the last five years.

Accordingly, in the shortest time possible, after consultation with the industry, we will introduce a new and appropriate fiscal regime designed to encourage further exploration in fields on land and in shallow and deep water acreage. We cannot sit idly by and allow production to decline and revenues to fall, and in finding a solution to the difficulties that we now face as a country, we must all work together.

We will engage all energy sector stakeholders, upstream, midstream and downstream, in meaningful consultation to arrive at consensus on the way forward. We have already received a request to re-examine the current levels of Supplementary Petroleum Tax or SPT, and to create better incentives for production from small- and medium-sized fields, which we are carefully considering with the assistance of energy experts. We will make a formal call for submissions from all energy players in the near future so that we can resolve the issues facing the industry as quickly and efficiently as possible. [*Desk thumping*]

The pursuit of a focused renewable energy programme is also high on our agenda. In particular, the practical use of solar and wind energy within the domestic and commercial sectors will be fostered and promoted. Promotion of energy efficiency and energy conservation across all sectors will be important strategies in extending the life of our invaluable petroleum resources and reducing our “Carbon Footprint”. Our target is that by the year 2021, at least 10 per cent of the energy generated in this country should be from renewable sources.

In addition, we will support the present move to compressed natural gas in light of its environmental benefits and the positive impact on reducing the subsidy on transportation fuels.

Manufacturing: Madam Speaker, in Trinidad and Tobago with a natural resource sector, the manufacturing sector has stagnated. The sector is now accounting for less than 10 per cent of GDP. We will accord high prominence to this sector in our efforts to strengthen and diversify the economic base of the economy.

Manufacturers and exporters will be linked on a new export platform. They will take advantage of the emerging opportunities in the Caribbean Single Market and Economy, a traditional market for our exporters. In collaboration with our manufacturers and exporters, we will intensify efforts to penetrate new markets, in particular, in South and Central America as well as in our diaspora in Canada, the United States of America and the United Kingdom. Trade facilitation and market access agreements as well as investment treaties will facilitate this new export thrust into all of our extra-regional markets.

We will complete and fully operationalize the Tamana Intech Park and the Piarco Aero Park. [*Desk thumping*] Through public/private partnerships we will upgrade all existing industrial estates and create new ones, thereby generating new growth areas with high-quality jobs. These special economic zones will become effective instruments for industrial production, economic growth, export promotion and employment creation. Our embassies and consulates will be strengthened to promote our economic and commercial interests. They will promote the local private sector and state enterprises in the marketing of their products and services.

Madam Speaker, investors expect that doing business is easily facilitated with regulations and laws being enforced in a predictable manner. In this environment with cost and uncertainty reduced, the quality of business environment will be improved and private investment facilitated. While there has been some improvement in recent times, we need to improve the time frame for paying taxes, dealing with construction permits, registering property and for enforcing contracts.

Agriculture: Madam Speaker, food security has been an elusive policy objective since we in Trinidad and Tobago assumed management of our economy in 1962. In recent years, agricultural production has been averaging just about 0.5 per cent of GDP. Compare this to energy at 40 per cent of GDP. We must do all that we can to expand agricultural production to reduce our reliance on imported food products. Food production must be made affordable and competitive. We must reverse the decline in agricultural production and create a strong, modern, prosperous and competitive agriculture sector. [*Desk thumping*]

We will do so by enhancing public sector investment and encouraging private investment in agriculture, in particular, agro technology and the creation and modernization of agri-business infrastructure. We are now directing agriculture development under one unified structure, the Ministry of Agriculture, Land and Fisheries.

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Security of land tenure is now being accorded high priority and lands will now be delivered with access roads, drainage and irrigation systems. The Agricultural Development Bank will be adequately resourced to allow farmers readily-accessible credit. Through the Agricultural Development Bank we will reintroduce the Prime Minister's award for the best kitchen garden in schools and also introduce a number of national competitions and awards, aiming at motivating farmers to strive for excellence in agricultural production. [*Desk thumping*]

Tourism: Madam Speaker, tourism can unleash vast opportunities which will play a critical role in driving economic diversification in the country. We will collaborate with all stakeholders, both in Trinidad and Tobago to place this country in an indomitable position within the region. We are now formulating a tourism growth strategy and reconvening the Trinidad Tourism Standing Committee. The strategy will inform the direction of the industry, tackling major issues impacting upon tourism development, such as airlift, marketing, product development and destination management. We will create an enabling investment climate and commit to better infrastructure, improved signage, cleaner streets and communities and beaches, safer towns and villages, quality service and more value for money.

Sport: Madam Speaker, we are committed to the development of sport and youth. Sport plays an integral part in developing personal and collective responsibility, especially for our young people. Unfortunately, in our country sport has not been mainstreamed. We will put in place plans and programmes to encourage as many citizens as possible to become involved in sport and in recreational activity.

We will aim to be a world-class sporting nation. We will do so by establishing an all-encompassing policy to increase the pool of talent from which more world champions will emerge and gain international recognition. We will foster and develop involvement in sports in all schools at an early age. Inter-school competitions across Trinidad and Tobago will be an important event in our calendar. We will improve the quality of community sporting programmes and sporting infrastructure and facilities across the country, utilizing the international best standards and practices. [*Desk thumping*]

We will establish a sport institute of Trinidad and Tobago mandated to modernize the sports industry with the ultimate objective of developing and promoting sports tourism. We will upgrade our existing facilities and make full use of new infrastructure in cycling, tennis and swimming. We are going to make

full use of new infrastructure in cycling, tennis and swimming. In the coming years we will have created a sporting brand for Trinidad and Tobago with international best standards and practices. [*Interruption*]

Madam Speaker: Hon. Minister, I am sorry to disturb you. Could we kindly respect the decorum of this House?

Hon. C. Imbert: Thank you, Madam Speaker. Small and Medium-sized Businesses: Madam Speaker, small and medium-sized businesses have been generating a significant proportion of the employment creation in Trinidad and Tobago. Our youth have been actively involved in this particular area of business. They are empowered as we build small and medium-sized businesses increasingly utilizing information and communication technology. However, adequate financing, a prerequisite for success, is not easily available at domestic financial institutions. We will strengthen and resource appropriately all state institutions which play roles in funding, training and developing markets for the small and medium enterprise sector.

Current programmes will be reviewed. If required, we will strengthen them to ensure efficient development of small businesses. State institutions, such as the National Enterprise Development Company, NEDCO, will be resourced adequately to promote an entrepreneurial culture among the youth of our nation for traditionally denied access to funding.

The Fair Share Programme will continue as an avenue for qualifying small and microenterprises and co-operatives to access public procurement opportunities.

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We will encourage all public financial institutions to create small business windows to enable greater ease for SME entrepreneurs to access their facilities. We will engage private financial institutions to do the same.

Madam Speaker, we have to face the fact that there has been limited success in our efforts to diversify our economy. There is also widespread agreement that with the uncertainties and challenges facing our energy sector, diversification has become an urgent priority. Indeed, in explaining the downgrade of Trinidad and Tobago's credit rating under the previous government, Moody's Investor Services cited among the most important factors, "our limited economic diversification which weighs heavily on economic growth prospects".

Madam Speaker, in 2008, a previous PNM administration had begun the process to establish a Trinidad and Tobago International Financial Centre as an integral part of its diversification strategy. The underlying rationale was that, given Trinidad

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and Tobago's geographic location and its considerable strengths, the creation of an International Financial Centre linking North and South America was a desirable undertaking. Much progress was made in the establishment of such a centre, including the construction of a Waterfront Tower to house the Centre. Unfortunately, the international financial crisis of 2008 put international banking in retreat and momentum on the Trinidad and Tobago International Financial Centre project was slowed.

To make matters worse, the previous administration paid virtually only lip service to the International Financial Centre project and changed its mandate. As a result, little or no progress was made on this project in the 2010 to 2015 period.

China's increasing engagement in Latin America and the Caribbean presents a unique opportunity which can be leveraged in the creation of an International Financial Centre. As has happened in Mauritius, Singapore and a few other countries, a thriving International Financial Centre will provide synergies for the expansion of free zone manufacturing and trans-shipment activities and for tourism. The Government plans to initiate early discussions with the relevant stakeholders with a view to reaching early consensus and beginning the implementation of an International Financial Centre strategy.

Maritime: Madam Speaker, given our location outside the hurricane belt, we are well placed to establish a viable and robust maritime economy. An initial step will be a Maritime Maintenance Facility to meet the maintenance requirements for the existing fleet of government-owned naval and maritime assets. Such a maintenance facility will catalyse the development of a ship repair and shipbuilding industry beginning in the north-west peninsula.

The maintenance support will emerge as a hub for major ship repair and shipbuilding within the Caricom region, thereby creating a new maritime economy. At present, the Chaguaramas heliport accommodates a maintenance facility with a capability to dry-dock vessels below 200 tonnes.

Those owner-furnished facilities are used to maintain the six fast patrol craft of the Trinidad and Tobago Coast Guard. In addition, CL Marine, a subsidiary of CL Financial, possesses the capacity to dry-dock vessels in excess of 200 tonnes. The availability of these two facilities, together with the existing large inventory of naval and maritime assets represent an important opportunity with the critical infrastructure to develop a ship repair industry. We will utilize a public/private partnership to make the necessary investments to create a shipbuilding and ship repair industry with the potential to generate high-skilled quality jobs. [*Desk thumping*].

Information and Communication Technology: Madam Speaker, a first world information technology network will need to be a critical part of the Trinidad and Tobago International Financial Centre. We will commence the process through the implementation of a nationwide broadband network which will represent a central pillar for driving economic and social development. [*Desk thumping*]

We cannot improve our productive capacity and create a vibrant and competitive economy without a nationwide, high-speed broadband network—the centrepiece for creating a knowledge-based and innovative society. This country already has in place a fibre optic broadband network, but we are suffering from inadequate broadband service coverage in many areas which remain unserved and underserved. We will continue to collaborate with the World Bank to widen our broadband infrastructure as well as eliminate the risk of having international connection in only one station.

All schools will now be equipped with a technological capability with adequate training for our teachers. We will ensure that all students have free and easy access in all schools to fast broadband internet, not just laptops. [*Desk thumping*] This early use of technology will underpin an expanding knowledge-based society—[*Crosstalk*—not just laptops. The Government will foster usage by providing a free national public broadband wireless network [*Desk thumping*] beginning with free hotspots in popular areas—part of our manifesto promise.

Crime and National Security: Madam Speaker, reduction in crime represents the foremost demand by our citizenry. Violent crime and criminality have hampered our economic progress. Our institutions have been weakened. Our citizens have become disillusioned and our business sector has developed an unhealthy malaise with respect to new investments and confidence in the economy. Our foreign direct investment flows have been affected.

Our first priority is to establish an optimal security apparatus, the broad elements of which the previous PNM administration had put in place to bolster the nation's external and internal defences. A review of the systems, equipment and processes in place is now underway. Madam Speaker, as a general principle, safe and secure borders are central for containing crime and violence brought about by our location as a major trans-shipment channel for illegal drugs and weapons.

By 2003, our security agencies had become convinced that the increasing domestic crime rate was associated with the incidence of threats to national security. Illegal activities through the smuggling of drugs, arms and ammunition within the territorial and extra-territorial waters of Trinidad and Tobago had

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become prevalent. The insulation of Trinidad and Tobago from those threats was central to stemming and containing the domestic crime rate. The then PNM administration moved quickly to procure naval assets that were adequate to the requirements of that very challenging situation.

Madam Speaker, you will recall, three Offshore Patrol Vessels with Interceptor-Craft and helicopter-launching capabilities and six Fast Patrol Craft were ordered. The final component in our architecture for combatting the incidence of crime in this country was now in place, but in September 2010, the previous administration unceremoniously terminated the contract with the supplier of the three Offshore Patrol Vessels and the six interceptor craft. This resulted in a heavy cost to taxpayers, with over \$500 million in lost costs. The so-called arbitration victory was merely illusory, since Trinidad and Tobago spent close to \$2 billion on the OPV contract but only recovered \$1.3 billion—*[Interruption]*

The so-called arbitration victory was merely illusory, since Trinidad and Tobago spent close to \$2 billion on the OPV contract but only recovered \$1.3 billion, while the allegedly unsuitable Trinidad Class OPVs are now the pride of the Brazilian navy.

Further, when we came into office last month, we met a mix of naval assets hastily ordered, delivered for public relations purposes just before the 2015 election, not fully outfitted, without armaments and without proper financial arrangements in place. In local parlance, we purchased these new vessels on trust—on trust.

Mr. Hinds: Kamla's legacy!

Hon. C. Imbert: Let me repeat that. We met a mix of naval assets hastily ordered, delivered for public relations purposes just before the 2015 election, not fully outfitted, without armaments and without proper financial arrangements in place. *[Crosstalk]* In local parlance, we purchased these vessels on trust.

Madam Speaker, we will rebuild the security architecture which will be adequate to the requirements of our country. We will move swiftly to establish a Joint Border Patrol Agency to manage the security and integrity of our open and vulnerable borders. *[Desk thumping]*

The Trinidad and Tobago Police Service will be modernized. We will establish a Police Management Agency with a mandate to develop the necessary leadership expertise, skills and professionalism. The Agency will set and maintain the ethics and values which will underpin the professional culture of the police

service. It will also deploy strategic and scientific resources in all areas. Within this framework, the leadership of the police service will be secured. We will introduce early legislation to amend the present procedures for the appointment of a Police Commissioner and his deputies. [*Desk thumping*]

Regional corporations will develop partnerships with the police service through an inter-agency approach to combat crime. This mechanism will be anchored on community safety partnerships within the local government arena and in particular, local constabularies will be introduced in each local government region. [*Desk thumping*]

Madam Speaker, so that our citizens will develop trust and confidence in the police service to advance this objective, we will establish a Police Service Inspectorate to treat with potential abuse of state power and any overreach by the police service in the discharge of their duties. [*Desk thumping*] Quality assurance and oversight of police operations will be subject to annual reporting by the Inspectorate to the Parliament.

Madam Speaker, we will re-engineer the criminal justice system. We will provide for an efficient and legitimate foundation for crime prevention, law enforcement and the reduction of repeat offenders. Prison management will be strengthened with focus on prison officer security, security management, health services and the rehabilitation of offenders. [*Desk thumping*]

I now turn to education. Madam Speaker, our intervention in early life through large scale investments in the Early Childhood Care and Education Centres and through primary and secondary schools represent a first step in climbing the ladder of social mobility. From free primary and secondary education, we have moved to free tertiary education at our two universities: the University of the West Indies and the University of Trinidad and Tobago. Human capital development has been at the heart of the preparation of our young people for the challenging world of science, technology and industry.

Madam Speaker, the Government Assistance for Tuition Expenses Programme (GATE), the Higher Education Loan Plan (HELP), all People's National Movement innovations, have ensured that our disadvantaged, vulnerable and low-income groups were able to participate in this lifelong learning experience. [*Desk thumping*] We will continue to preserve, maintain and expand where necessary, our system of free education at all levels.

We will hold extensive consultations with the national community on the most efficient manner for administering an effective education programme, including

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the GATE programme, with the primary objective being to ensure that assistance with education expenses is given to those most in need of it.

Madam Speaker, we will fully integrate sports, culture, language arts and physical education into the education system. The curriculum of our schools will be modernized with a view to generating among our young people an adequate appreciation and understanding for the history of Trinidad and Tobago, especially our history since independence in 1962. [*Desk thumping*] We will develop a broader culture of collective and personal responsibility as well as volunteerism in our society.

Health: Madam Speaker, the delivery of health care to the national community represents a critical element in the building of a fair and inclusive society. Our public health facilities, with deteriorating infrastructure, are not patient-friendly and with acute shortages of medical personnel the patient experience leaves much to be desired. We will review the existing hospital strategies through a scientific evidence-driven Hospital Construction and Refurbishment Plan and where necessary, we will refurbish and modernize our existing ageing plant and will construct new facilities where they are required.

We will address the shortage of medical personnel immediately. You will already have observed our recent decision to ensure that all medical students at the Mona and Cave Hill campuses [*Desk thumping*] of the University of the West Indies, receive GATE funding, and rather than wasting money on expensive white elephants and vanity projects, we will expend substantial resources on training opportunities in all areas of health care, including support staff in professions allied to medicine, particularly in the field of nursing. Our goal is to establish universal health coverage for the national community.

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Our citizens will receive in Trinidad and Tobago, as other citizens in advanced countries, the best standards of care and accountability by medical professionals. We will continue to strengthen and build programmes to meet the diverse medical needs of the national community. We will expedite surgeries and expand and improve the Chronic Disease Assistance Programme (CDAP). We will continue with our medical aid programmes for patients in need and we will review and audit the Children's Life Fund so as to restore its mandate of saving the lives of children. [*Desk thumping*]

Madam Speaker, the Universal Health Insurance Programme has been an elusive goal.

Madam Speaker: Members. I understand we have come from a period of high energy, but I think it is an hour now that we are sitting and we can really—I would like to desist from invoking the Standing Orders. So if we can have some silence so that the hon. Minister can finish his presentation.

Hon. C. Imbert: Thank you, Madam Speaker. The Universal Health Insurance Programme has been an elusive goal. We will place universal health insurance high on our agenda and ensure that by December 31, 2018 a national health insurance system will be in place and operational, [*Desk thumping*] thus bringing much needed relief to our citizens.

Housing: Madam Speaker, during previous PNM administrations we housed thousands of citizens in quality homes across Trinidad and Tobago. We will continue to do so as we expand and strengthen the programmes which we had established and which still exist. At the centre of our policy framework and in order to facilitate purchase of homes, we will continue with subsidized mortgage loans at low interest rates. The poor and indigent will be facilitated with targeted home repair and home improvement grants and conditional cash supports.

We will reintroduce the Rent-to-Own Programme to assist low-income households [*Desk thumping*] to start with rental property, which will be converted to home ownership as their circumstances improve. We will review and strengthen the administration of the Home Improvement Grant and the Home Improvement Subsidy programmes to assist families experiencing financial difficulties.

Madam Speaker, our major cities and towns, especially those in the East-West Corridor are decaying. We will restore those towns and cities and create new ones through targeting housing construction, in particular urban areas. [*Desk thumping*] Port of Spain, Arima and Point Fortin will be targeted as well as new growth areas such as Wallerfield, [*Desk thumping*] La Brea, Princes Town, Rio Claro and Chaguanas among others.

Arts: Madam Speaker, we will leverage our rich cultural, historical, religious and natural heritage for developing tourism with associated job creation activity. We will encourage all local cultures. We will create a national local enterprise with the support of the entire country which will identify the benefits, value creation, income and employment generation, goods and services production, innovation and creativity.

Artistes, media operators, film-makers and other participants in the creative industries will access first-class facilities to showcase their talent with world-class

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standards. Arts, fashion design, culture and tourism will become major drivers of productivity and growth in our country.

Social Safety Net: Our pursuit of a fair and inclusive society with social mobility and personal responsibility has long been an objective of various PNM administrations. By international standards, we have had outstanding success with programmes and policies designed to protect the disadvantaged and the most vulnerable in our society. We wish to ensure that these programmes remain effective and relevant. We will thus review our social sector programmes in consultation with civil society to ensure that they are channelled to those who need them the most.

Madam Speaker, people with disabilities are constantly constrained from participating in and benefiting from our growing economy. We will create a more inclusive society for persons with disabilities. They will enjoy equal opportunities through an empowered life with dignity. We will undertake substantive action to meet our obligations under the relevant conventions approved by the United Nations. In consultation with people with disabilities, we will immediately undertake a review of all projects and services directed to that community.

Institutional Strengthening—Review Authority: Madam Speaker, revenue administrations must be effective and fair in the collection of taxes. They build trust between Government and the citizens. Revenue administrations through which the tax collection activities of both the Customs and Excise and the Inland Revenue are merged, are well-established in advanced, emerging and developing countries. The previous PNM administration had established the machinery for establishing a Revenue Authority for mobilizing fair and equitable non-energy taxes for a modern economy. The Revenue Authority would have enhanced tax administration and generate additional revenue and jobs estimated at 5 per cent of GDP, or an additional \$8 billion. In addition, an equitable, fair and transparent property tax regime was at an advanced stage of implementation. We were putting our revenue collection on a stable basis including building into the revenue system a resilience to counter the volatile nature of our energy revenues.

Madam Speaker, the previous administration not only abandoned the Revenue Authority, but also deferred the payment of all property taxes resulting in a loss of revenue to Trinidad and Tobago of at least \$1 billion during their tenure. Yet again, another important source for revenue was lost.

Statistical Institute: Madam Speaker, it cannot be disputed that our Central Statistical Office has been severely neglected and even more so in the last five years. The international rating agencies and the multilateral lending institutions have all commented on the paucity of accurate statistical data in Trinidad and Tobago. In

fact, Moody's Investor Services cited poor statistical data as one of the reasons for the downgrade of our country's credit rating under the previous Government. It goes without saying that it is virtually impossible to derive informed policy decisions without accurate statistical data. In recent years there has been a lot of scepticism on the authenticity of the statistics produced. This has led to a loss of confidence both domestically and internationally in the analysis and issuance of various social and economic data.

As a result, I wish to assure this honourable House that we will take the necessary steps to correct this travesty. We will bring to the Parliament in the new fiscal year legislation to establish an independent statistical institution. [*Desk thumping*] The board of this institute will comprise persons drawn from the public sector, the Central Bank, the universities and the private sector. We expect this institute to restore the confidence of all stakeholders in decision-making processes.

General Accounting Office: Madam Speaker, with constrained revenues occurring to the country over the medium-term, our expenditure must be focused to achieve maximum efficiency. For this reason, we propose to institute a general accounting office which will be an independent office of Parliament. This office will maintain a continuous real-time assessment of actual budget performance identifying in the process, divergences which require public attention. [*Desk thumping*]

Procurement: Madam Speaker, allegations of corruption, theft, waste and squandermania in the award of public sector contracts reached a crescendo in Trinidad and Tobago in 2015. This contributed in no small way to the downfall of the last Government. [*Desk thumping*] The previous Government, in its supreme arrogance, spent five years talking loudly about procurement, but, true to form, they ended their tenure without putting new and modern systems for procurement into place. This PNM administration will cut out this cancer of corruption and waste as we fulfil our commitment to the people of Trinidad and Tobago [*Desk thumping*] to implement a modern, transparent and fair public procurement system in 2016. We are already in the process of conducting a review of the existing legislation, and we will table the appropriate amendments and operationalize the new procurement agency in the shortest possible time.

Economic and Financial Management: Madam Speaker, as we move to restore morality and ethical behaviour in public affairs, we will at the same time create the conditions for reviving growth and putting the economy on a sustainable and higher growth path. To facilitate this process in a long-term framework, we will

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re-task the Economic Development Board with key mandates to develop and maintain dialogue with the Government, the private sector and the labour movement with a view to establishing long-term economic and social goals for the economy, and to develop maintain an economic and financial plan with alternate financial and investment scenarios in a long-term framework.

Public Sector Investment Programme: Madam Speaker, our capital investment programme for fiscal 2016 has been reduced to \$7 billion, or by 14 per cent from fiscal 2015 in the exercise of our commitment to fiscal prudence. We have reprioritized, refocused and, where necessary, consolidated public investment expenditure towards those areas and activities which will begin to reverse the conditions of economic stagnation experienced over the past five years. We will build on the intrinsic strengths of the economy; we will create the most value in terms of benefits for the population; we will lay a solid foundation for achieving economic and social transformation. In particular, we will prioritize ongoing projects which are expected to be completed or significantly advanced in 2015 and loan-funded projects and projects with contractual obligations.

Public/Private Partnerships: Madam Speaker, public/private partnerships have evolved in both advanced and developing countries as a robust approach for the delivery of infrastructure services and for catalysing growth and development. Trinidad and Tobago is already utilizing public/private partnerships to deliver public infrastructure services in some areas of the economy, including health, education and ICT.

Technical capabilities are being built in the Ministry of Finance and in a number of other Ministries. We will continue to use this model of development as we establish long-term contracts with investors to deliver much needed infrastructure.

Transportation: Madam Speaker, modern and strategically-planned transportation is essential for the future of Trinidad and Tobago. Traffic gridlock is one of the most serious problems in Trinidad and Tobago today, and among other things in order to resolve this problem, we plan to remove all traffic lights from Port of Spain to Sangre Grande by constructing overpasses and interchanges at strategic locations along the East-West Corridor. [*Desk thumping*] We will also construct ring roads and implement other traffic solutions in built-up areas such as Chaguanas and Sangre Grande in Trinidad, and Scarborough in Tobago. [*Desk thumping*] We believe that transit times in Trinidad and Tobago should be reasonable, comfortable and safe.

Our infrastructure development projects over the next few years would be wide-ranging and will include:

- a national highways grid to improve the connectivity among the communities of Trinidad and Tobago, thereby opening economic space to generate economic opportunities including:
 - the completion of the San Fernando to Point Fortin Highway;
 - the construction of the San Fernando to Mayaro freeway;
 - the construction of the Wallerfield to Manzanilla highway; and
 - the construction of the Port of Spain to Chaguaramas highway or causeway;
- a mass transit system as a high priority which will dramatically improve the quality of life of the travelling public. Discussions have already commenced with the Inter-American Development Bank to explore affordable options for a mass transit system. We expect that before the end of the fiscal year we would have taken the investment decision on this project; [*Desk thumping*]
- a new first-class road between Valencia and Toco will link the new fast ferry port in Toco with the rest of Trinidad. Subsequently, the entire northeast region of Trinidad will become available for new industrial, residential and commercial development;

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- we will construct a first-class road from Princes Town to Moruga where we will build a new and modern fishing port;
- a modern motor vehicle authority will facilitate effective and safe usage of the nation's roadways and highways;
- sea and air transport facilities, including the modernization of the Piarco International Airport and in collaboration with the Tobago House of Assembly, the construction of a new modern airport terminal at Crown Point in Tobago;
- new fast ferries providing adequate levels of service between Trinidad and Tobago;
- a new ferry port in Toco providing a faster alternative sea route from East Trinidad to Tobago; and
- a new container port in Port of Spain. [*Desk thumping*]

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Rural development: Madam Speaker, our road network will open economic space in Trinidad and Tobago providing in the process much-needed connectivity among communities, in particular rural communities. We will set in motion the economic and social forces to build those communities. Policy formulation and direction will be unified under one Ministry to ensure there is coordination of plans, programmes and infrastructure within our rural communities.

Work has already commenced on the design of the new local government framework. In this framework, regional and municipal corporations with appropriate autonomy, through the amendment of the Municipal Corporations Act, will develop and implement their own regional plans. They will do so in a similar manner as the Tobago House of Assembly. These initiatives will be implemented within the framework of national policy. These bodies will have a dedicated source of funding, provided by the Government. We plan to complete this reform process by October 2016.

Environment: Madam Speaker, our nation's natural resources must be conserved for our generation, as well as for future generations. It is imperative that we conserve our land and sea areas, our wildlife and marine species, and our green public spaces. Our natural resources provide great pleasure for our citizens and visitors and represent a unique opportunity to contribute meaningfully to the development of our country.

We will partner with various stakeholders to promote environmental awareness throughout the nation, particularly among our young people especially in rural communities. We will bring to this Parliament legislation relating to the preservation and the enhancement of the environment, in particular initiatives which will reduce the carbon footprint in Trinidad and Tobago.

Labour: Madam Speaker, we have had a long and proud history of collaboration with the labour movement. We have fostered their active participation in Parliament. We have placed labour representatives on the boards of state enterprises. In this confidence-building exercise, the Government and employers in the private sector will co-ordinate their efforts for adopting common approaches for reviving our economy.

A peaceful, competitive and productive industrial relations climate is the prerequisite for this country to improve its efficiency and effectiveness. We have been deepening and strengthening our relationship with labour and we will undertake a comprehensive review of all labour legislation, including the Industrial Relations Act and the Retrenchment and Severance Benefits Act. This review will be coordinated with the trade union movement and the business community. [*Desk thumping*]

Madam Speaker, following our budget theme, we will establish a line of communication with the labour movement with a view to regular dialogue, consultation and interaction on all areas of policy plans, projects and programmes affecting the rights of workers and labour in general. We will strengthen this collaboration through a tripartite engagement between the Government, labour and the employer.

Madam Speaker, I now turn to foreign exchange. Let me take a drink for that.

Mr. Deyalsingh: “Dem doh need none. Dem doh need none.”

Hon. C. Imbert: Madam Speaker, rebuilding confidence in the management of the foreign exchange market represents a central thrust as we revitalize our national economy. The current situation is untenable and has contributed to great uncertainty and capital flight. We have been in discussions with the Central Bank of Trinidad and Tobago which has agreed on a collaborative effort for restoring confidence in the national economy.

As an initial step, the Central Bank in the discharge of its mandate for the management of the foreign exchange market, will be requested to re-establish the foreign exchange distribution system which existed prior to 2014. [*Desk thumping*] The Central Bank will also be requested to clear the backlog of arrears of foreign exchange demand and ensure that legitimate demands for foreign exchange are met, as well as to ensure the stability of the exchange rate. [*Desk thumping*] As a Government, we are committed to ensuring an adequate and efficient supply of foreign exchange to our manufacturers, importers and to the citizenry at large, and we also intend to take the necessary steps to protect our exchange rate from external pressures.

Clico: Madam Speaker, on demitting office in 2010, the previous PNM administration had finalized a structured Clico resolution payment plan which had the support of all stakeholders. The previous administration abandoned this plan and the matter subsequently became embroiled in controversy. By 2015, the Clico plan had mutated through a number of complex mechanisms, including legislation which has been challenged in the High Court, with the final settlement to several policyholders still largely undetermined and litigation by some of the affected groups reaching all the way to the Privy Council. This PNM administration, therefore, will make our best effort to bring this matter to an amicable conclusion, in the interest of all concerned and the country at large. [*Desk thumping*]

Legislation: Madam Speaker, many of our financial institutions are still governed by pieces of legislation which are inadequate to our contemporary needs. To date, many pieces of legislation in the financial sector, in particular, have not been

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reviewed with a view to updating the regulations governing the sector. This presents considerable risks to participants in the sector and we consider this to be unacceptable. We will correct this anomaly as a matter of priority.

This will include the Insurance Bill and the Credit Union Bill which are vital to promoting good governance in the financial sector and will be laid in Parliament shortly. We will also review other pieces of legislation, including the Securities Exchange Commission, the Financial Intelligence Unit and the Central Bank Act to align them with international best practice. We will bring to Parliament this fiscal year our full legislative agenda. [*Desk thumping*]

Tobago: Madam Speaker, I wish to address matters relating to Tobago at this time. Consistent with the provisions of the Tobago House of Assembly Act, the required budget documentation was transmitted by the Assembly. The proposals contained in the documentation, in particular the developmental needs of Tobago, were further advanced and clarified by the Chief Secretary, the hon. Orville London, during the course of a very purposeful meeting which I had with him and his colleagues. I am also grateful for the thoughtful and valuable views expressed by the Secretary of Finance and Enterprise Development, hon. Joel Jack.

The development needs of Tobago will be guided by the Tobago Comprehensive Economic Development Plan, developed by the Assembly, which sets out a road map for the development of the island. Among other things, the plan will ensure that:

- the tourism sector becomes an important driver in the engine of growth in the national economy. Strong and effective public/private sector partnerships will be encouraged to deliver infrastructure and infrastructure services, with a view in particular of expanding the stock of hotel rooms in Tobago;
- with tourism and transportation being closely linked, the ANR Robinson International Airport will be modernized with the construction of a new terminal. The air and sea transport system will be upgraded and rationalized to facilitate greater alignment between demand and supply and to ensure that congestion, delays and inadequate space and capacity at our air and sea ports that serve Tobago are things of the past;
- economic diversification will continue with the securing of additional anchor tenants at the Cove Eco-Industrial and Business Park; industrial activities at the Cove and other parts of Tobago will be supported by a new cargo port;

- the housing needs of Tobago will be met through an accelerated and adequately-funded housing programme to bridge the gap between demand and supply;
- land titles in Tobago will be regularized;
- an integrated water security and solid waste management programme would be developed and implemented;
- educational infrastructure will be upgraded at all levels; and most importantly,
- Tobago's security apparatus will be strengthened with the construction of new police stations at Old Grange and Roxborough, a new fire station headquarters in Roxborough, a new fire station in Courland. Further, an appropriate local police unit within the Tobago House of Assembly will ensure that Tobago remains a safe place, that is, for the well-being of citizens and visitors alike.

Madam Speaker, for fiscal year 2016, the budgetary allocation for Tobago House of Assembly is \$2.772 billion, of which \$2.345 billion will be for recurrent expenditure, \$404 million for capital expenditure and \$23 million for the Unemployment Relief Programme.

Madam Speaker, this budgetary allocation of \$2.772 billion is equivalent to 4.4 per cent of the national budget. This is significantly above the minimum legal level established by the Dispute Resolution Commission and more in percentage terms than Tobago received under the previous administration. [*Desk thumping*] We do not believe in slavish adherence to the minimum possible allocation to Tobago or to any part of the country for that matter. We believe instead that each area of the country deserves to be treated on its own merit and given the resources it requires and deserves, based on its needs; hence our increased percentage allocation to Tobago in 2016. Other areas in the country will receive similar attention in the future as and when required. In addition, Tobago will receive a further \$1.13 billion in direct expenditure through the central Government. [*Desk thumping*]

I now come to estimates of revenue and expenditure. Madam Speaker, there is no doubt that the Trinidad and Tobago economy needs to embark on a programme of economic adjustment so as to set the stage for sustained growth over the medium term. We also recognize that given economic stagnation over the past few years, five years actually, which seems to have carried over into 2015, too

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large a withdrawal of fiscal stimulus could aggravate the current slowdown in the economy. Madam Speaker, we will bring the Government finances into approximate balance by fiscal year 2018.

For 2016, the Government is aiming to reduce the deficit from \$7 billion, which the previous administration left us, or 4.2 per cent of GDP to \$2.8 billion or an estimated 1.7 per cent of GDP. [*Desk thumping*] The adjustment incorporates a mix of revenue measures of \$5.2 billion or 3.2 per cent of GDP and access to \$13.4 billion or 8.2 per cent of GDP in one-time resources including asset sales. To ease the adjustment burden on the most vulnerable groups, the budget includes an increase in the personal income tax deductions, adjustments to pensions and other benefits for new entrants to the labour market as well as retirees.

The recovery of the economy will depend critically on the reaction of the private sector to the improved business environment and other measures being introduced to ease the labour shortage and improve productivity, and we ask the private sector to partner with the Government, to make its share of the required investment to bring about economic revival.

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Madam Speaker, it must be emphasized that public expenditure rose considerably over the last five years, from \$46.7 billion in 2010, to \$62 billion for fiscal year 2015—an increase of 33 per cent. Madam Speaker, it must be emphasized that public expenditure rose considerably over the last five years, from \$46.7 billion in 2010, to \$62 billion in fiscal year 2015—an increase of 33 per cent. The majority of this expenditure was accounted for by increased personnel expenditure, unsustainable transfers and subsidies and unbridled capital expenditure.

Madam Speaker, for fiscal year 2016, after careful screening and review, we attempted to contain expenditure to \$61.8 billion, the equivalent of the revised estimate for 2015. However, faced with the obligation of payment in 2016, that is the gift they left for us, of public sector arrears of \$5 billion—let me repeat that, faced with the obligation of payment in 2016, of public sector arrears of \$5 billion—we adjusted expenditure downwards by \$3.7 billion, bringing total expenditure for 2016, to \$63 billion, including the \$5 billion in arrears. This, notwithstanding, the estimated current revenue in 2016 has contracted sharply to \$41.6 billion based on current oil and gas price estimates or \$18.7 billion less than the original estimate of revenue in the 2015 budget.

This, notwithstanding, the estimated current revenue in 2016 has contracted sharply to \$41.6 billion based on current oil and gas price estimates or \$18.7 billion less than the original estimate of revenue in the 2015 budget. In these

circumstances, with a pre-adjustment deficit of \$21.4 billion or 13 per cent of GDP, it was incumbent on this administration to initiate the process for re-establishing fiscal discipline.

Dr. Rowley: Repeat that.

Hon. C. Imbert: In these circumstances, with a pre-adjustment deficit of \$21.4 billion, or 13 per cent of GDP, it was incumbent on this administration to initiate the process for re-establishing fiscal discipline. [*Desk thumping*]

Madam Speaker, we have proposed, in March 2016, to review the budgetary measures as part of the normal midyear review, to ensure that we have put in place a comprehensive regime for restoring long-term fiscal deficit.

In the interim, to ensure that the appropriate fiscal stimulus is maintained, the Government proposes to undertake the necessary adjustments to achieve, at minimum, a fiscal balance by fiscal year 2018. In so doing, we have sought to balance the burden of adjustment across all sectors, in order to close the \$21.4 billion gap between current revenue and expenditure in 2016.

Madam Speaker, in the coming fiscal year, we plan to generate a deficit of \$2.8 billion or 1.7 per cent of GDP, significantly lower than the budgeted deficit for the last five years. [*Desk thumping*] To bring our accounts into balance, we would mobilize additional revenue equivalent to \$18.6 billion or 11.4 per cent of GDP.

Madam Speaker, to achieve this we will initiate a reform of the value added tax system, enhance tax collection and compliance, commence the process for reforming the fuel subsidy, increase the business levy, increase the Green Fund levy, phase in a property tax regime and introduce a tax regime for the gaming and gambling industry.

Madam Speaker, these taxation measures are estimated to yield an additional \$5.2 billion and reduce expenditure by \$340 million, by commencing the process for reforming the fuel subsidy. They will be supplemented by a sale of assets programme and the receipt of extraordinary dividends projected to yield a further \$13.4 billion, including partial repayment by Clico relating to the Government's financial support; proceeds from the initial public offer of Trinidad and Tobago NGL Limited; capital repayment from Trinidad Generation Unlimited; dividends from the National Gas Company.

Madam Speaker, these revenue mobilization measures will be supported by a prudent and realistic oil price assumption of US \$45 per barrel, [*Desk thumping*]

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and a mix of gas prices to properly reflect our markets, including Henry Hub of US \$2.75 per mmBtu and Indonesia of US \$8.00 per mmBtu.

It should be noted, Madam Speaker, that the Government is utilizing an oil price assumption of US \$45 per barrel for 2016 for our reference crudes, in the context of recent projections by the International Monetary Fund and the Energy Information Administration of the USA of annual prices of oil per barrel for 2016 between US \$50.40 and US \$53.57 per barrel, respectively. We have thus factored in what we consider to be a reasonable cushion of US \$5 to US \$8 per barrel to cover us in the event of another oil shock.

Madam Speaker, based on those assumptions we are projecting the following: total revenue, \$60.287 billion; oil revenue, \$5.449 billion; non-oil revenue, \$54.838 billion; total expenditure net of capital repayments and sinking fund contributions, \$63.048 billion.

Madam Speaker, we are balancing the need to ensure that the economy has sufficient stimulus for revival with the need to restoring discipline in the medium-term fiscal framework. This is a challenge in the context of the relatively low oil and gas prices as well as the current stagnation in our economic growth.

I propose to set in motion the achievement of a sustainable fiscal balance. I will commence this process in fiscal year 2016, with a moderate budget deficit equivalent of 1.7 per cent of GDP and continue the fiscal consolidation process to achieve a broadly balanced budget by fiscal year 2018. It is noteworthy that in the last fiscal year, under the last Government, the revised deficit was \$7 billion or 4.2 per cent of GDP.

Consistent with our policies, I have made appropriate allocations to the various sectors, which are not now fully comparable with the allocations in fiscal 2015, in light of the realignment of ministerial portfolios. As you know, Madam Speaker, we have reduced from 33 to 23 Ministries. So we have taken the allocations and put them together.

For national security, the allocation in all, in toto, is \$10.81 billion; for education and training, \$9.763 billion; for health, \$6.088 billion; for public utilities, \$4.452 billion; for local government, \$2.272 billion; for works and infrastructure, \$1.915 billion; for housing, \$1.663 billion; transport, \$1.563 billion; and agriculture, \$.8 billion or \$831 million.

Fiscal and other measures: Madam Speaker, I shall now present the budget proposals for fiscal year 2016. Madam Speaker, the PNM Government is a responsible Government.

I start with personal deductions from annual emolument income. Consistent with our 2015 election manifesto promise, I propose to provide relief to working families by increasing the personal income tax exemption limit from \$60,000 to \$72,000 a year. [*Desk thumping*] All taxpayers earning \$6,000 a month or less will now be exempt from tax and will not be required to file tax returns. [*Desk thumping*] This will put additional income into the pockets of these individuals by reducing personal tax revenue by \$250 million. This measure will take effect on January 01, 2016.

Business Fund Levy: Madam Speaker, in order to spread the burden of adjustment across the society, I propose to increase the business levy from 0.2 per cent per quarter to 0.6 per cent per quarter. This measure will increase revenue by \$327 million and will take effect from January 01, 2016. [*Desk thumping*]

Green Fund: Madam Speaker, for similar reasons I propose to increase the rate of contribution to the Green Fund from 0.1 per cent to 0.3 per cent per quarter. This measure will increase revenue by \$544 million and will take effect on January 01, 2016. [*Desk thumping*]

Value added tax: Madam Speaker, the base and efficiency of the value added tax regime have been consistently eroded since its establishment in 1990. I propose to improve efficiency in collection and to broaden the base by reviewing and adjusting exemptions and zero-rated items, which are associated with non-essential or luxury items and which are not critically important to the livelihood and basic cost of living of our citizens. And, having done that, consistent with our 2015 election manifesto, I propose to reduce the value added tax rate from 15 per cent to 12.5 per cent. [*Desk thumping*] The combination of widening the base, reforming the system, increasing collection and compliance and reducing the rate, is expected to yield additional revenue of approximately \$4 billion.

Further, for better administrative efficiency, I also propose to increase the threshold for value added tax registration from \$360,000 per year to \$500,000 per year. These measures will take effect on January 01, 2016.

The Revenue Authority: Madam Speaker, revenue authorities have been proven to be extremely efficient in the collection of public revenue. It was unfortunate in 2010, when the then administration had decided to put an end to the Trinidad and Tobago Revenue Authority, although technical and administrative work was in an advanced stage of finalization. We will restart the process for re-establishing the platform for a revenue authority in the country. [*Desk thumping*] It is expected that the authority will be in place by the end of the

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new fiscal year. Coincidentally, the pre-budget bulletin issued by the local office of one of the leading international accounting firms has identified the improvement in tax administration as having the potential to yield additional revenue in excess of \$5 billion.

Property tax: Madam Speaker, we remain convinced that property tax is a modern and fair tax, which is generally paid in all advanced, emerging and developing countries. The pre-budget bulletin issued by the local office of one of the leading international accounting firms points to two studies undertaken by the OECD in 2008 and 2010, which concluded that recurrent property tax had the least harmful effect on the economy and was the least distortive tax of all taxes, including consumption taxes, personal income tax and corporation tax.

We will, therefore, take steps to amend certain legislative provisions, including the determination of rates and implement the existing Property Tax Act 2009, with a view to having a fair and equitable property tax regime in place by January 01, 2016, using the old levels and old rates as a starting point. Let me repeat that. We will take steps to amend certain legislative provisions, including the determination of rates and implement the existing Property Tax Act 2009, with a view to having a fair and equitable property tax regime in place by January 01, 2016, using the old levels and the old rates as a starting point. To ensure that no one in need is adversely affected, there would be special provisions to ensure that the elderly and the indigent with low fixed incomes are not disadvantaged, wherever they may reside. [*Desk thumping*]

3.15 p.m.

Transfer Pricing: Madam Speaker, we intend to secure our revenue base. A significant leakage in our revenue stream is our inability to capture the full potential of the tax liability of foreign branches of multinational corporations operating in Trinidad and Tobago.

A majority of the volume and value of global trade in goods and services is transacted through branches and subsidiaries of multinational corporations. Intra-group trade poses significant challenges to taxing authorities as the multinational corporations seek to minimise their global tax liabilities.

Transfer pricing rules with the application of the principle of arm's-length transactions represent modern, fair and transparent practices utilised by taxing authorities. These rules will determine the tax liabilities of branches and subsidiaries of multinational corporations thereby constraining multinational corporations to utilize tax mitigating structures, including moving transactions to lower tax jurisdictions with lower tax rates.

Madam Speaker, almost 100 advanced, emerging and developing countries have adopted the transfer pricing rules based on a model pioneered by the Organization of Economic Corporation and Development, or the OECD. We are advancing work on the introduction of transfer pricing legislation which will represent another mechanism in our thrust to optimize our tax revenue.

Gambling and Gaming: Madam Speaker, [*Laughter*] the Government does not receive its fair share of taxes from the gaming sector, despite the size of the industry, the number of people employed, and the amount of revenue generated.

I propose to fast-track the passage of the Gambling (Gaming and Betting) Control Bill, 2015, with appropriate amendments arising from consultation with all stakeholders. These consultations would include the people involved in the industry first and foremost, the law enforcement agencies, faith-based organizations, the churches and other non-governmental organizations which deal with gambling addictions and other negative issues associated with gambling. Following these consultations, we will put in place in 2016 a suitable regulatory system with appropriate controls to address chronic gamblers and other negative issues which affect families and the society at large, but they must pay their tax.

Home and Business Security: Madam Speaker, we believe that every citizen and every business should be encouraged to take an active part in enhancing their own security. Unfortunately, the existing incentives for CCTV and alarm systems have proven to be highly ineffective, with many technical loopholes. I propose to revise immediately the existing technical specifications for these systems to make them practical and workable, so that we can implement an appropriate suite of incentives and concessions to encourage actively citizens to install suitable CCTV and alarm systems in their homes and businesses in 2016.

I now turn to the fuel subsidy. Madam Speaker, the fuel subsidy represented a public policy agenda which passes through, only partially, the price of petroleum products to the national economy. This arrangement has raised a number of economic concerns. It has distorted relative prices, fostered over-consumption and in turn reduced oil exports. It has also spawned smuggling and black-market activities, and expanded a source of pollutants with climate change implications. Very importantly, the subsidies benefit the higher income groups and it is felt that the money spent on fuel subsidies will be better targeted towards specific measures aimed at helping the poor and the indigent.

The annual subsidy payments have been placing consistent and adverse pressures on the fiscal accounts of this country. In the four-year period 2011—2015, the fuel subsidy amounted to a total charge on the public purse of \$19

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billion. Let me just repeat that. In the four-year period 2011—2015, the fuel subsidy amounted to a total charge on the public purse of \$19 billion of taxpayers' money.

In consultation with all affected stakeholders, therefore, we intend to reform the fuel subsidy regime. We will embark on a national dialogue on this issue in the near future.

Madam Speaker, at the present time, even with very low oil prices, the price of super gasoline at the pump in Trinidad and Tobago is currently subsidized by almost 100 per cent. Further, the price of diesel is subsidized by over 200 per cent. In order to initiate the process for a national dialogue on fuel prices, therefore, and to reduce the multibillion-dollar fuel subsidy, I propose to increase the price of super gasoline by just 15 per cent, from \$2.70 per litre to \$3.11 per litre and similarly to increase the price of diesel by approximately 15 per cent, from \$1.50 per litre to \$1.72 per litre. These new prices will take effect immediately and will reduce the annual fuel subsidy by \$340 million. Even with these increased fuel prices, the fuel subsidy in 2016 is still expected to exceed \$1 billion.

NIS and Old Age Pensions: Madam Speaker—[*Interruption*]

Madam Speaker: Order!

Hon. C. Imbert: Yes, thank you, Madam Speaker, they are getting a little restless over there. Our present public sector pension system is outdated. Before demitting office in 2010, the previous PNM administration had made considerable progress, with the assistance of international consultants, in developing a new system of pensions for public servants which took into account the effects of inflation. However, this project was abandoned by the previous administration.

We will revisit this matter as a priority and with the assistance of all stakeholders including the trade union movement and the financial community, we will develop a fair, equitable, modern and sustainable pension system for the public sector. Retirees will no longer have to live on meagre pensions. [*Desk thumping*]

Madam Speaker, in the interim, I propose to strengthen and extend the liability of the National Insurance System to 2036. If this is not done immediately, the National Insurance System will be unable to pay future pensions as was determined by the 9th Actuarial Review of the National Insurance Fund. This review was completed some time ago but for some reason was not laid in this honourable House.

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In keeping with our statutory obligation we will lay, in the shortest possible time, the 9th Actuarial Review of the National Insurance Fund in this honourable House, so that all concerned can appreciate and understand the current situation with respect to the sustainability of our National Insurance System. [*Desk thumping*] Consistent with the 9th Actuarial Review, I will introduce legislation to increase all earnings class limits by 13.5 per cent, with maximum insurable earnings class limit, increasing from \$12,000 to \$13,600. Contribution rates will also be increased from 12 per cent to 13.2 per cent. These adjustments will take effect from July 4, 2016.

In addition, consistent with our 2015 election manifesto promise, I propose to increase the cap on joint incomes received by retirees, in respect of National Insurance and Old Age Pensions. Let me repeat that. Consistent with our 2015 election manifesto promise, I propose to increase the cap on joint incomes received by retirees in respect of National Insurance and Old Age Pensions. [*Desk thumping*] The new cap will now be \$5,000 or an additional \$500 per month which will cost \$160 million and will put more money in the pockets of 88,000 senior citizens. [*Desk thumping*] This measure will take effect on December 1, 2015.

Retirees' Programme: Again, Madam Speaker, consistent with our 2015 election manifesto promise, we will initiate the process for a creation of a Retirees' Benefits Programme that will in the first instance provide free drivers' permits and free passports for retirees over the age of 60, and that is not a misprint; 60. [*Desk thumping*] This measure will take effect on January 1, 2016. Additionally, later in 2016, we will introduce a system of discounts on utility bills for other categories of retirees among other things.

Public Services: Madam Speaker, we are improving and facilitating the delivery of public services, commencing with the reintroduction of a 10-year validity period for passports, for adults over the age of 18, as well as removing the requirement for our citizens to complete immigration forms at all official ports of entry. This measure will take effect on January 1, 2016. [*Desk thumping*] No more immigration forms for our citizens at Piarco.

On the Job Training programme: Madam Speaker, we are ensuring that our young people entering the job market are appropriately compensated. To assist our youth, I propose to increase by 20 per cent, the stipends now paid to On the Job Training (OJT) programme. This measure will cost an additional \$62 million and will take effect from December 1, 2015. [*Desk thumping*]

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Graduate Recruitment Programme: Madam Speaker, in view of the fact that we have so many unemployed or underemployed university graduates in our country today, we are introducing a Graduate Recruitment Programme in 2016, in all 23 Ministries and in Tobago. [*Desk thumping*] In the first instance, I propose to provide \$55 million for the employment of at least 20 such university graduates in each Ministry, and a suitable amount in Tobago or a total of 500 graduates. The programme will be designed to utilise the core competencies of these graduates in their various areas of study. [*Desk thumping*]

Infrastructure Incentives for the Private Sector: Madam Speaker, the present tax incentive framework for the construction of facilities necessary for national development such as affordable housing, recreational, sporting and community facilities and multistorey car parks has proven to be largely ineffective. We need to motivate the private sector to invest in the construction of public facilities, in particular car parks in urban areas, in order to generate employment and economic activity and to provide the much needed public amenities. After consultation with all of the major stakeholders and in particular the construction industry, I propose to introduce a comprehensive and workable tax-incentive framework for such facilities at the time of the mid-year review of the fiscal year 2016 Budget.

Agriculture: Madam Speaker, consistent with our 2015 election manifesto promise, in pursuit of our objective for achieving food security, we will exempt from all, and I mean all, duties and taxes, inputs into the agricultural sector, including approved chemicals—[*Desk thumping*] approved vehicles, approved fishing vessels and equipment. These measures will take effect from January 1, 2016.

Hon. Member: Taxes.

Mr. Deyalsingh: Yeah, but not Porsche, eh? [*Laughter*]

Hon. Member: Repeat the classes and so on.

Hon. C. Imbert: Agriculture: Madam Speaker, consistent with our 2015 election manifesto promise in pursuit of our objective for achieving food security, we will exempt from all duties and taxes various inputs into the agricultural sector, including approved chemicals, pest control, approved vehicle, approved fishing vessels and equipment. These measures will take effect from January 1, 2016. [*Desk thumping*]

The Judiciary: Madam Speaker, in consultation with the Judiciary, we intend to assist the judicial system, initially by providing for the introduction in 2016 of a video-conferencing system at the Remand Yard as well as by implementing a

pilot project in 2016 under which lay magistrates will address minor offences, such as minor traffic [*Desk thumping*] offences, thus reducing the burden on the Magistrates' Court.

Most importantly, Madam Speaker, consistent with our 2015 election manifesto promise to improve the efficiency of the administration of justice, we intend to give the Judiciary the financial autonomy that it has asked for so many years—[*Desk thumping*] coupled with the ability to manage its own resources, projects and programmes, including the responsibility for procurement and construction of judicial facilities. [*Desk thumping*] To achieve this, we intend to engage in detailed consultation with the Judiciary early in 2016, to achieve consensus on practical and workable mechanisms to facilitate this paradigm shift by the end of 2016.

3.30 p.m.

Public/private partnerships: Madam Speaker, public/private partnerships will facilitate the roll out of infrastructure. I have made a provision of \$20 million to support the growth and development of the technical and operational aspects of PPP arrangements.

Trade unions: Madam Speaker, Government will allocate \$15 million in 2016 to assist the labour movement in building capacity and for providing technical and training support to all. [*Desk thumping*] This assistance will be divided between the Joint Trade Union Movement and the National Trade Union Centre.

Madam Speaker, this 2016 budget represents a radical change in the way our national budgets are presented. In previous years, the fiscal measures, the process of formulating the budget and its underlying assumptions, such as the basis for the estimated price of oil, were shrouded in secrecy.

The language of the Budget Statements was couched in a way that made it difficult for the ordinary man to understand. The estimates of revenue and expenditure were presented without proper explanation. The true state of the economy, the extent of borrowings, the real deficit between current revenue and expenditure, our actual cash balances, the extent of the overdraft at the Central Bank, and the fact that we were spending as a country far more than we earned, were all kept hidden from the population.

In this budget, we have put an end to that ill-advised approach. [*Desk thumping*] We have laid bare the true state of the country's finances. We have taken the population into our confidence. We firmly believe that in order to pull ourselves out of the difficulties which the previous administration has put this

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country in through corruption and rampant squandermania, we require the collective efforts of all citizens. [*Desk thumping*] In particular, I call on the private sector and the labour movement to work with the Government to find innovative solutions to our current financial situation, and we will welcome all and any suggestions and recommendations to revive our economy and put us on a sustainable growth path.

As a Government, in the spirit of restoring confidence and rebuilding trust, we pledge to continue to consult with the population at large, civil society and sectoral interest groups, on all matters of national interest, as we move forward. As we said in our recent election campaign, “Let’s Do This Together”. [*Desk thumping*] Madam Speaker, I beg to move. [*Desk thumping*]

Madam Speaker, in accordance with Standing Order 81(4), I wish to advise that debate on the budget will resume on Friday, October 09, 2015 at 10.00 a.m. I beg to move. [*Desk thumping*]

ADJOURNMENT

The Minister of Planning and Development (Hon. Camille Robinson-Regis): Madam Speaker, I beg to move that this House do now adjourn to Friday, October 09, 2015 at 10.00 a.m. Madam Speaker, I would like to indicate to my colleagues opposite that it is the intention of the Government to meet also on Saturday. [*Crosstalk*] We can discuss this further, but it is our intention to meet on Saturday the 10th, also, [*Desk thumping*] and continue on Monday and Tuesday. We are not meeting on Sunday, but we will continue on Monday and Tuesday. [*Crosstalk*] We are now in charge of this House, so we will determine. [*Desk thumping*] So we will meet on Monday and Tuesday and I will discuss with my counterpart.

So, Madam Speaker, I repeat, I beg to move that this House do now adjourn to Friday, October 09, 2015 at 10.00 a.m.

Madam Speaker: Hon. Members [*Crosstalk*]—may we have some order please? Hon. Members, before putting the question on the adjournment, I wish to draw your attention to the provisions of Standing Order 53, in particular 53(1)(e) which says Members:

“(e) shall maintain silence while another Member is speaking...

(f) shall not engage excessively in cross talk...

(g) shall avoid running commentaries when another Member is speaking;”

And also 53(1)(j), Member:

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“(j) shall not use any electronic device in such a manner that in the opinion of the Speaker disturbs the proceedings of the House;”

Further, I am to advise that your packages containing the budget documents are available for collection at the J. Hamilton Maurice Room, located adjacent to this Chamber. Senators who are present are also invited to collect their packages from that room.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 3.37 p.m.