

HOUSE OF REPRESENTATIVES

Wednesday, July 03, 2019

The House met at 1.30 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Madam Speaker: Hon. Members, I have received communication from Mr. Barry Padarath, MP, Member for Princes Town and from Mrs. Christine Newallo-Hosein, MP, Member for Cumuto/Manzanilla, who have requested leave of absence from today's sitting of the House. The leave which the Members seek is granted.

**JOINT SELECT COMMITTEE
(APPOINTMENT OF)**

Madam Speaker: Hon. Members, correspondence has been received from the President of the Senate dated July 03, 2019, which states as follows:

“Dear Speaker,

Re: Establishment of the Joint Select Committee

Reference is made to your letter dated June 28, 2019 on the subject at caption.

I wish to advise that at a Sitting held on Tuesday July 02, 2019, the Senate concurred with the House on the establishment of a Joint Select Committee to consider and report by September 27, 2019 on the Miscellaneous Provisions (Local Government Reform) Bill, 2019, and the following six (6) Members were appointed to serve on the Committee:

1. Mr. Clarence Rambharat
2. Mr. Kazim Hosein

UNREVISED

3. Mr. Garvin Simonette
4. Ms. Khadijah Ameen
5. Mr. Paul Richards
6. Mr. Deeroop Teemal

Accordingly, I respectfully request that the House of Representatives be informed of this decision at the earliest convenience please.

Respectfully,

Senator the Honourable Christine Kangaloo

President of the Senate”

PAPERS LAID

1. Audited Financial Statements of Trinidad Nitrogen Company Limited for the financial year ended December 31, 2018. [*The Minister of Finance (Hon. Colm Imbert)*]
2. Consolidated Financial Statements of Trinidad and Tobago National Petroleum Marketing Company Limited and its Subsidiaries for the financial year ended March 31, 2018. [*Hon. C. Imbert*]
Papers 1 and 2 to be referred to the Public Accounts (Enterprises) Committee.
3. Audited Financial Statements of the Deposit Insurance Corporation for the year ended September 30, 2017. [*Hon. C. Imbert*]
4. Audited Financial Statements of the Deposit Insurance Corporation for the year ended September 30, 2018. [*Hon. C. Imbert*]
Papers 3 and 4 to be referred to the Public Accounts Committee.
5. Administrative Report of the University of Trinidad and Tobago for the period October 2015 to September 2016. [*The Minister of Education (Hon. Anthony Garcia)*]

JOINT SELECT COMMITTEE REPORTS
(Presentation)

Brig. Gen. Ancil Antoine (*D'Abadie/O'Meara*): Madam Speaker. I have the honour to present the following reports:

State Enterprises

Lake Asphalt of Trinidad and Tobago (1978) Limited

Tenth Report of the Joint Select Committee on State Enterprises on an Inquiry into the Operations of Lake Asphalt of Trinidad and Tobago (1978) Limited and to determine its effectiveness at fulfilling its mandate.

National Flour Mills (NFM)

Eleventh Report of the Joint Select Committee on State Enterprises on an Inquiry into the operations of National Flour Mills (NFM) including the Company's role in the processing of rice for local farmers.

Cybercrime Bill, 2017

The Attorney General (Hon. Faris Al-Rawi): Madam Speaker, I have the honour to present:

Third Interim Report of the Joint Select Committee appointed to consider and report on the Cybercrime Bill, 2017 in the Fourth Session, Eleventh Parliament.

Gambling (Gaming and Betting) Control Bill, 2016

The Minister of Finance (Hon. Colm Imbert): Madam Speaker, I have the honour to present:

Second Interim Report of the Joint Select Committee appointed to consider and report on the Gambling (Gaming and Betting) Control Bill, 2016 in the Fourth Session, Eleventh Parliament.

URGENT QUESTION**Reforestation Programme Workers
(Disbursement of Salaries)**

Mr. David Lee (*Pointe-a-Pierre*): Thank you, Madam Speaker. On behalf of the Member for Oropouche West to the Minister of Agriculture, Land and Fisheries: With regard to reports indicating that workers of the Reforestation Programme have not been issued salaries for the past three months, could the Minister indicate when funds would be made available for the disbursement of salaries to said workers?

Madam Speaker: Minister of Agriculture, Land and Fisheries.

The Minister of Planning and Development (Hon. Camille Robinson-Regis): Madam Speaker, on behalf of the Minister of Agriculture, Land and Fisheries, the Ministry of Agriculture, Land and Fisheries has requested funding to pay reforestation workers, and the Ministry of Finance is currently working on the approval for the release of funds. The Ministry has in the interim processed all the pay sheets from contractors, and is in a position to process payments to the various bank accounts once the approval is given by the Ministry of Finance.

Madam Speaker: Member for Naparima.

Mr. Charles: Could the Minister state what is the reason for the delay in payment and why after three months, we are now getting into a situation where the Minister of Finance has to—

Madam Speaker: So the question is what is the reason?

Mr. Charles: Yes, what is the reason for the delay?

Madam Speaker: Minister.

Hon. C. Robinson-Regis: Thank you very kindly. Madam Speaker, the documentary approval for this was sent to the Ministry of Finance later than usual, because we had to check to make sure all the elements necessary for us to gain

approval were in place and we have since sent through the documents—

Mr. Charles: And we have a lot of ghosts.

Hon. C. Robinson-Regis:—and what we have found is that there are so-called “ghost” workers in that, who contractors have hired or ostensibly hired, and we had to make sure that the persons who are listed are in fact the persons who are working, and a lot of this took place before 2015 and we are trying to make sure that we rectify this. [*Crosstalk*]

Madam Speaker: Supplemental, Member for Pointe-a-Pierre.

Mr. Lee: Thank you, Madam Speaker. Supplemental to the Minister who responded. Minister, you just mentioned this question is about three months. What were the issues related to these workers prior to this, did they have any ghost issues that you just referred to?

Hon. C. Robinson-Regis: Yes, as a matter of fact, that has been the situation that has troubled this particular programme in the Ministry of Agriculture, Land and Fisheries. For quite an inordinate length of time, and as a consequence of that, what the Ministry has been doing is making sure that the contractors have in fact hired the persons who they say they have hired and consequently that is why we have been doing this audit.

Mr. Imbert: A set of UNC ghosts.

ANSWERS TO QUESTIONS

Madam Speaker: Leader of the House.

The Minister of Planning and Development (Hon. Camille Robinson-Regis): Thank you very kindly, Madam Speaker. Madam Speaker, there is one question which we will be answering. There is one written question and we are asking for a two-week deferral for this question, and this is question 233.

Madam Speaker: So the deferral is granted in respect to the written question,

question 233 and I now call upon the Member for Chaguanas East.

ORAL ANSWER TO QUESTION

Government Ministries (Number of Vacancies)

179. Mr. Fazal Karim (*Chaguanas East*) asked the hon. Minister of Public Administration:

Further to the response to House of Representatives Question No. 145 on July 01, 2017, could the Minister provide:

- a) the number of vacancies in the permanent establishment in each Ministry from March 01, 2016 to March 31, 2019; and
- b) the number of vacant contract positions in each Ministry from September 2015 to March 31, 2019?

Madam Speaker: Minister of Public Administration.

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Madam Speaker, on behalf of the Minister of Public Administration, based on information collected by the Ministry of Public Administration from 22 Ministries:

- a) the number of vacancies on the permanent establishment as at March 2019, was 6,505 persons; and
- b) the number of vacant contract positions as at March 2019, was 6,517 vacancies.

Thank you Madam Speaker.

Madam Speaker: Member for Chaguanas East, supplemental.

Mr. Karim: Thank you very much, Madam Speaker. Hon. Minister, would you be inclined to supply in writing the details of this on an annual basis?

Madam Speaker: Member for Chaguanas East, I will not allow that as a supplemental question. Member for Caroni East.

Dr. Gopeesingh: Hon. Minister, would there be any attempt by the Ministry of

Education to fill particularly the permanent positions and if so, when? Well, one question, sorry.

Madam Speaker: One question, would there be any attempt. Minister.

Hon. C. Robinson-Regis: Sorry, Madam. At the Ministry of Education?

Dr. Gopeesingh: No, Public Administration.

Hon. C. Robinson-Regis: But you said Education.

Dr. Gopeesingh: I am sorry, the Ministry of Public Administration—to fill these permanent positions?

Madam Speaker: Minister.

Hon. C. Robinson-Regis: Madam Speaker, the Ministry of Public Administration is always working with the DPA to fill vacancies and this is an ongoing process.

PERSONAL EXPLANATION

(Dr. Roodal Moonilal)

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Madam Speaker, has the Member for Oropouche submitted an apology to you based on the decision—the Member for Oropouche East—based on the decision of this House under the heading Personal Explanations?

Madam Speaker: Hon. Members, I am to advise that I am still awaiting the apology from the Member for Oropouche East in accordance with the will as expressed by this honourable House. I do report that at around 11.33 today, I received a letter under the hand of the Member which states in part and I quote:

“Today I cannot accept the invitation to again apologize in the manner as recommended by the illegal committee.”

Hon. C. Robinson-Regis: Madam Speaker. [*Crosstalk*] Madam Speaker. Madam Speaker.

Madam Speaker: Leader of the House.

Hon. C. Robinson-Regis: Thank you kindly, Madam Speaker. Madam Speaker,

therefore in accordance with Standing Order 38(1) move that this Member be not recognized by this House until he apologizes to this House pursuant to the decision of this House. [*Desk thumping*]

Question put.

Hon. Member: Division.

The House divided: Ayes 18 Noes 11

AYES

Robinson-Regis, Hon. C.

Imbert, Hon. C.

Al-Rawi, Hon. F.

Young, Hon. S.

Deyalsingh, Hon. T.

Hinds, Hon. F.

Mitchell, Hon. R.

Garcia, Hon. A.

Forde, E.

Dillon, Hon. Maj. Gen. E.

Webster-Roy, Hon. A.

Gadsby-Dolly, Hon. Dr. N.

Francis, Hon. Dr. L.

Jennings-Smith, Mrs. G.

Olivierre, Ms. N.

Antoine, Brig. Gen. A.

Leonce, Mr. A.

Smith, Mr. D.

NOES

Personal Explanation

2019.07.03

Lee, Mr. D.

Charles, Mr. R.

Karim, Mr. F.

Tewarie, Dr. B.

Moonilal, Dr. R.

Gopeesingh, Dr. T.

Indarsingh, Mr. R.

Khan, Dr. F.

Bodoe, Dr. L.

Ramdial, Ms. R.

Singh, Mr. G.

Question agreed to.

1.45 p.m.

**JOINT SELECT COMMITTEES REPORTS
(Extension of Time)**

Cybercrime Bill, 2017

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Thank you very kindly, Madam Speaker. Having regard to the Third Interim Report of the Joint Select Committee appointed to consider and report on the Cybercrime Bill, 2017, I beg to move that the committee be allowed an extension of three months in order to complete its work and submit a final report by September 28, 2019.

Question put and agreed to.

Gambling (Gaming and Betting) Control Bill, 2016

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Thank you very kindly, Madam Speaker. Madam Speaker, having regard to the Second Interim Report of the Joint Select Committee appointed to consider and

report on the Gambling (Gaming and Betting) Control Bill, 2016, I beg to move that the committee be allowed an extension of 14 weeks in order to complete its work and submit a final report by September 09, 2019.

Question put and agreed to.

**JOINT SELECT COMMITTEE REPORT
(Adoption of)**

Trinidad and Tobago Revenue Authority Bill, 2018

The Minister of Finance and Acting Prime Minister (Hon. Colm Imbert):

Thank you very much, Madam Speaker. I beg to move the following Motion standing in my name:

Be it resolved that this House adopt the Report of Joint Select Committee appointed to consider and report on the Trinidad and Tobago Revenue Authority Bill, 2018.

Madam Speaker, I have in my possession the report of the Joint Select Committee on the Revenue Authority Bill and this committee was established in September 2018 and originally required to report by December 2018. The membership included myself as Chairman, the Attorney General, Mr. Al-Rawi, Mr. Deyalsingh, Mr. Leonce, Mr. Padarath, Mr. Indarsingh; and from the other place: Mr. Khan, Ms. West, Mr. Le Hunte, Mr. Mark, Ms. Deonarine and Mr. Teemal. The committee had 13 meetings and this was actually a carry-over from the previous session of Parliament, the Third Session. In the Third Session, we had six meetings; and in the Fourth Session, we had seven meetings. We had a total of 13 meetings on this Bill.

We agreed, at our first meeting, to issue invitations to a number of stakeholders including the Inland Revenue Division, the Customs and Excise Division, the Central Bank, the Personnel Department, the Public Services

Association, the Public Service Commission, the Financial Intelligence Unit, the Custom Clerks and Custom Brokers, the Institute of Chartered Accountants, the University of the West Indies, the Trinidad and Tobago Manufacturing Association, all Chambers of Commerce, the National Union of Government and Federated Workers, the National Trade Union Centre, Federation of Independent Trade Unions and NGOs, [*Crosstalk*] the Law Association, the Tobago House of Assembly. [*Continuous crosstalk*] I am going through—Madam Speaker, although we are not recognizing a particular individual, he is making a lot of noise, [*Crosstalk*] disturbing me. He is disturbing me.

I am listing all of these, the names of all these organizations to show that the examination of this Bill was very comprehensive and we went through a very thorough process to receive comments from stakeholders and to interrogate these stakeholders. [*Crosstalk*] Madam Speaker, really this is difficult.

Madam Speaker: I will just remind all Members of Standing Order 53 with respect to crosstalk and Members will listen in silence unless they are making their contribution. Minister of Finance.

Hon. C. Imbert: Thank you, Madam Speaker. We received written submissions from the following: Inland Revenue Division, Customs and Excise Division, Central Bank, Financial Intelligence Unit, Customs Clerks and Customs Brokers, Institute of Chartered Accountants, National Union of Government and Federated Workers, Service Commissions, American Chamber of Commerce, the Couva/Point Lisas Chamber of Commerce, Energy Chamber, Tobago House of Assembly, University of the West Indies and the Joint Trade Union Movement. So that, all told, we received 12 submissions from the public.

In the meetings that followed the first meeting, the committee undertook a preliminary review of the various stakeholder submissions and then we

commenced the interrogation and interview of the various stakeholders and we met with the following: Customs Clerks and Customs Brokers, Financial Intelligence Unit, American Chamber of Commerce, Public Services Association, National Union of Government and Federated Workers, National Trade Union Centre, Joint Trade Union Movement—sorry, we agreed to invite the following entities: the PSA, NUGFW, NATUC, JTUM. We held stakeholder consultations having invited these entities, all trade union bodies. We held consultations with the Public Services Association, with National Union of Government and Federated Workers and the National Trade Union Centre. JTUM and FITUN were unable to attend but they asked for an opportunity to make a written submission.

At the fourth meeting, we consulted with the Tobago House of Assembly, the Service Commissions Department, the Central Bank of Trinidad and Tobago, Institute of Chartered Accountants, the Energy Chamber, the Couva/Point Lisas Chamber of Commerce. We then did the clause by clause examination of the Bill. We completed it. We reviewed a proposed list of amendments and we approved the final report. The report has been circulated to all Members. [*Crosstalk*] Yes, it is a significant report because it is a significant matter and I just want to re-emphasize that we went through a very thorough and rigorous process of soliciting stakeholder views on this very, very important matter which has profound implications for the economy of Trinidad and Tobago.

We received a Minority Report dated May 13th and in that Minority Report, the Members of the Opposition disagreed with the views of the majority of the committee on a number of grounds. The first one is very difficult to interpret, I am not sure exactly what they mean. It is really not substantial. It says:

- “1) The Parliament should never become the rubberstamp of the Executive arm of the State...”

I do not understand what that means.

- “2) The policy...is designed to outsource to a government owned statutory...”—body—“the tasks of collecting some 95 percent of government revenues...”

That is standard in all the 60 countries that have revenue authorities so I do not understand that problem.

- “3) The erosion of tenure of security granted under the Constitution to some 2,175 employees located at...Customs and Excise...and...Board of Inland Revenue would be subverted...”

This was done for TTPost under a previous UNC Government so I do not understand that problem either.

- “4) The complete politicization of the Revenue Authority through the political appointment of the Chairman and the Directors of the Board...”—of the—“Authority...”

The Chairman on boards of statutory authorities is always appointed by the Executive, except in few exceptions such as service commissions and so on. So I do not understand that objection.

There was an argument that the existing trade unions should be granted successorship and then there was an allegation that the Bill collides with the provisions of the Exchequer and Audit Act; do not quite understand that either, that is not correct. And there was a statement that the Public Service Commission is being deliberately dismantled by the Executive. That is not a valid comment. And then another argument was that there was no evidence or data presented to justify or support the arguments that the new Government model would generate greater levels of efficiency.

Well, Madam Speaker, I can report to this House that the Government of

Trinidad and Tobago under this administration, under this Minister of Finance, has over the last three years done quite a lot of expert study of governance structures within the Ministry of Finance and also issues with respect to the efficiency of tax collection, and we have sought to determine ways and means of improving tax collection. Because one of the problems that we have in this country, Madam Speaker, is that the previous administration had carried expenditure up to unsustainable levels. They had taken expenditure up to \$63 billion per year from a level of \$46 billion per year under the People's National Movement in 2010. That \$63 billion was totally unsustainable and even more so today, with depressed oil prices and depressed gas prices.

We have been able in this administration to increase revenue from \$37 billion to \$47 billion per annum but it still takes us nowhere close to the budgetary figure of \$51 billion to \$52 billion and certainly, it is a huge distance away from the levels to which the previous Government had taken expenditure in this country, up to \$63 billion. We have been able in this administration to reduce expenditure by some 20 per cent, from \$63 billion down to \$51 billion, a fact that has not gone unnoticed by the various international agencies and bodies around the world, by the International Monetary Fund, by the World Bank, by the various credit rating agencies. In fact, in its latest report, Moody's, in affirming our stable outlook and our credit rating, made the point that this Government had been able to reduce expenditure by some 20 per cent from the 2014 figures. However, there is still a significant gap between what our level of expenditure should be and what our revenue collection is at this point in time.

There is absolutely no doubt, Madam Speaker, that the current systems for revenue collection are archaic, obsolete, inflexible and grossly inefficient. And one of the studies that we, in the Ministry of Finance, commissioned was an

analysis of what they call the value added tax gap and we went to the Fiscal Affairs Department of the International Monetary Fund, which is a technical support department. As I have said before, the IMF is not simply an agency that inflicts pain on countries. It also has thousands of expert consultants available to it around the world that can assist countries in dealing with fiscal consolidation and revenue collection and tax administration.

And we received just two weeks ago, the final draft of a report entitled: Revenue Administration - Gap Analysis Value-Added Tax Gap by three world experts in tax administration, Madam Speaker. In this document, on page 22 of this document, the IMF has done very rigorous analysis of the transactions in Trinidad and Tobago that should attract VAT. So what the IMF has done is looked at all of the sales transactions that take place and done an analysis to determine what our VAT collection should be if we were collecting 100 per cent of the value added tax that should be imposed on all sales of goods and services in Trinidad and Tobago. And what the experts of the IMF have determined is that the value added tax gap in Trinidad and Tobago is fluctuating around the level of approximately 5 per cent of GDP, and that equates, with our current GDP being approximately TT \$160 billion, 5 per cent of GDP would approximate to approximately \$8 billion per year is the VAT that the Government is not collecting at this point in time, \$8 billion.

Now, the VAT gap is comprised of two components: a policy gap—and I will explain what that means shortly—and a compliance gap. The policy gap is the exemptions. So that over the years from 1990 when VAT was introduced, various governments have created exemptions with respect to VAT. We had returned the value added tax system in 2016 back to the 1990 original basis of basic food items and basic necessities. That was the original intent of VAT in 1990 when it was

introduced, that exemptions would only apply to basic food items and basic necessities. But over the years, various administrations have tinkered with that and had got to a point where there were some 7,000 items that were exempt from VAT, and that significantly eroded the VAT tax base.

But having returned the value added tax list of exemptions back to the original 1990 philosophy of basic items, you still have a VAT policy gap that is a little over 3 per cent of VAT. So we are giving up about \$5 billion in VAT, a little over \$5 billion in VAT every year because of policy, because we exempt basic food items and other basic necessities from VAT, and that is not something that can easily be adjusted because we have returned the VAT system to its original moorings, which is to apply VAT to virtually everything with the exception of basic necessities, basic food items and so on. So that would have to be a policy decision of any Government to decide whether you would want to eliminate further items from that list of exemptions or whether you would want to maintain it so. It is not our intention at this point in time to interfere with that, so that exemptions will remain as they are with respect to basic food items and basic necessities.

However, the other part of that \$8 billion is what is called VAT compliance. So you have about 3.2 to 3.3 per cent of GDP, which is over \$5 billion, is the policy gap. The compliance gap is about 1.8 per cent of GDP. So, when you do the maths, it is about \$2.5 billion to \$3 billion of collections that we are not collecting in Trinidad and Tobago in terms of value added tax. It is a significant sum. Madam Speaker, \$2.5 billion to \$3 billion are not being collected in Trinidad and Tobago because of tax avoidance and tax evasion. So, let me go through the numbers again. The experts have determined that if you applied VAT to every single item in Trinidad and Tobago, every single item and you then work out the amount of VAT that we should be collecting, there is a gap between what we

should be collecting and what we are actually collecting of \$8 billion. Of that \$8 billion, approximately five is a policy decision of the Government not to collect VAT on basic food items and so on. The remaining \$3 billion is VAT that should be collected but it is not being collected because of weaknesses of the administration, lack of enforcement, corruption, tax evasion, tax avoidance, and essentially, weaknesses in the tax administration system.

If a revenue authority, a semi-autonomous revenue authority, could just collect half of that, the Government of Trinidad and Tobago would immediately increase its revenue collection by as much as one and a half billion dollars per year, which is a significant sum, and would go a long way to dealing with many of the requirements and the demands of our citizens. So for just in terms of the VAT gap alone, as far as I am concerned, Madam Speaker, there is sufficient justification for the improvement in our revenue collection system.

The question has been asked: Why should we have a Trinidad and Tobago Revenue Authority? The Government also sought assistance from a research entity, again, from the IMF called CARTAC, and as I have said before and I will say again, CARTAC is the Caribbean Regional Technical Assistance Centre of the IMF. There are technical assistance departments in various regions of the world. There are technical assistance departments in Europe, in Asia and so on, Latin America and there is one in the Caribbean called CARTAC. It is a technical assistance advisory unit or department of the IMF. CARTAC took a good look at our revenue system and concluded that our tax collection system is highly inefficient.

One of the biggest problems in our tax collection system is the inability to recruit, retain, and compensate staff appropriately. This has resulted in a perennially high number of vacant positions, inadequate budgets for the Inland

Revenue Division have exacerbated this situation and allegations of extensive corruption have perennially dogged our organizations, Madam Speaker. This is contained in a paper from the IMF Fiscal Affairs Division entitled *Strengthening Institutional Arrangements and Corporations*, November 2016.

So what is the rationale for the Trinidad and Tobago Revenue Authority? It is argued that an autonomous agency unfettered by the strictures of the public service can far more effectively focus on its efforts on the task of revenue collection. It can manage its affairs in a more business-like manner. Without the hindrances of the public service system, it can recruit, retain, discipline and motivate staff to a higher level of performance.

And, Madam Speaker, I have seen governments come and governments go. I myself have been in this Parliament now for over 27 years. Every single year in those 27 years, Madam Speaker, when one looks at the vacancies—just today, you had a question. How many vacancies are there in the public service? We were told 6,000. Every year for the last 27 and a half years, there is a recurring decimal that in major important areas of the Government and the public service, they suffer from chronic vacancies, and the vacancies in the Inland Revenue Division are no different. You are looking at up to 50 per cent of the positions not being filled as is the case in the Auditor General's Department, Customs Division and so on.

And why is this so? It is so because we have established archaic structures, including the Public Service Commission, which simply are inefficient. Because if after 27 years—and how many different Governments have come through there? PNM, UNC, NAR before that, then back to PNM, back to UNC, then back to PNM; 27 years and I am sure it is longer than that, 30, 35 years, you have this perennially recurring decimal of 50 per cent of the staff in the Inland Revenue department just not there. And why is it?—because of the inefficiency in the

Public Service Commission, Madam Speaker, in the Personnel Department.

And Minister after Minister after Minister of Public Administration has come into office and has given an undertaking to reform the public service, to deal with this. In the teaching service, you have substantial vacancies. It is everywhere and—[*Interruption*]*—*400-plus I am hearing. Minister after Minister after Minister for the 27 years that I have been in Parliament have come into the system and have found themselves unable, whether you have money or you do not have money. When this country had money coming out of its ears, they could not recruit staff, now where we are financially challenged, they cannot recruit staff. It has nothing to do with financial resources, Madam Speaker, it is the system. It is the system where people apply for a job in the public service and years later, they cannot even get an acknowledgment or an interview or any sort of evidence that their matter is being addressed.

Mr. Al-Rawi: “You’re on a list. That is all they does say.”

Hon. C. Imbert: Yes, that is what they say, “yuh on ah list”. [*Crosstalk*] But definitely, everybody knows that.

So, Madam Speaker, if we had an autonomous revenue authority, they could go about their business and recruit and retain appropriate staff, compensate them properly and I would dare say, Madam Speaker, that the compensation packages of the persons in this Revenue Authority—although they would be better or we would expect that they would be better than exists in the mainstream public service at this point in time—would be a fraction of the cost of recruiting and retaining competent staff in the proposed Revenue Authority would be a fraction of the increased revenue collection that they could achieve.

I just spoke about VAT. As I said, the compliance gap in VAT and that is simply assessments. What the consultant told me—because I went to the IMF

spring meetings in April—we met with the consultant and we asked him to explain his findings to us and what he said is that the problem is in what is called assessments. Now, “assessments” may be a word that is not easily understandable but what it really means is compliance. There is simply inadequate assessment of the obligations of taxpayers to pay value added tax. It is simply inadequate. So what happens is that persons who should be paying value added tax are simply not assessed and determined to be owing value added tax and the tax is simply not collected.

2.15 p.m.

What we found, what the consultant found, is that where assessments have been done, let us say somebody has been assessed as owing \$100,000 in value added tax, the Inland Revenue Division was fairly efficient, quite efficient as a matter of fact, in collecting that tax. So Company A is assessed to owe \$100,000 in value added tax. At the end of the year, you would find that the Inland Revenue Division would collect tax for more than 90 per cent of the entities that have been assessed for tax.

But that is not where the weakness is, Madam Speaker. The weakness is that there are too many companies that are escaping. They are under the radar and they are not assessed for value added tax. And, therefore, there is no compliance, and that is why the consultant has come up with this figure, which is based on rigorous scientific analysis, that we are losing about \$3 billion a year in value added tax, because of lack of enforcement and lack of proper assessments.

And as I said, if the new Revenue Authority could collect just a fraction of that, maybe one-third, that would add a billion dollars to the coffers of the Government; a billion dollars that would go to the people, to the taxpayers and that would more than compensate for the marginal increase in cost of this Revenue

Authority, as it compares to what now exists.

Madam Speaker, I took some time to try and figure out what are the objections to this Revenue Authority. The Opposition has said that the proposed governance model is flawed. That is entirely untrue, Madam Speaker. The governance model of the TTRA has—*[Interruption]*—Madam Speaker, I am being completely disturbed by the Member for Naparima and the Member for Siparia. They are carrying on a running conversation in front of me. Please stop them.

Madam Speaker: Okay, so I just, again, remind all Members to comply with Standing Order 53. Minister.

Hon. C. Imbert: “Dey doh care, yuh know.” Madam Speaker, the governance model of the proposed Revenue Authority has two layers. The board to be appointed would be responsible only with matters of policy and administration, and not taxpayer information. The Director General would report to the board only on matters of administration and policy. The Director General would also report to the Minister of Finance on issues of tax policy. But outside of that, just as the Board of Inland Revenue is managed now, the Director General and his staff would deal with taxpayer information, assessments and collections.

The Bill requires the TTRA to prepare multi-year strategic plans, annual operation plans, which would be subject to parliamentary debate—this does not happen now—prepare annual reports on tax collections, subject to parliamentary debate. This does not happen now. And it should. We should be debating here, Madam Speaker, whether our Inland Revenue Division and whether our Customs Division are efficient and are collecting the revenue that they should be collecting. Prepare monthly reports to the Ministry of Finance: this does not happen now, Madam Speaker. And with respect to the appointment of the managers of this organization, the Director General and the Deputy Directors, just like the

Commissioner of Police, this would be subject to the affirmative resolution of Parliament. So you have transparency, in terms of who the persons who would run this organization would be.

Another complaint of the Opposition is that the Bill is designed to outsource to government-owned statutory authorities the task of collecting government revenue. But that is the whole point. How could that possibly be a complaint, Madam Speaker? Right now the Board of Inland Revenue is a division of the Ministry of Finance. It is part of the Ministry which I have responsibility for at this point in time, Madam Speaker. What could possibly be worse if a statutory authority is created under a board of directors with managers insulated from political interference and reporting to the Minister of Finance only on policy matters? How on earth could that be a problem, Madam Speaker? That complaint from the Opposition makes absolutely no sense.

There is an issue with security of tenure, where there is an allegation that the employees to be transferred from the public service to the Revenue Authority would have no security of tenure. That is totally untrue. Employees who choose to transfer to the TTRA will have all of their years of service transferred to the authority and would become permanent employees, not contract workers. So that is just mythology being peddled by the Members opposite, and all accrued rights of persons coming out of the public service would be transferred to the authority. All their pension rights, all of their benefits would be preserved, Madam Speaker.

There is also an allegation that the Minister of Finance would have too much power and that the Minister of Finance would be able to appoint persons who will oversee the institutions and who will have access to tax information. That is nonsense, Madam Speaker. The only persons that would be appointed by the Minister would be the board. And the Bill specifically says that the board cannot

get access to taxpayer information. It is very, very clear. This, again, is a bit of mythology being peddled by Members opposite.

Now, in the few minutes remaining, Madam Speaker, let me just deal now with the clause by clause analysis of the Bill, because the Bill is not a very long Bill, Madam Speaker. And, as I indicated, the committee held 13 meetings. We have been at this since 2018, and we interviewed and interrogated all of the important stakeholders who are associated with revenue.

Let me just go through the Bill itself, and there are some minor amendments recommended by the Joint Select Committee with respect to the composition of the board, and so on. They do not alter, in any significant way, the purport and intent and effect of the Bill, per se. It is a special majority Bill, reason being that it is required for efficiency to be able to transfer the coercive powers of Customs and Inland Revenue to this authority and also to allow this authority to have access to information to do proper assessments of tax liabilities of companies and individuals.

The first part of the Bill consists of four clauses: the usual clauses, the short title, a proclamation clause to allow us to proclaim sections of the Act in sequence. Clause 2 indicates that the Bill shall have effect, though inconsistent with the Constitution. Clause 3 is the interpretation clause. Clause 4 indicates that the Act will bind the State.

Part II of the Bill is just two clauses. It establishes the authority at clause 5, and in clause 6, it makes it clear the authority would be responsible for the assessment, collection, administration, and enforcement of the revenue laws set out in the Schedule to the Bill.

Part III of the Bill consists of five clauses, 7 to 12 and they would provide for establishment of a Board of Management of the Authority, which is, as I said

would have no access to taxpayer information, none whatsoever. The Board would be comprised of nine persons: a chairman, a vice-chairman, the director general, a person nominated by the THA, a Permanent Secretary in the Ministry of Finance, attorney-at-law, chartered accountant, and so on, Madam Speaker.

In clause 8, the functions of the board would include the formulation, approval and implementation of policies. So all the board would be doing is formulating policies and determining whether these policies are being implemented. In clause 9, you have the standard clause about conflict of interest and the disclosure of interest. Clause 10 deals with the term of office. Clause 11, standard terms dealing with resignation and removal of members. Clause 12, standard terms dealing with meetings.

And Part IV of the Bill, clauses 13 to 22, deal with the staff of the authority. The Director General and Deputy Director General be appointed by the Minister, subject to affirmative resolution of Parliament. So Parliament would be able to scrutinize and comment on the Director General and Deputy Director General.

Clause 14, the Director General would be in charge of the organization, and in charge of the administration and enforcement of revenue laws, and would be required to give advice to the Minister of Finance on the revenue laws.

The Director General, however, would be the person as we have now, with our current Chairman of the Board of Inland Revenue, who will have access to personal and private information. I want to repeat that the board of the authority will not have access to private and personal information.

Clause 15 deals with resignation, removal of the Director General, and so on. Clause 16 deals with the employment of staff. Clause 17 empowers the authority to enter into contracts. Clause 18 is the clause that allows public service officers to exercise an option whether they should transfer to the authority, remain

in the public service, and so on. Clauses 19, 20 and 21 deal with the preservation of benefits for persons who are transferring out of the public service into the authority. Clause 22 requires the board to establish a pension plan and clause 23 identifies what the funds of the authority would be, which is separate and apart from taxpayers' money. Taxpayers' money will go into the Consolidated Fund, but the board itself would require, funds the authority to pay its employees and pay its expenses, and so on.

Clause 24, standard, allowing the authority to borrow money. Clause 25, allowing the authority to invest. Clause 26 is what I just said, all public moneys would be paid into the Exchequer Account, as the Minister directs. And clause 27, which defeats this argument about the Bill being an affront to the Exchequer and Audit Act. It states in clause 27 that the Exchequer and Audit Act would apply to the authority, and the Director General would be a receiver of revenue.

The other clauses, Madam Speaker, deal with preparation of strategic plans, submission of these plans to the Minister, who will then bring them into the Parliament, and allow the Parliament to debate them. Similarly, with respect to a submission of estimates of expenditure and income, keeping of proper accounts, the auditing of accounts by the Auditor General, and so on. The reporting to the Ministry, all of these things do not occur at this point in time, Madam Speaker.

The other sections of the Bill deal with the oaths of secrecy and the penalties that would exist for the leaking of confidential information by members of the authority.

How much time do I have, Madam Speaker?

Madam Speaker: Seven minutes.

Hon. C. Imbert: Thank you very much. So, Madam Speaker, if I can summarize—if I can be allowed to summarize, Madam Speaker, we have a

tremendous opportunity, with this authority, to increase revenue collection in Trinidad and Tobago. By our estimates, if we can just collect 50 per cent of the tax that is not currently being collected, in terms of value added tax, in terms of personal income tax, in terms of corporation tax, in terms of customs duties, and so on, petroleum profit tax, and so on, if we just were able to collect 50 per cent of the tax that is not being collected now because of inefficiencies, we could increase the revenue collection of this Government by between \$3 billion to \$5 billion per year, Madam Speaker. That would balance the budget immediately.

For example, this year, we had projected a budget deficit of some \$4 billion, but if we had an efficient revenue authority that is not hamstrung and humbugged by the strictures of the public service, as our Board of Inland Revenue is at this time, we could increase revenue collection by some \$3 billion to \$5 billion a year. I do not know why hon. Members opposite are so opposed to improving efficiency of revenue collection in Trinidad and Tobago, Madam Speaker.

Let me now go through the—finally before I conclude, we were given four options by a technical report done by the experts in CARTAC, that IMF unit, and the four options were:

- establish a revenue authority;
- create a Ministry of Revenue;
- create a position of Permanent Secretary for Revenue; or
- try to improve the existing system.

CARTAC urged the Government to go with a full-fledged Revenue Authority. They told us any other approach would just be more of the same. And you know, Madam Speaker, it is necessary to repeat Einstein's definition of insanity, doing the same thing over and over and expecting a different result. I

made the point, I have been in this Parliament for 27 years. And for 27 years, I have heard Ministers of Public Administration talk about reform of the public service, 27 years, Madam Speaker. It is just not going to happen.

So that, we in this Government believe this would be a very, very progressive move, Madam Speaker. All of the studies done in Trinidad and Tobago over the years, as well in all other countries, and there are some 60 countries, Madam Speaker, this is what I am advised. There are some 60 countries that have engaged in some form of revenue authority, Madam Speaker, in order to improve their revenue collections.

One of the ones that is most well-known is the Uganda Revenue Authority, Madam Speaker. And the Uganda Revenue Authority has made considerable strides in improving revenue collection and improving tax administration in that country.

I have a paper here, done by the International Centre for Tax and Development. It is a 2018 paper, December 2018, and it looks at the Uganda Revenue Authority. And the case of the Uganda Revenue Authority's Public Sector Office, and I just want to make one extract from this document.

The public sector contributed 5 per cent to domestic revenue in financial year 2014 to 2015, in Uganda. Five per cent of domestic revenue was contributed by the public sector in Uganda in 2014/2015.

But they have a revenue authority. This figure has increased to 17 per cent by 2016/2017. The public sector is now the second largest contributor to domestic tax collection in Uganda, after their other industrial sectors. And this all has to do with a revenue authority that has been working exceedingly well in Uganda over the last 20 years, Madam Speaker. They have been developing their revenue authority for 20 years in Uganda.

I am reading from this document. What they have found is that when you remove all the public service strictures from the Uganda Revenue Authority and you gave it the autonomy that was required, you gave it the flexibility. You gave it the ability to recruit staff. You gave it the ability to compensate staff in the authority at appropriate levels. You gave it the ability to enforce. You rooted out corruption, Madam Speaker. This is how they found that the Revenue Authority in Uganda was able to increase tax collections by at least 50 per cent, Madam Speaker. But that is just one example.

So, Madam Speaker, this Bill has been the subject of detailed and comprehensive examination by a number of entities, by this Parliament, by a joint select committee, by all of the stakeholders involved in revenue collection. There is widespread support for a revenue authority in this country. There is widespread acceptance of the fact that our revenue collection systems are outdated and inefficient. There is widespread acceptance of the fact that trying to fix the present system has not worked for the last 30 years, and would be a waste of time, Madam Speaker. There is widespread acceptance of the fact that we need to improve revenue collection in this country in order to provide goods and services to the population.

The only entity that is opposing this Bill is the parliamentary Opposition. I hope they have had an opportunity to see the light. I beg to move, Madam Speaker.

Mrs. Persad-Bissessar SC: What about the PSA?

Hon. C. Imbert: Yes, the PSA is quite in support of this revenue authority. Madam Speaker, just let me make the point, all the PSA was looking at is security of tenure for their workers and successorship.

Madam Speaker: Member, you already begged to move.

Hon. C. Imbert: Thank you, Madam Speaker. I beg to move.

Madam Speaker: This Motion requires a seconder.

Mr. Al-Rawi: Madam Speaker, I beg to second this Motion and to reserve my right to speak later.

Question proposed.

Mr. Rudranath Indarsingh (Couva South): Thank you very much, Madam Speaker, and immediately I want to tell the Minister of Finance and the Member for Diego Martin North/East, when he boasted about widespread support for this particular piece of legislation, I want to tell him that there are thousands of workers out there that are demanding widespread clarification, [*Desk thumping*] as it relates to this report and this proposed Bill that is before the Parliament of Trinidad and Tobago, Madam Speaker.

Madam Speaker, I will go on to deal with some issues that the Minister of Finance raised in his presentation in presenting this report, because the Minister of Finance apparently seems to be a stranger to the deliberations that actually took place at the level of the Joint Select Committee, and so on. [*Desk thumping*] But more importantly, Madam Speaker, he went on to chastise the last administration for indicating or indicated that the last administration took up expenditure to \$63 billion for the year, and so on. But I want to remind him that his Government has spent over \$229 billion in four years and they committed themselves to diversifying and growing the economy, and so on. And after four years in Government, we have not been able to see any of the results that they promised, via their manifesto, and so on, Madam Speaker.

Madam Speaker, I immediately want to serve notice to the Government because they are privy to who participated in the Joint Select Committee and also the fact that the report has been circulated to all members. They are very privy to

the Minority Report that was put forward by my colleague, myself and my colleagues who served on this particular Joint Select Committee. And I want to immediately tell the Government that the Opposition is not in support, based on the fact that the Government's proposed Revenue Authority in its current form is not the best option for Trinidad and Tobago. The Bill places too much power in the hands of the political directorate. [*Desk thumping*] The Opposition strongly disagrees with the discretionary powers afforded to the Minister of Finance in the Bill, as well as the role of the Minister, in terms of the Minister plays via the legislation in the appointment of persons who will oversee the institution and who will have tax information of all citizens of Trinidad and Tobago, Madam Speaker.

Madam Speaker, and when the Minister of Finance laid the Trinidad and Tobago Revenue Authority Bill in 2018, to be more specific on the 25th of May, 2018, he pointed or he made a number of pronouncements, as it relates to deficient human resource management processes, inadequate management capability, accountability and training, inadequate staff development, inadequate employee compensation packages and unsatisfactory customer relations, and so on, and he made some other observations, and so on.

Today, the Minister of Finance indicated that approximately two and a half to \$3 billion in VAT is not being collected and he alluded to—if my memory serves me right in taking notes—tax evasion, and so on.

Dr. Gopeesingh: Tax avoidance.

Mr. R. Indarsingh: Tax avoidance. I want to ask, because he said that he read a lot of literature, and so on, as it relates to, before he made his presentation on tax matters, and so on. And I want to ask him, based on his reading of literature and the data and the statistics that he would have presented in the House this afternoon, where did it come from? Where those figures—where did it come from? Did it

come from the Ministry of Finance? Did it come from the Central Bank? Did it come from—? I do not know if it came from him or out of a hat. You know, the Minister of Finance is a very, what character? A magician, in terms of dealing with statistics and data, and so on. So I hope that he could clarify this for us this afternoon, Madam Speaker.

And he also indicated that there have been inadequate budgets for the operations of the Board of Inland Revenue. I am a bit perplexed to know that he is the Minister of Finance. He is in charge. They have been in control of central government for the last four years, and if he knew that the Board of Inland Revenue did not have enough funding and he did not tell us for what, whether it was for staff development, training. I do not know. Recruitment of staff, and so on, and if he was aware that this is the state of play.

Madam Speaker: The hon. Member.

Mr. R. Indarsingh: I am guided, Madam Speaker. If the hon. Minister of Finance was aware that this is the state of play at the Ministry, at the Board of Inland Revenue, what it tells me is either the Minister of Finance is incompetent, lazy and did not behave in a very proactive manner to ensure that the Board of Inland Revenue got the necessary financial allocation that was needed.

He indicated too about corruption at the Board of Inland Revenue, and for some reason I do not know why, because this particular Revenue Authority focuses on the issues or the institution of the Board of Inland Revenue and Customs and Excise. I did not hear the Minister of Finance making too much or saying much about the state of play or the state of affairs at the Customs and Excise Division, which also falls under his Ministry, Madam Speaker.

And, again, the broad base or the broad brush of corruption but not being specific, not stating anything to guide this House here this afternoon, and also

again, not stating what he has done as the Minister in charge with responsibility to come back, if indeed there is corruption existing. What has he done to address this particular issue, Madam Speaker?

Madam Speaker, he spoke about the issue of chronic vacancies existing at the Board of Inland Revenue and this being something that has been in existence for over 27 years, and so on. And he spoke about approximately 50 per cent of vacancies existing at the Board of Inland Revenue.

Again, because I could remember at some point in time during his “tenureship” and he still is the substantive Minister—

Mr. Imbert: “Tenureship”?

Mr. R. Indarsingh: The Minister of Finance, I think in one of his mid-year budget reviews, I cannot recollect exactly, told Trinidad and Tobago, whilst it may not be to deal with this specific issue, promised Trinidad and Tobago a cadre, an army of tax collectors to come into the operations of the Ministry of Finance to deal with the property tax issue. And again, if the Minister of Finance could promise the country that he would be in a position to recruit an army of tax collectors, a cadre, I just want to get the terminology right, as it relates to the property tax issue, the Minister of Finance, if there is a shortage and vacancies, and so on, the same way he committed to getting adequate staff into the Ministry of Finance, why has he not addressed the issue of staff shortages at the Ministry of Finance at the Board of Inland Revenue, Madam Speaker? [*Desk thumping*]

Again, it tells me of incompetence and probably being the lazy Minister of Finance engaged in other activities, and so on, that is not important, in terms of transforming the Board of Inland Revenue and realizing a more efficient organization, Madam Speaker.

And he went on to speak about compensation packages, and so on. Madam

Speaker, the Minister of Finance, I think, is fully aware of the state of collective bargaining in Trinidad and Tobago. If he so cared about the compensation packages and the salaries of the current workforce at the Board of Inland Revenue, and also at Customs and Excise, I think that he should have again been proactive and ensured that in 2019, public officers at the Board of Inland Revenue and Customs and Excise are not existing on 2012 salaries, Madam Speaker. [*Desk thumping*] He would have ensured that the collective bargaining process would have partnered with other Ministers, and so on, at the level of public administration, to ensure that there was a timely settlement of the collective agreement, so that, at least their collective agreements would have been settled and, of course, the issue of salaries.

I am sure that if this was settled through the Ministry of Finance, today the morale of Customs and Excise and also employees at the Board of Inland Revenue would have become proactive, would have been a more aggressive role. And I am sure that it would have helped to assist in what the Minister of Finance is seeking, in terms improving the tax collection system and making both entities more efficient, and so on.

Because, Madam Speaker, I am sure the Minister will appreciate that one of the most important issues in terms of dealing with staff and dealing with human beings, and so on, is to ensure that they have a satisfied compensation package, Madam Speaker.

2.45 p.m.

But more importantly from a historical point of view, Madam Speaker, the PNM through the Minister of Finance, the then Minister of Finance in 2009,

promised Trinidad and Tobago a revenue authority and a new property tax regime, that was Minister of Finance Karen Nunez-Tesheira. And in that particular year, they indicated that this particular revenue authority would become operational by the third quarter of 2009. And, Madam Speaker, apparently they have not changed their focus, changed their modus operandi and they have become very obsessed with getting this Trinidad and Tobago Revenue Authority on stream without taking into consideration a number of issues and concerns of the most important group of persons, from a human resource point of view, that is the workforce, whether it is workers who are represented by the National Union of Government and Federated Workers or the Public Services Association, Madam Speaker. And we made our position clear in 2009 and I just want to reinforce it and repeat it here today, Madam Speaker. Madam Speaker, the then Member for Siparia, for example, in making her contribution to this particular debate on Friday the 19th of February, 2010, and I want with your permission to quote directly from the *Hansard*, indicated:

“Firstly, we look at this Bill and see the concerns of many that relate to two aspects. One has to do”—

Mr. Imbert: That Bill is not before the House, we have a different Bill here.

Madam Speaker: I will give you a little leeway to tie it into what we are debating.

Mr. Imbert: It is not the same.

Mr. R. Indarsingh: Thank you, Madam Speaker, I am simply quoting:

“...one has to do with what will happen to the workers concerned and the second with constitutionality of the proposed revenue authority”. [*Desk*

thumping]. “When we look at the Bill, there are many that are of the view of that”—

Mr. Imbert: Order 48(1), that is not the Bill that is before House. [*Desk thumping*] It is not the same.

Madam Speaker: And Member for Couva South, again I give you a little leeway. Quickly tie what you are referring to to what is before us now.

Mr. R. Indarsingh: Thank you, Madam Speaker, I am guided, I am just rounding off, quoting from *Hansard* and then moving on. I am simply laying it in a historical context to show that we did not arrive at our position in 2019 by “vaps” or an overnight position. We have been very consistent, as an Opposition, on this particular piece of legislation since 2002 and our position, our track record in terms of where we are today did not arrive by “vaps”. This is a Government that operates by “vaps”, that continues to roll out policy every Monday morning based on— [*Interruption*] Madam Speaker, the Member for Laventille West seems to want to engage in some exercise here this evening and if you can temper him a little bit.

Madam Speaker: Member just direct your attention this way and continue your contribution please.

Mr. R. Indarsingh: As I said, Madam Speaker, I just want for benefit of all to show the historical position of the UNC and:

“When we look at the Bill, there are many that are of the view that it is another step by Government to dismember the public service; to establish an authority over which the Executive will have absolute power and control,

which will open another door, for the promotion of favoritism, the hiring of friends and family, as we have seen in so many other state enterprises; and the escalation of corruption.”

Madam Speaker, end of quote.

So, Madam Speaker, the very important issue for us, on the part of the Opposition, is that we have presented a minority report. And the Minority Report focuses on a number of issues as it relates to—or concerns we have, based on what was presented to us and in terms of the deliberations which took place during the meetings of the Joint Select Committee, Madam Speaker.

And, Madam Speaker, I want to immediately focus on the model for the Revenue Authority as it relates to collection and administration of revenues and so on—for us, we are very concerned about the taking of the process of recruitment, which will be outside of the ambit of civil service or public service and placing it directly under the control of the Minister of Finance, Madam Speaker. This reeks of what we will call political interference at the highest order and the Opposition cannot be part and parcel of a process such as this, Madam Speaker. [*Desk thumping*] Because, Madam Speaker, what we—we have not been told really what is the true intent.

And, Madam Speaker, the Minister of Finance went on to say that the board will not be able, or the board will not have a direct role into the day-to-day affairs and running of the Authority and the board will not be privy to tax information of citizens and so on, Madam Speaker. But Madam Speaker, recently in this very said House, we saw the long arms of the Minister of Finance during a very important

debate and that is why we are concerned as an Opposition. How far could the arms of the political directorate reach in this process? [*Desk thumping*] And I refer to when there was the debate on the retiring allowances for judges and legislators and so on, Madam Speaker. And I want to quote directly from a statement that was made by the Minister of Finance when he said that:

“I checked with the Treasury”—this morning, and—“I discovered that the former Prime Minister exercised the option of a reduced pension and therefore, when the former Prime Minister...”—

Mr. Deyalsingh:—Standing Order 48(1) please.

Madam Speaker: Member, I would allow you to continue, but I just want to remind though, while I understand you are using that as an example of what your initial statement was, I am not going to allow you to open up the debate about the Miscellaneous Provisions Bill, which is now an Act, okay?

Mr. R. Indarsingh: Madam Speaker, certainly I am not going there, I am certainly using this as an example to show the long arms and overreach and using it as a reference point and this is why—this is why this Opposition will not trust the PNM Government headed by Prime Minister Dr. Keith Rowley. And we have a responsibility in this House and outside of this House to warn the citizens of the country about the dangers and despotic tendencies and the high-handedness of this Government. That is what I am fulfilling to the Parliament.

Mr. Deyalsingh: Madam Speaker, Standing Order 48(6) please. Thank you very much.

Madam Speaker: Continue.

Mr. R. Indarsingh: Thank you, Madam Speaker. So from that point, I want to move on to say that we cannot support the process that will dismantle and destroy the Board of Inland Revenue and Customs and Excise.

And, Madam Speaker, I said earlier in my contribution that I will focus on some of the labour issues emanating out of this report and also on the proposed legislation. And, Madam Speaker, I would want to because the report and also the proposed Bill that forms part of this report came out of Joint Select Committee process. And the Minister in the Ministry of Finance participated in these deliberations.

And, Madam Speaker, as I focus on the issue of the dismantling of the two institutions and so on, I would like at some point in time, someone on the Government's Bench to clarify what is the position of the Minister in the Ministry of Finance now as it relates to this Revenue Authority. And I want to quote directly from a report that was compiled on August 22, 2002, where the then Minister—Minister in the Ministry of Finance, focusing on the Revenue Authority, indicated and I quote:

Ms. West expressed the fear that the integration of Board of Inland Revenue and Customs and Excise would produce a cumbersome and inefficient authority. She indicated improving the efficiencies of both agencies separately should be considered before the integration. That is the present Minister in the Ministry of Finance, Minister Allyson West, who participated in this Joint Select Committee and was an integral part of the process. And my sources tell me, not in 2002, Minister of Finance, in 2019, that the Minister in the Ministry of Finance—and I challenge any one of you to dispute

what I am saying here today—that the Minister in the Ministry of Finance has adopted the role of being new HR Manager for the Trinidad and Tobago Revenue Authority.

Because she has been given—the Minister has been given the role to hold meetings with staff left, right and centre in the Board of Inland Revenue and Customs and Excise to the point where members of staff have been told that if you do not accept what the Government is putting forward, the alternative will be that you will be on the breadline. [*Desk thumping*] That is the role. And I want the Minister of Finance to stand up and deny what I am saying. I am prepared to give way.

3.00 p.m.

Dr. Gopeesingh: Sit down.

Mr. Indarsingh: I am prepared to give way. That is the role that the Minister in the Ministry of Finance has been used for, and utilized for, to terrorize and intimidate workers in 2019.

Madam Speaker: In terms of the word “terrorize”, I would ask you say that in a different way. Member for Couva South.

Mr. Indarsingh: Thank you, Madam Speaker—

Mr. Al-Rawi: Would you give way?

Mr. Indarsingh:—I am guided by your direction.

Mr. Al-Rawi: Would you give way?

Mr. Indarsingh: Madam Speaker, I already “give way” and at the point in time did not—

Madam Speaker: I am not talking about giving way. I am talking about the word “terrorize”. I am asking you to restate that in another way. Right? So do not deflect and go on to giving way. I am not dealing with that at all.

Mr. Al-Rawi: Could the Member give—[*Crosstalk*]

Mr. Indarsingh: Thank you, Madam Speaker. Madam Speaker, I withdraw—

Madam Speaker: Member, when your time comes and somebody asks you to give way then you will deal with it. Member for Couva South, you have my ear, please continue.

Mr. Indarsingh: Thank you very much, Madam Speaker—

Mr. Al-Rawi: “Yuh doh want the answer?” [*Crosstalk*]

Madam Speaker: Member for San Fernando West, please. Continue.

Mr. Indarsingh: Madam Speaker, I am guided, I withdraw. And I indicate that the Minister in the Ministry has been intimidating workers to—[*Desk thumping*]
—and when a Minister could degenerate, or descend, sorry, into what is called the cut and thrust of the industrial relations environment in the workplace then you know how dangerous the Government is. [*Desk thumping*] Why is a Minister of Government descending into the arena of industrial relations and intimidating workers, telling workers if you do not accept becoming part and parcel of the Trinidad and Tobago Revenue Authority, then you will be fired, you will be terminated. That is a Government that has betrayed the workers. [*Desk thumping*]

Because every commitment they made in their labour manifesto and their joint memorandum of understanding prior to the general elections of 2015 have been eroded by the actions of the Prime Minister and the Members of his Cabinet on a daily basis. And this is why we in this Opposition are signalling to all the employees in the Board of Inland Revenue and Customs and Excise, do not trust this Government. And that leads me to the point, Madam Speaker, of—how much time I have, Madam Speaker?

Madam Speaker: You have just about one minute of original time and then you have your extended 15 minutes.

Mr. Indarsingh: Thank you, Madam Speaker. And this leads me to the very important issue of what we submitted and in our Minority Report, Madam Speaker, that we are concerned about the security of tenure of the workers at Customs and Excise and the Board of Inland Revenue, approximately 2,175 employees. And, I thought that the Government through the Minister of Finance—

Madam Speaker: Member for Couva South, your original time is now expired. You are entitled to 15 more minutes to wrap up your contribution if you wish. You may proceed. [*Desk thumping*]

Mr. Indarsingh: Thank you, Madam Speaker. [*Desk thumping*] Yes, and coming back to the issue of security of tenure for the 2,175 employees of the Board of Inland Revenue. And it is an established fact, Madam Speaker, that workers are represented there, the recognized majority union is the Public Services Association and in the submissions that were made before the Joint Select Committee, I think approximately 75 workers are represented by the National Union of Government and Federated Workers.

And, Madam Speaker, the Government has said—has failed to clarify and it is not in the proposed Bill so we cannot—the Government has said very clearly that there will be no successorship, there will no unionized terms and conditions of employment. And this leads us to the very important issue, Minister of Finance, where is the organizational structure for the Trinidad and Tobago Revenue Authority? How many employees will be needed in this new arrangement? How many? And under what terms and conditions? Will it be contract labour? What will be—what recourse will these employees have?

Because again, we do not know how much, we know how much currently exists, I think 2,175 in terms of BIR and Customs and Excise, but we do not know how much will be needed in this new entity and also, Madam Speaker, the Minister

of Finance has failed to tell all here this evening whether the job classification exercise has been completed. If you are telling the country that you are ready to implement this Revenue Authority, what is the state of play as it relates to job classification exercise? And all this you are saying that a worker could be transferred into this new Authority with the agreement of his union or his association. But in the new entity you are saying that there will be no union representative.

So it is a total contradiction, Madam Speaker, and this is where I am saying, how could I know or how could I accept that I want to go across into the new entity without knowing what job classification I am going into? What will be my terms and conditions of employment? What will be—we have heard this evening about the formation of a pension plan for this Revenue Authority.

Madam Speaker, my colleague from Caroni East could tell you about the experiences in relation to the regional health authorities. These regional health authorities were created in 2002, Caroni East?

Dr. Gopeesingh: No, 1994.

Mr. Indarsingh: 1994 and up till today, we are in 2019 and the pension arrangement and issues for employees who have gone across into the regional health authorities have not been worked out and are still in limbo. And the same thing will happen, because the Minister has failed to tell this Parliament, this House, whether the pension plan will be finalized in five years. What is the time period?—whether it will be contributory, noncontributory and so on.

These are the things that persons who are employed, who are crying out for information. I have a bundle here, if I go out to read the concerns of the employees of BIR and Customs and just to read into the record and it is signed by a number of people. And this is why I will tell you that the Minister of Finance is very

deceptive in the way he attempts to propel information in this House. [*Desk thumping*] Because there is the need for widespread clarification and information.

Madam Speaker, the employees, they want to know for example, employment of staff. The board may on such terms and conditions as it may determine employ such persons as the Authority may require. This clause, and the workers have told me that this clause does not indicate whether and to what extent the current bargaining body will be able to contribute to the formulation of terms and conditions at the Authority at its inception.

It also goes on to address the issue, Madam Speaker, as it relates to—section 18(2) makes a reference of the Chief Personnel Officer, but it does not give indication as it relates for workers who transfer to the Authority. Will conditions continue to be enjoyed such as leave entitlement, no-pay study leave, contributory health plan with family coverage, motor vehicle upkeep allowance, accumulation of leave up to a maximum of 90 days, exemption from VAT and motor vehicle tax on the acquisition of motor vehicle and non-tax travelling allowance and so on?

And again, the issue of their pension plan. The Bill expressly indicates that the Authority will pay the difference between the superannuation benefits payable on the basis of the higher salary and those payable under the Pensions Act on the basis of the salary referred to in section 19. However, it does not indicate who is to pay that portion of benefits which accrued prior to the employment in the TTRA—that is, those under the Pensions Act on the basis of the salary referred to in section 19. There is no time frame given for these payments, Madam Speaker. And I could go on and on in terms of the concerns of the existing workforce at BIR and also at Customs and Excise Division.

So, from where we sit, the Opposition clearly is demonstrating here this evening and my other colleagues will continue to demonstrate why we cannot

support this particular report and this particular Bill that has been presented here this evening.

And, Madam Speaker, I simply also again want to show you, or want to demonstrate what I would call the hypocritical nature of this Government in the way that they have gone about their business on this particular Revenue Authority. Because the Member for Diego Martin West, and if you would allow me, I am trying to—because there is so much literature available on this particular issue. Madam Speaker, I am trying to find a contribution that was made by the Member for Diego Martin West, the Prime Minister, as it relates to the Revenue Authority and in that, he indicated that he was very concerned about the voice of labour and whether the Government at that time, because you know from a political history point of view the current Prime Minister and then Member for Diego Martin West was somewhere on the Government backbench. He was somewhere on the Government backbench and he was concerned about the voice of labour and the information that was being peddled in the interest of workers and so on.

Madam Speaker, and I want to quote; the Government is now—the Member for Diego Martin West in 2010 indicated:

“The Government now is creating this Revenue Authority and the workers and the unions have all come together to say”—that—“the Government is going to do bad things.”

And he went on to indicate in his contribution:

“I...would like to hear in this discourse from the Government on this issue of the role of a Minister...”

This is the Member for Diego Martin West speaking, you know. The Prime Minister who was at some point in time seated somewhere in the Government backbench, I was not here from a political history point of view so I cannot say

where he was located.

But he was concerned too about the Minister's role in the agency and also because with respect to the management and oversight of this agency, Madam Speaker, and on a number of occasions in his contribution, Madam Speaker, he went on to say that he was concerned about what the Government was doing. And I want to again quote in his contribution when he said:

“The Government in its wisdom on this occasion is saying that it wants a clean new authority and it would take people into it. Apply for the position and we would take you into it. The fear that...workers are expressing is that that rehiring would be done in a way to the detriment of workers. It is for the Government to satisfy the workers that”—it—“is not so. I take it that the Government will satisfy the workers that”—the—“fear is unfounded.”

That is the Member for Diego Martin West and the substantive Prime Minister speaking about his concerns and telling the PNM that he belonged to, to ensure that there is transparency, that the issues confronting the workers and their representative unions are properly and thoroughly dealt with.

I want to know what is the position of the Prime Minister? And based on what has been put forward by the Minister of Finance certainly the concerns of the workers, certainly the concerns of the representative unions and so on, have not been addressed by this Government and again it reeks of double standards in terms of what has been stated here this evening.

And, Madam Speaker, they spoke about the recruitment of a Director General and a Deputy Director General and so on. You know what I am concerned about?—this is a Government that boasts about being patriotic and committed to the people of Trinidad and Tobago. This Government recruited a foreign national for the operations of Paria trading under exorbitant terms and conditions, that

compensation package. And recently, the Minister of Energy and Energy Industries went to a meeting in Point Fortin and made a public pronouncement that Trinidad and Tobago does not have the capacity and expertise to run the refinery and so on. And I am concerned from a patriotic point of view whether we will have a non-national running or occupying the position of the Director General and the Deputy Director General. This is the double standard, this is why you cannot trust the PNM Government under Prime Minister Dr. Keith Rowley.

And, Madam Speaker, what we are seeing here today is a Government operating in a very high-handed manner. A Government that is attempting to interfere with the insulation, the protection, the independence of workers under what we would call public service regulations. We are seeing a Government continuing to trample on the rights of workers. A Government which wants to ensure that in this new authority that there is not a decent work agenda. An agenda that has been signed on by the Government of Trinidad and Tobago and again it reeks of double standards and it reeks of hypocrisy on the part of the Government of Prime Minister, Dr. Keith Rowley. [*Desk thumping*] And this is why the Government through the Leader of the Opposition has served notice that we cannot support this report and we cannot support this Bill. I thank you.

The Minister of Health (Hon. Terrence Deyalsingh): [*Desk thumping*] Thank you very much, Madam Speaker. It was 45 minutes of pain, 45 minutes of agony. Madam Speaker, we are here to debate the report of the Joint Select Committee into the Trinidad and Tobago Revenue Authority. It is now incumbent upon me to handle some of the issues raised by the Member for Couva South. But I will rebut his contribution in a very respectful way, and in a way that deals with facts based on the Constitution and so on.

Madam Speaker, the Member for Couva South spent a lot of his time

speaking about the responsibility of the Minister of Finance to fill vacancies. He spent a lot of his time dealing with that. And then he goes on to say, another Minister must not descend into the cut and thrust of hiring people. Which one do you want? Madam Speaker, the issue of vacancies in the public sector is a long and storied one, and to hear the Member for Couva South, you would believe it is of recent vintage. May I remind this Chamber and remind you, Madam Speaker, that under the tenure of our friends opposite, in the last year of their term in office, when the Standing Orders were changed to have a five-day examination known as the Standing Finance Committee, where you go through each Ministry, line by line.

Dr. Gopeesingh: Madam Speaker, Standing Order 48(1), relevance. What is the relevance of the Standing Orders in this debate?

Madam Speaker: Member for St. Joseph, I will allow you some leeway to make the connection.

Hon. T. Deyalsingh: Madam Speaker, I am responding to the lengthy submission by the Member for Couva South on the filling of vacancies. That is what I am responding to, his lengthy submission. Painful submission. And when we were in Opposition, we would ask our friends opposite who were then in Government: How many vacancies exist? Thousands. What are you doing to fill it? Nothing. Why? Because there is something called the Constitution of the Republic of Trinidad and Tobago, section 120, the Public Service Commission. That is the body responsible for filling vacancies, you cannot hold a Minister responsible for the filling of vacancies. That is the point I want to make. But the Member for Couva South spent about 15, 20 minutes berating the Minister of Finance for not being able to fill vacancies. It is not a Minister who fills vacancies, it is the Public Service Commission with their protection under section 120 of the Constitution.

[*Crosstalk*]

Madam Speaker, I want to make the point also that in Couva South and the UNC, headed by the Member for Siparia, in objecting to the Revenue Authority, the same workers we are now advocating for to be hired, if we had a bigger tax base we could hire more people. So why not support the Revenue Authority? Why not support it? You could hire more people, you could fill more vacancies. The OJTs that we have on board now, that we recently expanded, when they finish their two years at the Ministries they can find jobs in the Revenue Authority. So why not support it? Which way do you really want to go? Which way?

But, Madam Speaker, it must not be lost on the population of Trinidad and Tobago that the UNC has this method of saying, “axe the tax, but hire more”. The money has to come from somewhere. So, the Member for Couva South really has to understand the Constitution, who hires, the responsibility of the Public Service Commission, the Police Service Commission, the Teaching Service Commission all protected by the Constitution of the Republic of Trinidad and Tobago. No Minister by ministerial fiat signs a document and says hire 1,000 people. That is the function of the service commissions.

Madam Speaker, my friend from Couva South mentioned that we will be hiring friends and family, typical UNC refrain, about hiring friends and family. Madam Speaker, may I remind you and the discerning population of Trinidad and Tobago it was the UNC, when somebody by the name of Rabindra Moonan was fired by the Minister of Finance from CAL on May 17, 2013, found a job in two weeks by the Member for Oropouche East. Two weeks later, Rabindra Moonan who was fired from CAL for wasting a billion dollars of taxpayers’ money, found a job two weeks later because he is the friend of someone in HDC. That is hiring friends and family, Madam Speaker, but I will leave that alone for now.

Hon. Member: Three billion in total.

Hon. T. Deyalsingh: Three billion, sorry, not one billion, three billion. So my friend from Couva South, you must know your history before you come here to make these allegations.

Madam Speaker, coming back down to the joint select report before us and Your Committee met. The Trinidad and Tobago economy and the suite of welfare and free services that we offer need to be funded. Whether it is education, health, grants, pensions, subsidies, state sector employment, we spoke about that, garbage collection, all these things need to be funded. And, Madam Speaker, taxpayer expectations go up and the taxpayer is calling for more services. Therefore, as a Government, we need more revenue.

Madam Speaker, I want to put the issue of the evolution of the Revenue Authority into context, and this was part of the report, your joint select report. The Minister of Finance mentioned one aspect but he did not have enough time to go into the entire historical component. The issue of a revenue authority has been on the minds of Trinidad and Tobago since 1993—1993—where a report then done by one of the consultants who reported to us, Dr. Andre Vincent Henry, spoke about the unease and inefficiency and ineffectiveness then. In 2002, and Your Report speaks to it, there was a feasibility study and a committee set up in 2002 and, Madam Speaker, do you know the same things in 2002 are what we are discussing here today.

A committee was then set up headed by a former President of the Trinidad and Tobago Chamber of Industry and Commerce. Deficient human resource processes, ineffective systems, deficiencies in legislative framework. Madam Speaker, the evolution goes to 2002 with CARTAC; 2004, IMF technical assistance; 2007, engagement of an international revenue authority expert,

Maureen Kidd and William Crandall who were both experienced from the Canada Revenue Authority; 2009, establishment of a TTRA Management Company Limited; 2018, a joint select committee; and 2019, joint select report. So here we are today. Here we are today.

Madam Speaker, the Member for Couva South in his usual style to confuse the public tried to make it sound as if there was not widespread support for a revenue authority. In Your report, I want to read into the *Hansard* very briefly a letter dated 21 June, 2018 received from AMCHAM, signed by one Nirad Tewarie, Chief Executive Officer, AMCHAM T&T.

“Overall”—this is AMCHAM speaking—“we support the Revenue Authority Bill and the implementation of a Revenue Authority in the shortest possible time.”

Madam Speaker, shortest possible time.

“However, we hope that any concerns with the Bill can be ameliorated through discussion with the Joint Select Committee.”

That is AMCHAM, independent, signed off by the President, Nirad Tewarie.

Madam Speaker, there were many people and entities that contributed. Just to show you the type of support the Revenue Authority has, I want to refer to the University of the West Indies in your joint select report, Madam Speaker. Letter written to Mr. Brian Caesar, from Shelly anne Wilson, lecturer at the University of the West Indies:

“I support the establishment of this Trinidad and Tobago Revenue Authority because it presents an opportunity to overcome many challenges of the Board of Inland Revenue & the Customs and Exercise Division in terms of improving the capability and capacity of the country’s revenue administration.”

Madam Speaker, this is just a sample of two independent learned institutions, AMCHAM and UWI, pledging support. Madam Speaker, it is not everyone who contributed towards the joint select were in fulsome support.

3.30 p.m.

There were some individuals who had other ideas and that is fine, that is the purpose of consultation, but there was widespread support not seen, not mentioned by Couva South. The unions even supported it. Madam Speaker, to show how detailed—and first of all, I want to congratulate the Chairman of the JSC, the Minister of Finance, the hon. Colm Imbert—I learnt a lot as a member of that committee, as to how committees work. He was exact, he was precise, and he controlled the meeting very very well. Thank you very much Sir, well done. [*Desk thumping and crosstalk*] I am coming to that just now.

Madam Speaker, the report—and if you look at ICATT's submission—ICATT being the Institute of Chartered Accountants of Trinidad and Tobago, in Appendix I where they commented on clause 8, and then the Central Bank of Trinidad and Tobago, same Appendix I, commenting on clause 23, they mentioned the different countries of the world that have used the Revenue Authority.

Madam Speaker, the concept of a revenue authority has been around since the 1980s. It is now about 40 years old—35 to 40 years old—so there is a lot of experience with revenue authorities around the world, whether it is UK, New Zealand, Canada. The African countries, Latin America, Europe, Asia and one of the countries in Asia, coincidentally, that our friends opposite always say we should emulate, that we should look at, that we should copy because it represents a quantum leap, is—wait for it, Madam Speaker—Singapore, Singapore, and Members opposite love to call out Singapore as a model. Madam Speaker, Singapore, Singapore has a revenue authority, has a revenue authority, right, and in

the Caribbean context, Madam Speaker, Jamaica and Barbados.

So, there has been global experience over the past 20 years to look at the issue of revenue authorities. Madam Speaker, there was one particular issue I raised at the joint select because when you hear “revenue authority” everyone tends to focus on tax collection, and that is fine, and the Minister of Finance spoke very eloquently, and with authority on the tax savings that we can get. He spoke about the leakages and so on.

But Madam Speaker, the Minutes would reflect that I raised a particular concern, and that had to do with border control. And the Minutes will also reflect—I asked specifically, “Does border control include animals?” Madam Speaker, this is one of the under-reported aspects of the Joint Select Committee, and the University of the West Indies again, in Appendix I when they were talking about clause 6, spoke about border control.

And, Madam Speaker, I think for the uninitiated, when we hear “revenue authority” we just think taxes, we just think revenue, but countries’ sovereignty around the world now is at the forefront of everyone’s mind. And border control falls smack into this new Revenue Authority because customs and excise has a serious role to play in border control. And border control, it—and I am quoting now, Madam Speaker, if you would allow me, from a document “US Legal: Border Control and Legal Definition”, if you would allow me Madam Speaker, because I think it is important for the public to understand this is not just about money. This is not just about taxes, and I am hoping—but I do not think I will be successful—that the Opposition will for once take a patriotic stance when it comes to dealing with this issue. [*Desk thumping*] They are afraid of whether it is beneficial ownership, they are afraid about follow the money, FATCA, but:

“Border control means measures adopted by a country to regulate and

monitor its borders. It depicts a country's physical demonstration of territorial sovereignty.”

That is a very important point which the University of the West Indies started to raise in clause 6 on border control. Border control regulates both legal and illegal immigration, and we have an issue with that, collects excise taxes which is what this Revenue Authority is about, prevents smuggling of illegal and hazardous materials such as weapons.

The Attorney General is bringing legislation—has brought legislation. We have to deal with these things, drugs or endangered species. Questions are asked in this Parliament of the Minister of Agriculture about animals coming in from Venezuela through Cedros. You see, the impact of this piece of legislation, the Revenue Authority, is much more than taxes. It will help us to secure our borders [*Desk thumping*] and how often, how often, Madam Speaker, do we across these isles talk about our porous borders. You protect your borders not only by OPVs which we do not have, but you also protect your borders not only by physical assets, but by legislation, and this legislation, this administrative measure will have a serious positive impact [*Desk thumping*] on protecting our borders, and prevents the spread of human or animal diseases.

Madam Speaker, I am passionate about this particular part of the legislation, the issue of border control. It will help us control, manage, stop a lot of the human smuggling, the animal smuggling, the drugs, the ammunition, the arms—

Hon. Member: What about disease?

Hon. T. Deyalsingh:—disease, exactly, you are right. Because, Madam Speaker, let us go back some years. There was a time many years ago when there was a mealy bug outbreak break in Grenada, and we did not have proper measures at the port—

Mrs. Gayadeen-Goopeesingh: Madam Speaker, 48(1) please, 48(1).

Madam Speaker: Member for St. Joseph.

Hon. T. Deyalsingh: Thank you, and border control if we had it then—the mealy bug came into Trinidad and devastated our crops. So all of this, Madam Speaker, I am very, very, passionate about this subset of the TTRA on border control, and I want to really recommend it for dispassionate objective debate.

Madam Speaker, what are some of the benefits to be had by having a revenue authority? And, Madam Speaker, before I go to that, I want to alert the population that even before we got a minority report it was clear that the Opposition was going to delay, kill, and this piece of legislation was marked for death from the very beginning.

Madam Speaker, I want to take you to the Minutes—[*Interruption*]—sorry, sure.

Mr. Charles: Standing Order 48(6).

Mr. Hinds: Anytime you hear “bout death, you jump up”.

Madam Speaker: Member for St. Joseph, please continue.

Hon. T. Deyalsingh: Thank you very much, Madam Speaker. Madam Speaker, I lost my train of—oh, I said this was marked for death, and let me explain why. Madam Speaker, when one goes to the Minutes of the meeting of Friday, July 20, 2018, which is contained in Your Report, Madam Speaker. Madam Speaker, our friends opposite always say they are ready to work with us in a joint select—

Madam Speaker: Member for Naparima, it could be that your chair is a bit slack, but I keep getting your back. Okay?

Mr. Charles: Okay.

Mr. Hinds: He “doh” have a back or a front, he is a spirit. [*Laughter*]

Madam Speaker: Member for Laventille West, Member for Laventille West, I

will just ask you to please keep some of those comments that might incite you know some disruption, “a lil” to yourself today please. Member for St. Joseph, please continue.

Hon. T. Deyalsingh: Thank you very much, Madam Speaker, I must congratulate Laventille West on his quickness of mind. Madam Speaker, in Your Report on Friday, July 20, 2018, it is just to demonstrate to the public, the hill, the mountain, that the Chairman of this committee had to climb. A hill that proved to be so tall, so slippery.

Madam Speaker, there was a time in this committee’s life, Your Committee’s life where the Opposition as represented by Sen. Wade Mark, and Mr. Padarath, Princes Town, refused to meet—the public must know this—refused to meet because they wanted to go on vacation to stymie the work of the Government, to stymie the work of Trinidad and Tobago to not have a revenue authority, and Madam Speaker, I want to read into the *Hansard* Other Business 5.1, Minutes of Friday, 20 July, 2018, so the public will see the UNC for what they are:

“The Chairman”—that is Chairman Mr. Colm Imbert—“read into the record and for the benefit of all Members present, correspondence received from Mr. Mark and Mr. Padarath regarding their absence from the day’s meeting and all”—and all—“subsequent meetings of the Committee during the fixed recess period.”

In other words, “Dey want tuh go on vacation and dey don’t want to do the people’s work”.

Hon. Member: Correct.

Hon. T. Deyalsingh: That is what we had to put up with. So for two months we could not meet because this was marked for death. It was question marked, it was

trademarked, and it was marked for death.

“The Chairman indicated that as a result of the position taken by Mr. Mark and Mr. Padarath, no further meetings should be held until the matter is resolved.”

Imagine that. That is what we had to put up with in this Joint Select Committee.

The UNC—the country must know that the UNC for two months, received their senatorial salary, their MP salary, for two months and refused to come to a meeting. Let that sink into the psyche of Trinidad and Tobago. Just to block, just to stymie, just to harass, just to obstruct, and Madam Speaker, I want to congratulate again [*Desk thumping*] the Chairman, the Minister of Finance, for the patience of Job. He showed patience, he showed tact, civility, in dealing with this type of behaviour.

Madam Speaker, even after we came back, the Minutes of Friday, May 10, 2019, of Your Report speaks about frustration and delay again. So when I say this was marked for death, I know of what I am speaking; paragraph 5.2:

“Mr. Mark requested an extension of time until May 20, 2019 to consider the Committee’s Report. After some discussion, the Chairman advised that the Committee is unable to facilitate the Member’s request.”

3.45 p.m.

Madam Speaker, it is no wonder that Couva South, on the advice of Siparia, can take the position they are not supporting it. It was clear. It was crystal clear to anybody with two eyes, from day one they were not going to support it—[*Desk thumping*]

Hon. Member: “Dey afraid.”

Hon. T. Deyalsingh:—because they are afraid of tax collection. [*Crosstalk*] The country must continue with tax avoidance. The country must continue with tax

evasion. There must be no follow the money, there must be no beneficial ownership. We must not lift the veil to find out who owns properties. They do not want that. No transparency, no explain your wealth. They are deathly afraid of anything that would shine light on illegal activity in this country. [*Desk thumping*] Totally afraid of it. And one must ask the question, Madam Speaker, why? Why our friends opposite would stoutly refuse to support any legislation that once and for all brings transparency and accountability to public affairs? Why? [*Crosstalk*] We on this side, we pass laws that will affect us. We have nothing to hide. Whether it is follow the money, whether it is beneficial ownership, whether it is Revenue Authority, income tax, FATCA, Global Forum, we have no problems, but our colleagues opposite seem to have a fixation on maintaining the status quo where you cannot get your due just in terms of taxes to provide more garbage collection.

What do people want? People want their garbage collected. That is what property tax and land and building taxes used to be used for, but they rode to power on “axe the tax”, but you know what the thing is? People want to pay their land and building taxes, because people want their services.

Hon. Member: What is the relevance?

Hon. T. Deyalsingh: The relevance is that with a revenue authority your tax collection increases. [*Desk thumping*]. There is efficiency, there is effectiveness. There is no leakage. That is the relevance. And with taxes, more taxes, you can provide more goods and services in terms of garbage collection to poor people, to everybody. And populist measures do not solve that problem. Populism is not going to solve it. Right? Madam Speaker, it is absolutely amazing.

So, Madam Speaker, what are some of the benefits of a revenue authority? You can get better compliance with our tax laws, you can get higher tax ratios collected,

higher revenue. You could ensure there is equitable enforcement of our tax laws. Madam Speaker, and very significantly, and this point is lost. We all lament—and Tabaquite, you will agree with me and maybe Caroni Central, you will agree with me—this country has a dearth of serious data collection, statistical information on which to make decisions—

Dr. Rambachan: Including health.

Hon. T. Deyalsingh:—including health, education, social services, across the board. This country has a poverty—it is poor when it comes to data collection, and we always lament that you cannot make decisions if you do not have the data. A revenue authority will give this country data, serious data, which will help in planning, so the Minister of Planning and Development can start to execute more effectively her Vision 2030 goals. [*Desk thumping*] That is what this will do. It will give you better forecasting. That is what a revenue authority will do. Madam Speaker, you will get efficiency due to autonomy, increased compliance, decreased tax avoidance, decreased tax evasion and more goods and services to the public.

So, Madam Speaker, in closing, I want to commend the Minister of Finance for doing an excellent job as Chairman of Your Committee. I am hoping against hope that our friends opposite will see the light of day, that the status quo cannot continue. What we are doing here, week after week with the Opposition, is maintaining the status quo, but the country wants change. So, Madam Speaker, I recommend this report, and I thank you for the opportunity to contribute. [*Desk thumping*]

Dr. Bhoendradatt Tewarie (*Caroni Central*): Thank you very much. Thank you very much, Madam Speaker. I want to start by commending my colleague from Couva South, [*Desk thumping*] who articulated a position on behalf of the workers who are being affected or who will be affected by this legislation and the

establishment of the Revenue Authority, but there are many other issues having to do with this Authority, which have been long in coming. The Member for St. Joseph mentioned that it dates back to 2002.

Mr. Deyalsingh: 1993.

Dr. B. Tewarie: And he—1993, he corrects me now. And the Member for Couva South indicated that the Minister in the Ministry of Finance now and the Member for Diego Martin West and hon. Prime Minister had positions before that would be very different from supporting the existing Bill, although they may have been referring to other versions of the Bill.

So, in 2010, a version of the Revenue Authority Bill was brought to Parliament. The then Opposition was the UNC, and the UNC voted against it. The Senate at that time also opposed and rejected it. The idea of a revenue authority, as embraced by the rejected Bill, was abandoned by the Government at that time. Now, when something like that happens, Madam Speaker, reason calls for a re-examination of the issue and a rethinking of the approach and, perhaps, a significant revision of the Bill.

There is no evidence to show that there has been a re-examination of the issues since 2010. There has been some rethinking of the approach, because a joint select committee was established to examine the draft Bill or the Bill that we are looking at now. That Bill has been revised, but the foundational issues to which the Opposition and some Independent Senators objected in 2010 have remained. So the philosophical framework which guided the failed Bill in 2010 has persisted, and the substance of the Bill, notwithstanding stakeholder consultation which I acknowledged and Opposition objections which have been frequent, that has not been altered. Something which was initiated since around 2002 has persisted unabated, Madam Speaker, and the influence of those with reservations have been

negligible on the Bill that we have here before us today.

The end result is that we have a JSC report with recommendations that—and I quote from the report which I have here:

“...Parliament agree with its proposals for amendments to the Bill...further recommends that”

And I quote again from the same document:

“...the Parliament consider and adopt the Trinidad and Tobago Revenue Authority Bill, 2018, as amended.”

But we also have, side by side, a minority report which rejects and repudiates what it describes as, quote again, the:

“...irrational approach adopted in the Majority Report”

So a consensus, Madam Speaker, was never reached in the Joint Select Committee. The gap which existed in 2010 could not be bridged nine years later, in 2019. And because this Bill violates sections 4 and 5 of the Constitution of the Republic of Trinidad and Tobago and, therefore, requires a three-fifths majority, it is unlikely to pass. Unless, of course, the Government is flexible enough to bridge the gap which separates the two contending positions. But this is not a Government which respects the context for flexibility, accommodation and compromise.

In speaking about the local government Bill, the Attorney General said that he ensured that the local government Bill required a simple majority because he could not count on Opposition support. And we have had instances here, when the Government, amidst objections from the Opposition, pass Bills with a simple majority, although constitutional rights of citizens were at risk.

Mr. Al-Rawi: Which one?

Dr. B. Tewarie: And we have had one clear case, in the instance of the Income

Tax (Amdt.) Bill, where the clauses which offended the Constitution and required a three-fifths majority were taken out, so that the objections of the Opposition could be ignored, and the Bill passed with a Government majority. [*Desk thumping*] So, it would be interesting to see, Madam Speaker, how the Government proceeds today.

I do take the Minister of Finance's articulated position that we have a revenue issue, and I do not wish to argue against that challenge, given what he described as the depressed oil prices and the depressed gas prices, but I want to say that notwithstanding that issue, we need to look at some other things, and I refer here to the Technical Assistance Report of November 2016, and I simply want to raise a few points from this document.

So, Madam Speaker, I refer first of all to the views of the private sector, and this is on page 15 of the report.

- ✓ “Risk management is not evident as there is little distinction between those that comply”—they are talking about private sector players here—“and those that wilfully seek to evade their tax or customs obligations.
- ✓ Tax amnesties as a tool to encourage voluntary compliance are not improving compliance, but in fact working against it.
- ✓ The existing IT platforms in the divisions i.e., GENTAX and ASYCUDA are not being leveraged to take advantage of the substantial investment made. ASYCUDA—which is not fully implemented with regard to air cargo—suffers from frequent service interruptions that can slow trade.”

And I will not continue to read this. I just want to make the general point that what the private sector is saying is that the institutions that you have now and the way they operate are not working and, as a result, the efficiency and effectiveness is not there.

Now, when you read this further—and I am going to page 17—the consultants here from the IMF, from the technical report—

“Confirming that the revenue authority is feasible is an immediate priority.”

This is on page 17. But they suggest certain things, Madam Speaker. They say:

“...the authorities need to quickly develop”—the authorities in this case is the Government of Trinidad and Tobago—“a plan that would include...initial discussions with opposition representatives to ascertain their concerns and priorities”

The IMF knows that is something that will require national cooperation and collaboration and they suggest that certain methodology beginning with deep consultation with the Opposition on this matter, which has not occurred.

“... (2) development of proposals based on these discussions and final decisions on RA design; and (3) confirmed opposition support.”

You had deep consultation with the Opposition on this matter? [*Crosstalk*]

Madam Speaker: Members. Member for Caroni Central, do not be distracted.

Dr. B. Tewarie: Yes. Thank you very much.

Madam Speaker: Direct your conversation this way. Do not be distracted.

Dr. B. Tewarie: This issue goes beyond a joint select committee process, and the handling of a Bill with a policy, Madam Speaker. You see, and the Members over there are very—if they are being reasonable, they know that they understand what I am saying, and they are trying simply to convey the fact that I am saying something that I am not saying. And what I am saying, clearly, is that there was no deep consultation before, prior to the joint select committee process. [*Desk thumping*] And they advised here that you get confirmed Opposition support before. [*Desk thumping*]

“Ideas could be developed to garner opposition support...provision for some

involvement of the opposition in the Director General...and Board nomination/appointment process.”

And they then advised that such a thing has happened in a country like Mauritius, which they used an example, a country that is a little smaller than us with a slightly smaller population than us. So, I just want to say that they did not even follow the advice, very simple.

The second thing, they mentioned here and advised properly that:

“Some aspects of implementation can be sensitive. A transformation of this magnitude”—that is to say, the Revenue Authority—“draws attention and concern, and aspects of implementation are more sensitive than others. These can include such things as how and when the DG and Board”—Director General and Board—“will be appointed”—that is to say—“(ensuring transparency and fairness), how the first official day of RA operations will be determined, how and when the former divisions will be effectively abolished, how disputes/grievances will be transferred to the oversight of the RA and most importantly, how the new RA will be initially staffed.”

They have gone through this thing like a bulldozer and gotten to this point, Madam Speaker. All the warnings and cautions and all the consideration of matters of sensitivity where human beings are concerned, where political interests are concerned and where there is a difference of opinion possibly on policy issues, had been totally ignored by the Government, and they expect us to come here and support this, just because they say that the Revenue Authority is a good thing and it is in 60 countries. [*Desk thumping*]

Look at this. I go on now to page 20. The consultants go on to say:

“If the RA proposal does not succeed, change is still needed.”

In other words, there no obligation or necessity to take the RA as the only and sole option:

“The flaws in revenue administration will remain without specific intervention and this is amply demonstrated by the stasis of recent years. Examples of prevailing problems include...”

And they go on to include a number of issues, and one of the issues they said:

“MOF officials are pulled in many directions and as a result are not well-positioned to effectively oversee revenue administration and therefore, overall results are unimpressive.”

They are talking about the existing system.

They go on to say on page 22—item 22:

“Revenue administration reforms do not necessarily depend on the RA model.”

So they are saying that this is not the only option, which is why they cautioned that you should have deep discussion before, to agree on the model. And then they go on to discuss various options here, which I will not go into. There are really four options or three in addition to the one that has come here.

And I have here with me too, Madam Speaker, a Final Report of the Committee Appointed by Cabinet to examine the Feasibility of Establishing a Revenue Authority in Trinidad and Tobago on August 22, 2002, and I want to give the positions of three people who were involved in this:

“The TTMA representatives indicated that a Revenue Authority should operate as a partnership between the business community and the BIR and C&E Division but that business community involvement in the establishment of a Revenue Authority should be in an advisory capacity or on a consultancy basis so that the operations of the BIR and the Customs and

Excise would remain impartial.”

So there are three issues here: one, it should be a partnership. You should not be organizing things for the business community in which they are directly affected and they are not partners in the enterprise. Secondly, we recognize the fact that we cannot be involved in the business of operations. We are prepared to play an advisory role. And then, finally, they are concerned about the impartiality of this institution and about both the institutions, BIR and the Customs and Excise authority.

“The TTMA maintained that if a Revenue Authority fell under the control of a Minister or Permanent Secretary it would not work and that the new organization should be designed from the bottom up and the staff...remunerated.”

I imagine they meant, properly.

Then, in terms of the tax practitioners:

“On May 7, the Committee met with two Tax Accountants and one Tax Attorney from the major accounting firms in Trinidad and Tobago: Ms. Allyson West—Price Waterhouse Coopers”—at that time—“Mr. Peter Inglefield—Price Waterhouse Coopers; and Mr. Gregory Hannays—Ernst and Young.

Mr. Inglefield began the discussions, by making the point that if a Revenue Authority is going to operate with the same staff, under the direction of the Government, in much the same way as the BIR now operates, the existing remuneration of their employees.”

In other words, he was saying that if they are operating in the same way, it would not make any difference.

“He pointed to the example of the St. Vincent Revenue Authority, which he

said has devised creative ways to adequately reward their employees.

One of the major problems of the present system was the frustration of competent staff working under incompetent management.”

So he, Mr. Inglefield, was talking about the structure of the system and how it operated between managerial responsibility and the operational work of workers.

“Ms. West expressed the fear”—this is the current Minister in the Ministry of Finance—“that the integration of the BIR and the C&E Division would produce a cumbersome and inefficient entity. She indicated that improving the efficiencies of both agencies separately should be considered before integration.”—and:

“Mr. Hannays stated that before there is any integration with BIR and C&E Division there should be complete integration between BIR and the VAT Office.

Formation of a Revenue Authority was not the ideal solution, rather improving the present structure would be a better solution since the current BIR has a poor organizational structure.”

Now, these are the opinions of three people. They are not exact, they are not totally critical in every instance, but it gives you reason to pause. It gives you a situation in which, I mean, any reasonable would want to rethink, I mean: are we doing the right thing or would it really work? I mean, should we not approach it a little differently?

And I have here, the Government of Trinidad and Tobago Ministry of Finance—Establishment of the Trinidad and Tobago Revenue Authority Policy Framework. Now, I made the point that since 2002, nothing had really changed, and this one starts by saying:

“The Government of Trinidad and Tobago has taken a decision to establish a

revenue authority...will be responsible for the collection of government revenue and the provision of other services for the protection of government revenue, including investigation of tax evasion and carrying out of audits.”

It then goes on, and I just want to flag a couple of things. Page two:

“Impact of Technology—As a result of the foregoing, tax administration is impacted by, and requires increasing use and adaptation of technology. The current system in Trinidad and Tobago has failed to leverage technology sufficiently, even with significant investments in technology.”

Now, this is a very important thing, because in the policy paper, it is saying that one of the reasons for the inefficiency and the ineffectiveness of the system is the failure, first of all, to deploy technology and, secondly, the failure to use the technology in a way that makes the system efficient. Okay? So the technological flaw here is a reason for what you might call the ineffectiveness of the system. So the creation of an authority is not going to solve the problem of technology, Madam Speaker.

The second thing that it does here, on page 3, he says that—the writer of the policy:

“A trend in revenue administration is to create an agency designed to operate outside of the Public Service, which is charged by a government to administer all or part of the revenue collection laws...”

So, this is the rationale for the agency. And what they talk about is:

“Trinidad and Tobago will establish a *semi-autonomous* revenue authority.”

And they talk about the:

“Lesson Learnt and Applied to Trinidad and Tobago”

That is to say, what in the policy should apply:

“i. A degree of legal and financial autonomy based on the ability and

- responsibility of the revenue authority to manage its own operations and being able to respond effectively to changes in the environment
- ii. A focus on tax reform and continuous improvement of tax administration
 - iii. Strong accountability and performance management through the establishment of strong reporting, monitoring and evaluation systems”.

And then they talk about the issue of border control and management, which the Minister of Health spoke about in his contribution.

And I want to leave that there, because what I want to say now, Madam Speaker, is that the Bill before us will not create an independent system. That is the first point I want to make. The Bill that is contained in the report as the recommendation to be approved with the entire report is not going to create an independent system.
[*Desk thumping*]

Secondly, it is not going to create an autonomous system [*Desk thumping*] or if you take the policy, and say that semi-autonomous does not mean autonomous and is only half of the autonomy, I think the propensity or the suggestion for political interference makes it not semi-autonomous at all, and it is difficult to see how efficiency and effectiveness will improve. The Minister of Finance asserted that and the Minister of Health, the Member for St. Joseph asserted that, but there is nothing that has been given as proof or illustration that there will be any improvement at all in the efficiency and effectiveness in the collection of taxes by any of the contributions here today so far. [*Desk thumping*]

And so, I go now to the consolidated Bill, Madam Speaker, and I want to make reference to certain things.

“The Authority shall be an agent of the State.”

This is in Part II, clause 5(2).

4.15 p.m.

Then it says, clause 7(2):

“The Board shall be appointed by the Minister and shall comprise nine members as follows:”

This makes it very clear. By the way, in the policy document it was said that the board would be appointed by the President. I better get that before they say I am not telling the truth. This is page 8.

“It is proposed that the TTRA be managed by a Board of Directors appointed by the President by Instrument of Appointment.”

So they did not follow the policy in that the Minister is appointing. And then further down on that same page 7(4)(b):

“The Board members, other than the Permanent Secretary and the Director General, shall be appointed for a term of three years.”

“The Chairman and Vice-Chairman shall be appointed for...five years.”

So the Minister also appoints—well, the Permanent Secretary, of course—one of the Permanent Secretaries in his Ministry, and the Director General. I mean, there is a level of very direct control there in addition to the appointment of the board. And then it outlines what they shall do. Then they talk about ministerial direction, et cetera, not hostile to conformity with the Constitution, so I would not go into that. And then they do have the question of parliamentary scrutiny, I want to acknowledge, where the Minister brings the names of the appointees to the Parliament for confirmation.

So, Madam Speaker, what I would say at this point is that when you read the Bill itself, it does not exactly conform to the policy that it outlines, and if you disagree with the policy as we do, then we have a general problem of engaging the

legislation at all. And if they had taken the advice of the consultants and deeply consulted with the Opposition to establish this prior to any kind of discussion, it was possible that we might have been able to engage a common policy [*Desk thumping*] to the establishment of the TTRA. So the Revenue Authority, as proposed by the Government and as captured in the Bill, in my view, Madam Speaker, and in the view of the entire Opposition of the UNC is not the best option for Trinidad and Tobago. [*Desk thumping*] And this position has been articulated by the leader of the party and the Leader of the Opposition publicly.

Secondly, too much direct power and control is in the hands of the Minister of Finance. We are concerned about that. The issue of political independence and neutrality does arise, and the issue of autonomy and insulation from political interference does arise as well. And these are serious matters because they have to do with taxation matters and they have to do with intrusive interventions in the conduct of business [*Desk thumping*] on our borders, and therefore we have to be concerned about the autonomy, the independence, the checks and balances, the accountability issues in relation to these. There is not enough clarity on the position of workers in the system. [*Desk thumping*] I will not go into that but my colleague from Couva South has been very articulate and bold on the point. [*Crosstalk*] The case has not been made for greater effectiveness and efficiency of this model. That case has not been made. It has articulated but it has not been made. And under political direction an institution such as this can take on a sinister character and be deployed, Madam Speaker, for purposes of intimidation, and therefore there is reason for caution.

You do not have to make a big deal about it, you do not have to howl about it, but any reasonable person would say that some restraint is required and there is reason for caution [*Desk thumping*] on this particular Bill. Now, I raised the issue

on information technology before, Madam Speaker; it comes up in the policy document prepared by the Government to frame the Bill that has been brought here today. I want to say something about information technology, and I am reading here from the report of the Auditor General for the year—

Madam Speaker: Member for Caroni Central, your original speaking time is now expired, you are entitled to 15 more minutes. I just want to ask the House, the Member will go to maybe, if he takes his 15 minutes, to maybe about 4.34, so would it be agreeable that he completes before we take the suspension?

Assent indicated.

Madam Speaker: Please, proceed. [*Desk thumping*]

Dr. B. Tewarie: Thank you very much. So this is the Auditor General's report of 2017 published in 2018. In this, in Chapter 5, page 71, the Auditor General writes:

“An Information Technology (IT) audit is defined as an ‘examination and review of IT systems and related controls to gain assurance or identify violations of the principles of legality, efficiency, economy and effectiveness of the IT systems and related controls.’

An IT audit aims to determine the reliability and relevance of computer-generated information used for the production of financial statements and for decision making.”

So, Madam Speaker, when you look at this you begin to see the issues that are raised here, and the Auditor General asked for reports on their IT condition from the Ministry of Finance, Customs and Excise Division, they got nothing. They asked for the Ministry of Finance, Valuation Division, they got nothing. They asked for the Tax Appeal Board, they got nothing. This is the Auditor General writing now:

The non-submission of information requested by the Auditor General is in

direct contravention of section 10(1)(a) of the Exchequer and Audit Act, Chap. 69:01.

So they are operating in violation of the Act by not responding to the Auditor General. The chances are that things are not as bad as this makes out to be when you make a report like this. There probably was a good reason for them not responding, but the point I am making is that if you do not have your IT systems right and organized in Customs and in the BIR, then no amount of new structure or housing that you create [*Desk thumping*] is going to solve any of the niggling problems that attend the issue right now.

Now, the responses from the Ministries and the Departments, this is to say, they asked the Ministry of Public Administration in conjunction with the Ministry of Planning:

The responses from the Ministries and Departments revealed that there was little or no integration in the use of IT to facilitate effective delivery.

Then they talked about no shared database, this, that and the other, a set of things.

The simple point that I want to make, Madam Speaker, is that the two institutions that they are trying to yoke together under this new structure, both of them are very deficient in terms of IT capability which is absolutely essential for making an efficient system that works and that is more effective.

The second thing that I want to say is, I want to look at the 2018 Auditor General's report, and I want to look at the section having to do with Accounts of Receivers of Revenue. That is Chapter 3 of this document, and I want to read from here—this is what the Auditor General says on page 29, 3.6:

“The Ministry of Finance has oversight for Customs and Excise Division (Customs) and Inland Revenue Division (IRD). Evidence of the information system to monitor and coordinate revenue collection from Receivers of

Revenue was not seen.”

They “doh have nothing”, nothing of substance that you can bring into the picture to account for efficiency and effectiveness. So that if they do not have—no wonder they are described by the Minister of Finance as ineffective because basic information that you need, the basic structures that you need are just not there.

“Customs and Excise Division

A number of weaknesses was noted in the application controls which can lead to unauthorised access to the system and which may result in the inaccurate recording of revenue and the risk of data becoming comprised.”

And they want to now tie this in together with Inland Revenue; this level of efficiency to be tied in now with Inland Revenue.

Then 3.14:

“There is a lack of segregation of duties in operating ASYCUDA...”

Madam Speaker, I do not want to go into how long they have been trying to get ASYCUDA to run in Trinidad and Tobago under how many administrations, you know, and that includes our administration in the past; it includes the one before us. It might have been the one before that, I am not sure, and including this one, this current Government here.

“There is a lack of segregation of duties in operating ASYCUDA in certain areas such as cashing and examination of containers. The Division has reported that this is a result of inadequate staffing. The organization chart of the IT Unit was not provided to enable audit to determine whether the organisational structure supported adequate segregation of duties.

Officers at all levels have the ability to input, validate and make certain changes on the system which can result in unauthorised transactions being processed and possible revenue leakages.”

I have limited time and I would not go into this.

The only point I am making on the second report is that the systems clearly, as they are at the present, are in something of a mess. And if you took a messy situation in two institutions and put them together under one roof, the challenge to make them efficient and effective with technology and with systems and with the institutions that have been established but have not been applied properly remain. It is not solved by the fact that you put them under a single roof and you call them by a new name.

Now, what is the problem that we are solving here or trying to solve? We want to collect more revenue, I have no problem with that. We want to be more efficient and effective in the collection of revenue. You want to widen the tax net, there is nothing wrong with that. You want to ensure greater compliance. You want to ensure that a governance arrangement exists that facilitates these arrangements. Now, we do not, Madam Speaker, think that this structure, system and governance arrangements would achieve the objectives, and this is why. It will create problems with the unions and fear in the heart of workers, and that is happening already. It tries to solve leadership, management, efficiency, effectiveness, productivity, discipline and corruption issues by dismantling two organizations, the BIR and the Customs unit of the Ministry of Finance. That is their solution—partial solution—to their problem.

And then, it creates a new unit with recruited hierarchy and transferred workers under different terms and conditions which create the conditions for problems from inception. From the time you bring in these new cadre, which come under suspicion of the kind that I raised before, and you have the workers now transferred from the public service system, you immediately start with a problem, Madam Speaker.

It seems to take a punitive approach to taxation compliance before creating the atmosphere for confidence building through a stakeholder approach and an appeal to nation building and an incentivization of the taxation compliance system. It does this after a punitive approach in taxation generally and in the absence of a coherent plan for recovery and growth, and in the absence of any clear direction on where the country is headed, the lack of solutions to structural problems in the economy and the context of a loss of business and consumer confidence which pervades the society. We had taxation increase by 5 per cent, 10 per cent for the banks, a series of other taxes, no rebate on VAT; a number of things like that. You even had a situation in which, for various reasons, nobody knows why, homes were invaded in this country without warrants, and institutions without warrants. Now, in order for something like this to work, Madam Speaker, in order to have an efficient system, the country needs to create an appropriate climate for reform to take place. [*Desk thumping*] You need to create the climate before you come with the reform and try to shove it down people's throat. You need, first of all, the restoration of business and consumer confidence by clarity of direction on where Trinidad and Tobago is headed and what sequential steps we are going to take to get there. You need a working partnership for human security, peace and justice. It may not sound like that but the crime situation affects the whole atmosphere [*Desk thumping*] in things like these. You need a partnership strategy for inclusion and protection of all citizens, a working strategy for increased productivity and competitiveness, a working partnership for economic diversification and structural transformation, working partnership for innovation-led growth and high value chain technological interventions in the production and investment configuration. And, most important of all, you need transparency in the execution and management of government-led projects.

Now, the purpose of such approaches and actions is to build a climate of stakeholderhood and of cooperation so that you can achieve results and to deepen the process of democracy, collaborative and creative engagement and trust, because Madam Speaker, without trust and a climate of collaboration and cooperation, very little is possible in terms of this kind of institutional intervention and transformation. I end with a quote from a deceased friend called Sil Loha, who wrote these lines sometime in 1970, and he, in the last two lines of his sonnet, said, and this is what this thing is about:

Power is not enough to make us strong, the heart must also sing the human song.

Let them try to do that. [*Desk thumping*]

PROCEDURAL MOTION

Madam Speaker: Leader of the House.

The Minister of Planning and Development (Hon. Camille Robinson-Regis): Thank you, Madam Speaker. Madam Speaker, in accordance with Standing Order 50(3), I beg to move that the debate on the Motion, be it resolved that this House adopt the Report of the Joint Select Committee appointed to consider and report on the Trinidad and Tobago Revenue Authority Bill, 2018, be adjourned.

Question put and agreed to.

Madam Speaker: Members, we shall take the suspension now. We shall return at

4.33 p.m.: *Sitting suspended.*

5.10 p.m.: *Sitting resumed.*

MISCELLANEOUS PROVISIONS (PENSIONS) BILL, 2019

Senate Amendments

Madam Speaker: Attorney General.

The Attorney General (Hon. Faris Al-Rawi): Thank you, Madam Speaker.

Madam Speaker, I beg to move the following Motion standing in my name:

Be it resolved that the Senate amendments to the Miscellaneous Provisions (Pensions) Bill, 2019 listed in Appendix II be now considered.

Question proposed.

Question put and agreed to.

Clause 2. In paragraph (b)–

- (a) delete the words “following subsection” and substitute the words “following subsections”;
- (b) delete the words “subsection.”.” and substitute the words “subsection.”; and
- (c) insert after subsection (2), the following subsection:

“(3) Notwithstanding subsection (1), a person referred to in that subsection who ceased to hold office before 25th June, 2019 is entitled to the revised retiring allowance referred to in that subsection as of 25th June, 2019 and thereafter on every fifth anniversary referred to in that subsection.”.”

Madam Speaker: Attorney General.

Mr. Al-Rawi: Madam Speaker, may I ask if there is agreement for us to do all three clauses? It would perhaps be in best interest if we could, subject to the will of the House. If so, the clerk would read the other two?

Madam Speaker: Whip? We cannot read a nod.

Mr. Lee: Yes, Madam Speaker.

Madam Speaker: No, you cannot say “yes” sitting, please, Sir.

Mr. Lee: Yes, Madam Speaker.

Madam Speaker: Clerk, therefore you could read all.

Clause 3. In paragraph (b) –

- (a) delete the words “following subsection” and substitute the words “following subsections”;
- (b) delete the words “subsection.”.” and substitute the words “subsection.”; and
- (c) insert after subsection (2), the following subsection:

“(3) Notwithstanding subsection (1), a person referred to in that subsection who ceased to hold office before 25th June, 2019 is entitled to the revised pension referred to in that subsection as of 25th June, 2019 and thereafter on every fifth anniversary referred to in that subsection.”.”.

Clause 4. In paragraph (b) –

- (a) delete the words “following subsection” and substitute the words “following subsections”;
- (b) delete the words “subsection.”.” and substitute the words “subsection.”; and
- (c) insert after subsection (2), the following subsection:

“(3) Notwithstanding subsection (1), a person referred to in that subsection who ceased to hold office before 25th June, 2019 is entitled to the revised pension referred to in that subsection as of 25th June, 2019 and thereafter on every fifth anniversary referred to in that subsection.”.”.

Madam Speaker: Attorney General.

Mr. Al-Rawi: Thank you very much, and I thank the Whip for the agreement of the House. Madam Speaker, the proposed amendments to clauses 2, 3 and 4, agreed to by the Senate, all relate to the same intent and purpose. Act No. 13 of 2019, which is the Act of Parliament which created an—

Madam Speaker: Just for us on clarification for the procedure, AG, can I refer you—I think you have the procedure, so you have to beg to move before you begin the presentation. It should be on page 1 at the bottom. Yes?

Mr. Al-Rawi: Thank you for your guidance. The last time I did that I was pre-empted from speaking.

Madam Speaker: Go to page 1.

Mr. Al-Rawi: Yes, Ma'am.

Madam Speaker: The bottom of page 1.

Mr. Al-Rawi: Much obliged. Madam Speaker, I beg to move that this House agree with the Senate amendments to clauses 2, 3 and 4 as read by the Clerk, and I thank you for your guidance, Madam Speaker. In the Miscellaneous Provisions (Pensions) Bill, 2019, Madam Speaker, in Act Number 13 of 2019, assented to by Her Excellency the President on the 25th of June, 2019, certain material provisions were brought into effect, specifically the improved pension arrangements for retiring allowances at section 6(b) of the Retiring Allowances (Legislative Service) Act, Chap. 2:03, secondly, at section 4(a) of the Prime Minister's Pensions Act, Chap. 2:51, and, thirdly, at section 11(a) of the Judges, Salaries and Pensions Act, Chap. 6.02.

In the course of those particular provisions, those amendments made by Act No. 13 of 2019, it became necessary to, out of an abundance of caution, include a particular provision which specifically provided for a clarification—let me state

that—a clarification and not a correction of Parliament’s intention. Certainly, Madam Speaker, under the rule of *Pepper (Inspector of Taxes) v Hart* and related appeals, it is a case coming from the House of Lords, 1993, 1 All England Reports at page 42, the classic provisions as to statutory interpretation and the use of *Hansard* as an aid for interpretation were laid out. It became incumbent upon enquiries being made of the Government as to whether the assent and operability of that law, Act No. 13 of 2019, whether that law allowed for the activation of provisions, which I will basically call “back pay”, to come into effect. The Minister of Finance, in piloting Act No. 13 of 2019, was pellucidly clear in stating Parliament’s intention, in stating the Government’s intention in bringing this law pursuant to section 53 of the Constitution that we were not engaging in anything other than a prospective application of the law. So that the improved benefits for pension, which included a housing benefit, that they would only come alive prospectively, but that retired persons in the three categories, Prime Minister, legislator and judges, would be entitled on a “go forward basis” on five-year anniversary cycles from the date of their retirement.

Madam Speaker, a second issue arose, and that second issue was whether the time in the prospective application of the law was such that even though the law came into effect on the 25th of June, 2019, that one would have to wait several years before the law of prospectivity kicked in. In other words then, would someone who had retired four years previously and who qualified pursuant to Act No. 13 of 2019 have to wait one year after the proclamation, after the assent of the law, and if someone who had retired one year prior to June 25, 2019, would have to wait four years, hence. It therefore became prudent, Madam Speaker, apart from the amendments which were caused in this House, and which were accepted by the Senate, to actually add in a further qualification, and it is that qualification that

finds itself on the Supplemental Order Paper in respect of clauses 2, 3 and 4.

5.20 p.m.

I might add, Madam Speaker, you will notice that this does not apply to the Office of the President of the Republic, because that law is clear in and of itself.

In the round, Madam Speaker, the rationale for the insertion of the sub-clause (3) to each of these provisions, that is in clause 2, clause 3, and clause 4, this is intended specifically to clarify the law. The clarification of law, in putting forward is based upon allowing the persons who will prospectively be entitled to improved benefits to take avail of those things as at the date of assent of the law, which is the 25th of June, 2019. That therefore harmonizes and resets the pension clock to that particular date, so that all persons, particularly those in the category of retired judges and retired legislators and in those two pots themselves, where we have public knowledge of extreme difficulty, that the beneficiaries can take avail of those improved arrangements.

I would like to underscore that persons in these two categories are entirely different from persons in the general public service category, largely because this is a contributing pension arrangement where 6 per cent of emoluments are paid into the pensionable aspects. And therefore, even though they are an entirely smaller pool of persons, it is to be materially distinguished, that these persons are in a contributing pension arrangement.

I would like to state that the Government looked very carefully at any issues of constitutionality, in particular whether there was a vested right that Parliament would be disturbing if we were to pass this law. We had a robust discussion in the Senate over it. Indeed, one of the views expressed was that we should specifically speak to whether the Constitution itself in sections 133 to 136, could be disturbed. Those sections of the Constitution, 133 to 136, apply to, effectively, the principle

that you cannot derogate from the terms and conditions of sitting judges. I would like to add in particular, on this occasion, that we are very comfortable that we are not disturbing the constitutional arrangements against non-derogation, because this is not the category of sitting judges, we are dealing specifically with retired persons.

And in the case of judges, we are dealing with the Judges Salaries and Pensions Act, Chap. 6:02, and that Act is the Act which treats with retirees. So there is a distinguishable position between the constitutional arrangements of sections 133 to 136, and Chap. 6:02 which deals with the retirement benefits.

As a subset of that, this House can find comfort in the fact that the principles against retrospectivity also apply here, they confirm the narrow compass of prospectivity, they actually also confirm that we are well within the parameters of Bennion in terms of sixth edition language that has been offered as to when something is retrospective. We are clearly not in a retrospective situation, and we are also ably assisted by two important decisions. The first is in the case of Maxwell, and the second in the case of Wainwright. In those particular judgments we also find comfort that this law was not, in any circumstance, to be considered nor can it be considered as being retroactive, such as to engage in vested rights which would otherwise require, if being disturbed, a constitutional majority.

These are the reasons for the proposed amendments, Madam Speaker, and unless I can be of any further assistance, I beg to move. [*Desk thumping*]

Question proposed.

Madam Speaker: Member for Caroni Central.

Dr. Tewarie: Thank you very much, Madam Speaker, I will be quite brief on this. The Attorney General mentioned two words, “retrospectivity”, and he referred to the public service in his presentation, and we understand that these amendments

are meant to place limitations and also to start the process on a specific date, June the 25th, 2019. But I want to indicate that notwithstanding the fact that it addresses this issue of retrospectivity, the legislation to which this clause is now—these three clauses are now inserted have forever opened the Pandora's box of pensions as a feature of negotiation, and the issue of indexation as a feature of future negotiations, and I alert and warn the Government of this. The public service, of course, is not affected by this and it is not meant to and it is for a very specific purpose, but it is the public service that is likely to respond to this.

Our position on this Bill is well known and I will not articulate it here, and we took a certain position for very specific reasons. And so I acknowledge what the AG had said, but as I indicated last time, I thought that that was “the last act of incompetence” in the management of this Bill. [*Desk thumping*] I am afraid to say that this one is the last act because I do not know what is going to come again.

Now, it is no major thing, I understand, but all of this is caused by the fact that the legislation was hastily conceived and the attempt was made to rush it through the parliamentary process. The end result is that we end up with these several amendments, minor though they are, these several amendments which really with a little care and attention and time, could have been properly done in the first instance. Thank you very much, Madam Speaker, [*Desk thumping*]

Madam Speaker: Attorney General.

Mr. Al-Rawi: Thank you very much, Madam Speaker. I thank the hon. Member for keeping to his word to being brief as I am compelled to match, but also importantly to correct the record on a few matters.

Madam Speaker, the hon. Member had asked about the issue of retrospectivity. I would like to add that one of the underpinning requirements to prove that one is within the proper zones of constitutionality with respect to an

allegation of retrospectivity, was set out in the case of Northern Construction.

It is in that particular case in the High Court, Court of Appeal and very importantly in the Privy Council, that the Privy Council was invited to consider the issue of retrospectivity as it related to the greatest betrayal to the people of Trinidad and Tobago in the proclamation of section 34. The Privy Council in dealing with the issue of [*Crosstalk*] retrospectivity as it applies in this Bill, the Privy Council—

Mr. Charles: Madam Speaker, 48(1).

Madam Speaker: I think if my ears are not betraying me, I believe that the Attorney General is responding to the word “retrospectivity” which, I believe, was in his presentation which I believe were the two starting opening words of the Member for Caroni Central. [*Desk thumping*] Attorney General.

Mr. Al-Rawi: Thank you. [*Desk thumping*] The case that we are treating with on retrospectivity, the locus classicus, the case of highest record in our land comes from the Privy Council and in that Privy Council decision in assuring this Parliament that these amendments are in correct—in form, Madam Speaker, the Privy Council in examining the greatest betrayal of a Cabinet to the country of Trinidad and Tobago in the hasty inexplicable proclamation of section 34, the Privy Council said that you must act with alacrity in coming to the Parliament, and that you must move to get that process right.

And in that process, the Privy Council looked at the position of the need for certain amendments. And so that we find an answer to what the Member for Caroni Central has said. Caroni Central said that, the hon. Member said that, he hoped that was the “last act of incompetence” because he thought that these were minor amendments that could have been done at the same time.

If that were the case, then I need only point to the Privy Council decision in

the Northern Construction case which pointed out to the need for certain amendments to that law to repeal section 34, and had it not been for the Minister of Finance then sitting as Member opposite in the Opposition Bench for Diego Martin North/East to guide then Attorney General on the choice of attorneys—

Mr. Imbert: Correct is right.

Mr. Al-Rawi:—Lord Pannick as choice of attorneys, and the choice of wording which I as a Senator sat in those days and brought amendments, God help us all, the Almighty in his wisdom that had it not been for those several amendments, we would never have seen that incompetence and betrayal to the people of Trinidad and Tobago cured. So the precedent that we rely on today to speak to the issue of retrospectivity is anchored in the Northern Construction case. The need for tweaks to amendments have been brought quickly. This matter was laid on the 7th, we dealt with it in quick fashion immediately upon assent, and we certainly found ourselves moving in the right direction.

The hon. Member went further, Madam Speaker, in the context of saying notwithstanding retrospectivity to raise the issue that indexation and pensions would certainly be a context for discussion of future collective agreements in the public services.

And just very quickly on that, I think that that is a form of intellectual crocodile tearing [*Desk thumping*] and I will say why. It is crocodile tearing for pensioners to say today that there should be a discussion, when the hon. Member sitting as the Minister of Planning and the Economy did absolutely nothing to ensure that the decline in pension entitlements in this country caused by an ageing population with negative growth rates and contributions which hold up the pensionable arrangements, the hon. Member himself did absolutely nothing, no public advocacy, no charge to then Prime Minister Kamla Persad-Bissessar,

nothing.

So this Government will accept no crocodile tears on the pretence that there is a benefit to be looked at for public servants in the country, particularly when the hon. Member and the Cabinet led by Siparia had the option to consider indexing, to consider contributions to pensionable arrangements simpler to that which legislators deal now. So, Madam Speaker, I think that this is intellectual fraud at its highest, Madam Speaker, [*Desk thumping*] at its highest.

And you know, Madam Speaker, I have a great sense of pity to people who actually look to what is being said, you know. Sincere tones, straight faces, and an attempt to be with an intellectual aplomb, but it is nothing other than a glorious deceit, Madam Speaker. When you get to the details of the structures, it is a glorious deceit, something which Naparima seems to enjoy, chuckling and laughing all the way through this contribution in his crosstalk. I pity people, Madam Speaker, if that is what they have to rely on with Naparima.

Madam Speaker, I think I am coming quickly to an end where the hon. Member spoke lastly about the need for positioning on the issue of indexing and positions. I can tell you that the current Minister of Planning and Development, the current of Minister of Finance in this Government are looking assiduously at the reports that come out from the actuarial considerations of arrangements to this effect, and had we been in a position where we did not suffer from a 96 per cent drop in revenue, from the consequences of waste, corruption and mismanagement, from the consequences of Members opposite having no regard for the kleptocracy that prevailed in Trinidad and Tobago in the period 2010 to 2015—

Mr. Charles: Standing Order 48(4).

Madam Speaker: Attorney General, please continue.

Mr. Al-Rawi: Yes, Madam Speaker. Had the hon. Members opposite been not

living the high life in the United Nations sipping champagne at the taxpayers' cost [Crosstalk] sipping champagne and being chauffeur driven, Madam Speaker—

Mr. Charles: Madam Speaker, 48(1)

Madam Speaker: Continue.

Mr. Al-Rawi: Madam Speaker, champagne sippers and chauffeur-driven people seem to have a little bit of thin skin when the truth is revealed. So, Madam Speaker, I think sometimes the old Shakespearean adage or maxim or reflection that, “thou doth protest too much”, comes to life.

Madam Speaker, champagne sippers and chauffeur-driven people who forget their roots and bases, who forget to look after pensionable people, to look after indexing issues based upon the back of proper actuarial sciences, to deal with the concept of ageing populations, declining growth rates, birth rates, Madam Speaker, these are people to watch with a “cokey-eye” and to take no advice from.

Madam Speaker, these amendments are proportionate, they are constitutional, I thank every Member of the Independent Bench who supported this. The Members of Opposition refused to support these arrangements, but I will end by saying, some Members “who catching us” in the corridors to tell us, “Boy thanks for fixing us up. Please, go ahead and accelerate my gratuity”—

Hon. Member: Every one “ah dem”.

Mr. Al-Rawi: Every single one of them. [Crosstalk] Put it in writing—

Mr. Charles: Madam Speaker, 48(6), not every single one of “ah dem”. I am an honourable man. [Laughter and crosstalk]

Madam Speaker: You know, Member for Naparima, you are always given an opportunity to join a debate, an opportunity which sometimes you do not take.

Mr. Charles: The Minister is winding up.

Madam Speaker: Well even before. Right? And I remind you, sometimes you

know as I say, maybe we are still accustomed of environments or fora where we sit and we talk across the table. All right? But, please. Attorney General.

Mr. Al-Rawi: Thank you, Madam Speaker. Let me repeat what I was saying. Every Member opposite, everyone entitled to gratuity—

Hon. Member: He “aint” serve no time here.

Mr. Al-Rawi:—rushed the Minister of Finance, the Member for Diego Martin North/East, to say “Take my written consent to accelerate the payment of my gratuity”. But, Madam Speaker, the Minister of Finance did.

Mr. Imbert: Of which I did. Moonilal “get paid”—

Mr. Al-Rawi:—all Members said, as Oropouche East was paid before the Minister of Finance.

Mr. Imbert:—before me.

Mr. Al-Rawi: All Members said, thank you for bringing this legislation.
[*Crosstalk*]

Mr. Imbert: “Moonilal get pay first”.

Mr. Al-Rawi: And I want to say, why it is you have to watch Naparima with a very careful view.

Mr. Deyalsingh: “Cokey-eye”.

Mr. Al-Rawi: The hon. Member stands up in trying to raise a Standing Order which was dealt pretending almost that he is entitled to a pension under the retired legislators position, never having served a five years as a Minister or a five years in the diplomacy aspects where he would otherwise be entitled, knowing fully well that he is not entitled to stand up and pretend, “I did not accept it”. Well, how you are accepting it, if you were not entitled? [*Crosstalk*]

Madam Speaker, sometimes the ghosts that haunt people come to the surface, you know, sometimes they occupy places that they should not be. I will

say my prayers for my friend from Naparima, and for the people from Naparima who have to suffer under that form of representation.

Madam Speaker, I thank you for the opportunity to correct the misinformation offered by the Opposition, and I beg to move. [*Desk thumping*]

Question put and agreed to.

ADJOURNMENT

Madam Speaker: Leader of the House.

The Minister of Planning and Development (Hon. Camille Robinson-Regis):

Madam Speaker, I beg to move that the House do now adjourn to a date to be fixed.

Question put.

Madam Speaker: Did I hear against? [*Crosstalk*]

Mr. Charles: Joint select committee, vote for you, send it to a joint select.
[*Crosstalk*]

Madam Speaker: Okay. So, Members, we are not yet on recess. Okay? Please, be reminded; not yet on recess.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 5.38 p.m.