

Leave of Absence

Thursday, September 13, 2001

SENATE

Thursday, September 13, 2001

The Senate met at 1.30 p.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. President: Hon. Senators, leave of absence from today's sitting has been granted to Sen. Christopher Thomas.

UNITED STATES OF AMERICA

(Terrorist Attack)

Mr. President: Hon. Senators, I now want to refer to the very heinous act of terrorism against the United States of America which took place this week. I am advised that passing reference was made to that incident during the debate on Tuesday, but Senators did not have a formal opportunity to offer comments. The floor is now open for Senators wishing to comment.

The Minister of Energy and Energy Industries (Sen. The Hon. Lindsay Gillette): Mr. President, hon. Senators, before we begin today's deliberations in this Senate, I wish to make a statement on the horrible events which unfolded in the United States of America on Tuesday, September 11, 2001.

I am today calling upon this session to demonstrate solidarity with the people of the United States of America at this time when unidentified forces of malevolence have attempted, in a brutal strike, to rock the pillars of one of the strongest democracies on this planet. It is indeed a sobering reminder of just how tenuous and how precious our own democracy is and shows that we must be constantly vigilant to guard against incursions into our democratic freedoms and rights which so many take for granted.

As we here in Trinidad and Tobago share in the world's dismay at the events that occurred on Tuesday we must also look inwards at our many citizens who are still awaiting news of their relatives, loved ones and friends in the affected areas.

Mr. President, I am informed, through the Ministry of Enterprise Development and Foreign Affairs, that all of our overseas staff posted at our missions in New York and Washington have been safely accounted for. However, in extending our profound sorrow to the government and people of the

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United States of America, the Government and people of Trinidad and Tobago are sure that the American people possess the courage to persevere even in the face of such a reprehensible attack on the country's democratic icons. In this regard the Government of the Republic of Trinidad and Tobago wishes to reiterate its support of President Bush's call for condemnation of all perpetrators of terrorism.

Mr. President, in closing, the Government of the Republic of Trinidad and Tobago wishes to restate its position in respect of our clear stand on the side of democratic expression and our total and categorical rejection of acts of terrorism and violence. May God bless the people of the United States of America and may God bless the free world.

Sen. Danny Montano: Mr. President, on the last occasion I did not make passing reference, in fact, I sought leave of the Vice-President at the beginning of my contribution to say a few words because I felt it was appropriate at that time to respond immediately to the crisis that had occurred in the United States of America, and I did make a few comments.

Having been called upon now to make a few statements, again, I am quite happy to do so. I would have been grateful for a little notice, but, notwithstanding that, let me assure you and Senators, that we on this side, speaking on behalf of my party and my leader, would certainly wish to reconfirm our sentiments of sympathy and condolences to the government and people of the United States of America and, of course, to the families and friends of the victims in what could only be described as a holocaust.

Again, I would reiterate that we on this side completely abhor violence of that kind. We do not condone that and we would never condone that. In this regard we would certainly join with the Government to say that we condemn the actions of the perpetrators in the highest possible way.

That being said, Mr. President, there is much that will happen over the next few weeks and months and I know that we would hope that restraint would be exercised on the part of the United States of America and their military allies. While we are deeply sympathetic to the events that have occurred, we would certainly not wish that retaliation be made in such a way as to begin any fighting anywhere. I think it is a time when we must reflect on the lives of innocent citizens everywhere, and while there are those who would have military aims and objectives against a country and its citizens, I think that the countries must act wisely and with restraint. That being said, we on this side can only imagine the

horror now being experienced by the people of the United States of America. We send our deepest sympathies to one of our closest, strongest and longest-standing allies. We, too, on this side would always stand shoulder to shoulder with the United States of America provided that restraint is exercised.

With those few words, Mr. President, I thank you.

Sen. Prof. Ramesh Deosaran: Mr. President, on behalf of my colleagues on the Independent Bench we, too, would like to express our sentiments on this very horrific matter. There is, of course, as Sen. Montano said, some need to prepare yourself to express feelings, but at the same time, you can never feel that you are fully prepared to say all that should be said.

On this occasion, and given the kind of relationships, economic as well as strategic, that this country has with the United States of America, I think it is quite appropriate for us to put on the record, as you have so generously invited us to do, our own official position, through the Parliament, on this matter. The opportunity should be taken, as well, to increase our own vigilance in matters of this kind because it is quite obvious, not only about the infectiousness of hatred, but the very devastating consequences that can flow from such extremism.

1.40 p.m.

There is a small platform on which this country can express its voice on this matter, that is, the events of 1990. As a small country, we must also understand that we still have a role to play in international affairs, especially since you may kill a man, a terrorist, but it is not so easy to kill an idea, the idea that obviously motivated that extreme terrorism lives in many countries that we care to count at present.

In other words, the politics of globalization has changed rather dramatically over this incident. We ourselves must recognize that we do have some strategic role to play because in matters of such quickened pace, that with immediate disasters, the weakest link in the chain becomes important.

In that context, my friends and colleagues wish to express our deep sorrow and recall the words of a famous pastor who said, "When they came for the Jews, I did nothing. When they came for the unionists, I did nothing. When they came for the Catholics, I did nothing. When they came for me, there was no one left."

Thank you.

Mr. President: May I ask all to stand and observe a minute's silence.

The Senate stood.

FINANCE (SUPPLEMENTARY APPROPRIATION) BILL

Bill to vary the appropriation of the sum of the issue of which was authorized by the Appropriation Act, 1999/2000 [*The Minister of Finance*]; read the first time.

Motion made, That the next stage of the Bill be taken at a later stage of the proceedings. [*Hon. L. Gillette*]

Question put and agreed to.

ORAL ANSWERS TO QUESTIONS

The following questions stood on the Order Paper in the name of Sen. Prof. Julian Kenny:

**University of the West Indies
(Full Time Staff)**

- 10. (a)** Could the hon. Minister of Human Development, Youth and Culture inform the Senate of Government's general policy regarding full-time staff of the University of the West Indies being involved in private consulting and other business activities, with particular reference to the time the university permits full time staff members to be involved in such activities and the terms of such concessions?
- (b) Could the hon. Minister inform the Senate of the numbers of full-time staff members of the Faculties of Agriculture and Natural Sciences, Engineering and Medical Sciences who have been given approval to engage in business activities and private consulting during the year 2000 and contributions made by full time staff in that year to the consultancy funds of the university and of the three named faculties?

Leaded and Unleaded Gasoline

- 11. (a)** Could the hon. Minister of Energy and Energy Industries inform the Senate of the respective total domestic sales of leaded and unleaded gasoline by volume in the year 2000 and of the actual quantities by weight of lead additives used in the gasoline sold domestically during that year?
- (b) Could the hon. Minister state Government's target date for the total elimination of the use of leaded gasoline in Trinidad and Tobago?

Halcrow Group Limited

12. (a) Could the hon. Minister of Integrated Planning and Development inform the Senate of the broad terms of the contract between the Ministry of Integrated Planning and Development and the United Kingdom firm of Halcrow Group Limited and the local group Halcrow Fox of 133 Sixth Street, Barataria, in particular the terms of reference, duration of contract, numbers of expatriate staff involved and total cost of the contract?
- (b) Could the hon. Minister inform the Senate of the tendering procedures employed in selecting Halcrow?
- (c) Could the hon. Minister inform the Senate of the connections of Halcrow Group Limited and Halcrow Fox, if any, with the local firms PCA Limited, Development Planning Associates, Development Planning Associates (2000) Limited and Interplan Group Limited, all of 133 Sixth Street Barataria and whether any of these firms made inputs to the National Conceptual Development Plan?
- (d) Could the hon. Minister also inform the Senate of the status of the National Conceptual Development Plan submitted to the Senate under the corporate names of Halcrow Group Limited, UDeCOTT and PCA Limited?

The Minister of Energy and Energy Industries (Sen. The Hon. Lindsay Gillette): Mr. President, I beg to move that the questions be deferred for a period of two weeks.

Questions, by leave, deferred.

**PUBLIC ACCOUNTS COMMITTEE
(REPLACEMENT)**

The Minister of Energy and Energy Industries (Sen. The Hon. Lindsay Gillette): Mr. President, I beg to move the following Motion:

Whereas there exists a vacancy in the Public Accounts Committee by the resignation of Sen. Christine Kangaloo:

Be it resolved that this Senate appoint a nominee in Sen. Joel London to be a Member of the Public Accounts Committee in place of Sen. Christine Kangaloo.

Question proposed.

Question put and agreed to.

Resolved:

That this Senate appoint a nominee in Sen. Joel London to be a Member of the Public Accounts Committee in place of Sen. Christine Kangaloo.

ARRANGEMENT OF BUSINESS

The Minister of Energy and Energy Industries (Sen. The Hon. Lindsay Gillette): Mr. President, I seek leave of the Senate to deal with Motion No. 1, then proceed to Bills Second Reading.

Agreed to.

CIVIL AVIATION BILL (House of Representatives Amendments)

The Minister of Transport and Minister of Tourism and Tobago Affairs (Sen. The Hon. Jearlean John): Mr. President I beg to move,

That the House of Representatives amendments to the Civil Aviation Bill listed in the Appendix be now considered.

Question proposed.

Question put and agreed to.

Clause 14.

House of Representatives amendment reads as follows:

Delete the existing clause and substitute the following clauses:

Declaration of interest	14(1)	A member of the Board who is in any way, whether directly or indirectly, interested in a contract or proposed contract with or in any other matter concerning an entity regulated by the Authority, or any body corporate carrying on business with the Authority, shall, as soon as possible after the relevant facts have come to his knowledge, disclose the nature of his interest.
	(2)	A disclosure under subsection (1), shall be recorded in the minutes of the Board, and the member—

- (a) shall not take part after the disclosure in any deliberation or decision of the Board with respect to that contract; and
 - (b) shall be disregarded for the purpose of constituting a quorum of the Board.
- (3) For the purpose of this section, a person who or any nominee or relative of whom is a Director, a shareholder or partner in a company or other body of persons other than a statutory authority or who is an employee thereof shall be treated as having indirectly, a pecuniary interest in a contract or proposed contract or such other body of persons is a party to the contract or proposed contract or has a pecuniary interest in such other matter under consideration.
- (4) A member who fails to comply with the provisions of this section, is liable on summary conviction to a fine of one hundred thousand dollars, unless he proves that he did not know that the contract, proposed contract or other matter in which he had a pecuniary interest was the subject of consideration at the meeting.
- (5) In subsection (3), “relative” means spouse, common-law spouse, father, mother, brother, sister, son or daughter of a person and includes the spouse of a son or daughter of such person.
- Limitation on subsequent employment 14. A No member or former member, shall accept employment or enter into a contract of service with an entity regulated by the authority or any body corporate carrying on business with the Authority, until the expiry of two years from the termination of his appointment whether by signature or revocation, effluxion of time or otherwise.

Sen. John: Mr. President, I beg to move that the Senate doth agree with the House of Representatives in the said amendment.

Largely because even in this place, we had the question of the declaration of pecuniary interests and ensuring that there is accountability at every level and tightening the legislation to reflect this. Basically, I think more or less, we were satisfied with this subject clause from the Civil Aviation Act of 2000. Hence the reason for the changes.

Question proposed.

Sen. Montano: Mr. President, we can certainly support the intentions of what is written here. We felt that this amendment falls a little short of what we were looking for. What is trying to be achieved here is to ensure that members of the board are independent and completely independent of the workings of the authority. We have no difficulty with that.

In achieving that independence, it is very important to bear in mind who might be appointed to the board. It is our understanding that there are two nominees and both of them are working for BWIA. I am not certain of this. One is a pilot and the other might in fact be a mechanic. We would face a situation where the board has two members. The board is going under the other provisions of the Act and would require to license the pilot and the mechanic respectively and they literally would be licensing themselves. That immediately sets up a conflict of interest that is not going to be captured by the new section 14.

It goes a little deeper than that. What you face is that two members would be working within an organization that is subject to the board of the authority. From the time there is that type of situation, the board would be no longer independent of the organization for which it is responsible. Given the events of Tuesday I think that we can see how critical it is that the Aviation Authority has complete independence from any other group or organization in the country over which it has any authority. There must not be any link.

In my profession as a chartered accountant, we are not allowed by the rules of the profession, not by any other law, to be directors of companies that we audit, for obvious reasons. We would literally be signing off on accounts for which we are responsible. That is exactly the conflict that we were trying to avoid when arguments were raised in the other place. We are disappointed that they have not been taken up in this amendment.

1.55 p.m.

It really falls short of the basic concept of independence not to have in it a provision whereby persons who are subject to the rules and regulations of the Authority shall not be members of the Authority. It follows as night follows day, that is what should prevail. Surely, the logic of that would strike any right-thinking person and yet there are very strong indications that the Government intends to do precisely that. If it is that they do not intend to, I would be willing to accept some assurances in that regard. However, it still raises the spectre that it can happen, and what we want to do here is get it right. We should, therefore, have the amendments in the Bill to the extent that any person working in an organization, who is subject to the licensing approvals of the Authority, cannot be a part of the Authority itself. That just cannot exist. I would ask the Minister and her colleagues to look at the rightness and clear logic of what I am saying.

We cannot have that type of situation in existence. The whole world is going to be looking at what we do. We have already had a downgrade of the airport from a Category I to a Category II, and we are subject to the scrutiny of the entire world.

We heard a Minister say two days ago that he wants to bring the country into First World Status and yet this is what we are going to permit? Anybody who would not only allow this, much less actively and actually do it, I would say shame on you. I would certainly ask the Minister, with whom I have had very successful dealings in the past—and I have managed to prevail successfully on her good sense—to do the same thing here: to take my comments on board and not to continue with the entire piece of legislation until the concerns that I have mentioned here have been properly addressed to our satisfaction.

I thank you, Sir.

Sen. Daly: Mr. President, I want to identify very strongly with the concerns expressed by Sen. Montano. If one looks at these proposed amendments and leaves out the reference to contract, “A member of the Board who is in any way, whether directly or indirectly, interested in...any other matter concerning an entity regulated by the Authority...” This amendment is wide enough to include an interest in anything. It does not have to be something that is contractual or something that is directly money-making. It is, to my knowledge, that there are persons involved in the business of the Civil Aviation Authority who have employment interests that are not consistent with the Authority being independent. If they retain those employment interests, then they will be on a

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perpetual disqualification scene if this clause is properly applied. I am very anxious about this, not because of the personalities involved, but because we are now stumbling across so many of these very obvious conflicts of interests.

We mentioned on the last occasion, and my colleague has a question on the Order Paper about it, where members of the Interim National Physical Planning Commission have employment and investment interests that will bring them into direct dealing with the planning commission. We now have a difficulty with a member of the Elections and Boundaries Commission, who is the president of an organization that deals directly with the Government, and indeed, asks the Government for things to be put in or left out of budgets. So this is a very alarming trend.

I would not like the Minister to think that we are picking on this particular clause just to give anybody stress, but we cannot have a situation where a member of the Elections and Boundaries Commission is the head of an organization that directly asks the Government for things. It just cannot work and likewise, we cannot have a situation where people are on an interim planning commission and they have business interests that they will be asking the interim planning commission for things. Likewise, here we cannot have someone on the board of the Authority, whether as chairman or otherwise, who will be adjudicating on things that are going to be brought to the commission by his firm. I appreciate that it is a small society—and all of us who try to do public service have to find ourselves sometimes in very difficult situations—but this is certainly unprecedented in my opinion to have someone belong to a regulatory body on the one hand, and have interests that bring him in direct touch with that regulatory body all the time. It is something that the Minister must deal with very firmly and give us the appropriate assurances. I do not think it is going to serve any useful purpose to have somebody on the board on this Authority who will be in a perpetual state of disqualification.

I am sorry to make a fuss about it but the latest situation that is arising in the Elections and Boundaries Commission is giving me a particular concern. I was fed up enough when I discovered what was happening with the interim planning commission. It is something that has to stop. So I would ask the Minister to give us our assurance that we will not use as members of the board of this Authority anyone whose employment or financial interest on a day-to-day basis—sometimes there is an occasional conflict and you step down. This is a recipe for a day-to-day conflict and it does not augur well for public confidence in the administration of the country as a whole.

Sen. John: Mr. President, based on the sentiments expressed, I am asking the hon. Senators if they can propose an amendment to see what we can work with in terms of tightening it further, as there seems to be some concern still over this particular clause.

With your leave, Sir, can we defer this clause until the end?

Mr. President: This is with respect to clause 14 or the whole Bill?

Sen. John: Mr. President, just clause 14. Is that agreeable, Senators?

Assent indicated.

Clause 33.

House of Representatives amendment read as follows:

In subclause (3), delete the word “negative” appearing between the words “to” and “resolution” in line two and substitute the word “affirmative”.

Sen. John: Mr. President, I beg to move that the Senate doth agree with the House of Representatives in the said amendment.

I know there was a strong suggestion for us to have the regulations brought back to the Senate for affirmative resolution. I must say here that the president of the International Civil Aviation Organization was in Trinidad just after the passing of the Bill in the Upper House, and he strongly advised against that. I told him what we had done, and he strongly advised against it. He said it is a very technical field and it is very dynamic. They keep changing the resolution as air safety dictates.

I am sure, after what happened on Tuesday, certainly, there will be a whole new set of regulations coming out to treat with instances such as those. I am saying, yes, we have agreed to the affirmative resolution but this was my advice subsequently.

Question proposed.

Question put and agreed to.

Clause 42.

House of Representatives amendment read as follows:

In subclause (4)(i), delete the semicolon appearing after the word “commander” and add the words “of an aircraft with a certified maximum gross take-off weight in excess of 20,000 kilograms.”

Sen. John: Mr. President, I beg to move that the Senate doth agree with the House of Representatives in the said amendment.

This was because it was felt that there was a bit of looseness in just specifying the aircraft commanders having 10 years' experience and really getting into the weight of the aircraft, and some specifics. This would tighten it up a little more to ensure not only that one has 10 years' experience but certainly that you are experienced in flying a certain kind of craft.

Question proposed.

Question put and agreed to.

Clause 43.

House of Representatives amendment read as follows:

“ In subclause (2) delete the word “installations” appearing in line one and substitute the word “installation”.

Sen. John: Mr. President, I think it was more of a grammatical correction in this amendment, and I beg to move that the Senate doth agree with the House of Representatives in the said amendment.

Question proposed.

Question put and agreed to.

First Schedule.

House of Representatives amendment read as follows:

Delete subparagraph (8) and substitute the following subparagraphs—

- (8) The President may terminate the appointment of a member appointed under section 11(1) where the member—
- (a) becomes of unsound mind or incapable of carrying out his duties;
 - (b) becomes bankrupt or compounds with his creditors;
 - (c) is convicted of any offence which brings the Authority into disrepute;
 - (d) is guilty of misconduct in relation to his duties;
 - (e) is absent, except on leave granted by the Board, from all meetings of the Board held during two consecutive months or during any three months in any period of twelve months; or

- (f) fails to carry out any of the duties or functions conferred or imposed on him under this Act.
- (9) the appointment of any member and the termination of office of any member, whether by death, resignation, revocation, effluxion of time or otherwise, shall be notified in the *Gazette*.

Sen. John: This was really to tighten the First Schedule because as you would see, it was just a three-line clause. Basically, the First Schedule has now gone into specifics as to when the president may terminate the appointment of a member.

I beg to move that the Senate doth agree with the House of Representatives in the said amendment.

Question proposed.

Sen. Montano: Mr. President, I have no real difficulty with it, but I would draw the Minister's attention to subparagraph (d), which says, "is guilty of misconduct" . How is that to be determined and by whom and what constitutes misconduct? While I think that we agree with the sentiment, I just do not know how that would work. Perhaps the Minister could enlighten us on exactly how someone would be deemed to be guilty and who deems him to be guilty, and what standard would be used to determine the level of misconduct?

2.10 p.m.

Sen. John: Mr. President, I do not have all the answers, of course, to the Senator's question. However, we can draw reference to clause 14 where we are treating with the declaration of pecuniary interest. Basically, anybody who is in contravention of that clause—for instance, it is not only who will deem the person guilty of misconduct—but law itself, the clause, will speak to what is misconduct in this case. I am sure that the Minister or the head of the Cabinet will draw it to the attention of the President that this person's appointment is to be severed, as the case may be.

Question put and agreed to.

Fourth Schedule.

House of Representatives amendment read as follows:

Add a footnote after (f) to read:

Reference points have been defined in accordance with the World Geodetic System (WGS 84).

Sen. John: Mr. President, I beg to move that the Senate doth agree with the House of Representatives in the said amendment.

This footnote is being added because largely aircraft fly in a particular slot, according to particular coordinates. This was many missing. I have been advised that the World Geodetic System is one such way of describing the directions.

Question proposed.

Question put and agreed to.

Clause 14.

Mr. President: I have been advised that we are not yet ready to deal with clause 14. Subject to the agreement of the Senate, we shall defer until a later stage of the proceedings.

Question put and agreed to.

Clause deferred.

FINANCE (SUPPLEMENTARY APPROPRIATION) BILL

The Minister of Finance (Sen. The Hon. Gerald Yetming): Mr. President, I beg to move,

That the Bill to provide for the supplementary appropriation for the service of Trinidad and Tobago for the financial year ended September 30, 2001, be now read a second time.

First of all, let me apologize to some Members of the Senate, who may not have received their papers on time. I had hoped that these papers would have been circulated at Tuesday's sitting, but this was not possible. Some Senators have not received their papers before today.

The Bill seeks to supplement the 2001 appropriation by \$929,981,765 to provide funding for the following:

The Interim Revenue Stabilization Fund	\$600,000,000
The Dollar for Dollar Education Programme	240,660,000
Settlement of the outstanding debt in respect of the 2001 Public Sector Investment Programme	89,321,765

I will run through, very quickly, for the purposes of the Senators who received their papers today and to allow just a little more time for them to understand the information provided. The settlement of the outstanding debt with respect to the Public Sector Investment Programme of \$89 million is made up of the following:

- For the Judiciary, the amount is \$547,000, with respect to restorative works at the Hall of Justice;
- \$5 million for the Tobago House of Assembly, with respect to the Windward Road, at Goodwood Big Hole;
- \$1,765,023 for the Ministry of Finance with respect to the acquisition of a property at the corner of Queen and Edward Streets, to house a new Board of Inland Revenue building and to provide for design services for that building;
- \$3,821,453 with respect to the Ministry of National Security improvement work to the Coast Guard building of \$458, 387, having to do with upgrading the hangar at the Coast Guard airwing at Piarco to accommodate two C-26 aircraft and refurbishment of facilities at Staubles Bay of \$1,166,171 with respect to the design and construction of a coast guard multi-purpose facility at Staubles Bay;
- \$2,196,195 with respect to improvement works at police stations, having to do with refurbishing of 17 police stations;
- \$6,136,077 with respect to the Ministry of the Attorney General and Legal Affairs, having to do with the automation of the Land Registry at the Registrar General's Department and with respect to moneys outstanding with respect to refurbishing and customizing the Huggins building;
- \$4,629,000 for the Ministry of Education, having to do with the Princes Town Presbyterian School and the San Fernando Girls' School;
- \$20,350,000 for the Ministry of Human Development, Youth and Culture, having to do with the construction and equipping of the Trinidad and Tobago Institute of Technology building;
- \$2,459,557 for the Ministry of Housing and Settlement, with respect to land development works at Orange Field Road and Bienvenue Housing Settlement on behalf of the Sugar Industry Labour Welfare Committee;
- \$42,576,956 to the Ministry of Infrastructure Development and Local Government, with respect to coastal studies being undertaken at the

moment and outstanding payments since 1989 with respect to completion of sections of the Priority Bus Route.

\$18 million with respect to the National Highways Programme,

\$17,110,000 with respect to the Southern Roads Development Programme, and

\$3,148,408 with respect to outstanding bills for emergency infrastructure works having to do with flood relief and prevention;

\$2,036,699 to the Ministry of Community Development, Sport and Consumer Affairs, with respect to construction work on a substance abuse rehabilitation facility at Piparo.

Mr. President, the total supplemental figure is \$929,981,765. The Interim Revenue Stabilization Fund, which is the first amount this supplementary calls for, has to do with the fact that excess revenues over the budgeted price of oil would amount to approximately \$1 billion during the course of this year and, in accordance with a revised formula by the Government for transferring some of this excess revenue to be set aside for the rainy day. We are now committed to transferring 60 per cent of any excess revenue received from oil over and above the budgeted price.

The revised formula also calls for 20 per cent of the excess revenue to be transferred to a new fund, which is called the Dollar for Dollar Education Programme Fund.

Just to go back a bit, Mr. President, last year the Government took a decision to establish this Revenue Stabilization Fund. It is still an Interim Revenue Stabilization Fund because we have not yet come to Parliament with the required legislation to govern the operation of the fund. We expect to do so before the end of this year.

Last year, when that decision was taken by the Government, it was that 67 per cent of surplus revenues be put into this fund and 33 per cent would go to the Consolidated Fund. During the course of last year, about \$420 million was transferred to the Interim Revenue Stabilization Fund. Today, we are seeking to transfer a further \$600 million from our surplus revenues of \$1 billion to the fund, which will mean that by the end of this year, we shall have in excess of \$1 billion in the fund.

Sen. Prof. Kenny: My understanding, when this was first proposed, was that all the revenue above the budgeted price would go into the Revenue Stabilization

Fund. Secondly, my understanding is that legislation was supposed to come to Parliament regarding the way in which we administered the fund. We have not seen it yet.

Sen. The Hon. G. Yetming: Mr. President, I am not aware that a decision had been taken that 100 per cent of the surplus revenues over the budgeted price of oil would be put into the Revenue Stabilization Fund. My understanding, from when I assumed office, is that Cabinet had taken a decision that 67 per cent of the surplus revenues would be put to the fund and 33 per cent would go into the Consolidated Fund. That was transferred last year when the \$420 million was transferred; it was because of that formula of 67 per cent of the surplus being transferred.

2.25 p.m.

Mr. President, the \$421 million that is in the Interim Revenue Stabilization Fund at the moment, is arising out of a decision that 67 per cent would be transferred. This year we are coming to ask for a transfer of \$600 million, which is representing 60 per cent. Cabinet revised its decision earlier this year to move from the formula 67:33 to 60:20:20. The effect of that would mean that less money of the surplus revenue would go into the Consolidated Fund and more money, 80 per cent, would be used for other purposes. The other purpose being, Mr. President, 60 per cent in the Revenue Stabilization Fund which is set aside for a rainy day, so to speak, and 20 per cent to develop the human capital of the country through the dollar for dollar.

Sen. Montano: I thank the hon. Minister for giving way. Before you move on, Sir, perhaps you could tell me what rate of interest these funds are earning, if any?

Sen. The Hon. G. Yetming: Mr. President, the fund is at the Central Bank and it is being managed by the Central Bank. The legislation had been prepared and is ready to come to Parliament to govern this fund. We are just as anxious to get the fund legislated, because the legislation will prescribe the manner in which moneys would be put into the fund, and will prescribe the conditions under which money could come out of the fund. I repeat, we are equally as anxious as you are.

I would indicate, Mr. President, that the reason for the delay in coming to Parliament is simply that, when I had seen the draft legislation, it made provision for Government to appoint a managing board of the fund, which board would be responsible for managing the fund, which would be deposited in the Central Bank. I wanted to remove this additional board having to be appointed by

the Government to manage this fund and instead, have the money go straight into the Central Bank to be managed by the Central Bank, an independent body. That change was approved by Cabinet, and the legislation is being revised by the Chief Parliamentary Counsel at the Attorney General's office. When the Bill comes before Parliament, there will be no board to be appointed by the Government to manage this money. The moneys will go to the Central Bank and the Central Bank would manage it, in consultation with the Minister of Finance to whom they would give indications of where—In fact, the law will prescribe, Mr. President, that the moneys will be kept in US dollars and invested to provide certain rates of return. That legislation, I would expect, Mr. President, is to come before Parliament before the end of this year. As I said, the delay is only because Cabinet took a decision to excise a part of that Bill to avoid, to some extent, Government's intervention through the appointment of a managing board.

With respect to dollar for dollar, Mr. President, we took the decision—Well, first of all, in the dollar for dollar, we believe that the expenses arising out of that should come out of the Consolidated Fund. It will take some time, however, before the Government would be able to manage, out of the Consolidated Fund, the full expense for dollar for dollar. The fact of the matter is that surplus oil revenues are not likely to continue for any length of time. Therefore, what this Government intends to do is to wean, so to speak, the dollar for dollar expenses out of the Consolidated Fund. The transfers, as we have them now from surplus oil revenues, are simply to provide us with a funding buffer until such time as we can completely wean or completely move to the point where dollar for dollar will become a regular part of the Government's expenditure to provide for high tertiary level education for the population of Trinidad and Tobago. In that context, Cabinet took the decision that 20 per cent of the surplus oil revenues is to be put into the dollar for dollar programme. It is for that reason that \$240,660 million is being requested.

With respect to the additional items under the Public Sector Investment Programme (PSIP), I had requested, and I believe Members of the Senate were circulated with the questions that came from the Lower House, and the responses that had been provided to Members of the Lower House. Mr. President, I would avoid going there, but if any Senator has any question, they could ask. I would also say that the PSIP for this year—notwithstanding the increase being requested of \$98 million—is likely to come in at about \$970 million, which is pretty close to what was approved by Parliament. The point is that for a number of PSIP projects there is not the level of usage of funds and expenditure; and the opportunity is

being taken—because we had to come for the Revenue Stabilization Fund money, that we should seek the approval to have this \$98 million spent to bring the PSIP final expenditure to pretty close to what was budgeted last year, at about \$970 million. We expect to end the year with a better than balanced budget. We expect to end the year with a surplus in excess of \$100 million.

Mr. President, I just want to mention to Members of the Senate, information that a little of it is public knowledge. On Monday afternoon I received a report on the North West Regional Health Authority (NWRHA) from Personnel Management Services Limited. Yesterday the report was discussed with the Prime Minister and he has agreed with the recommendations, and has directed that the report be handed to the fraud squad and the Director of Public Prosecutions. Today the report is being handed to the Chairman of the NWRHA for him to take the appropriate action in accord with the recommendations of Personnel Management Services Limited. The report is likely to be laid in Parliament on Friday.

Furthermore, I think it is well known from media reports, that the Minister of Finance received complaints about Nipdec. I indicated a firm of auditors had been commissioned by the new chairman of the board of Nipdec to do some work and arising out of the complaints that were made, the commissioning was extended to investigate certain matters that were brought out in the communication that I received. This morning, Mr. President, I received the report of the auditors having completed their forensic, and notwithstanding the fact that there is nothing of significance in the report, I intend to have that report laid in Parliament.

Furthermore, Mr. President, I had commissioned—in conjunction with the Minister of Energy and Energy Industries—PricewaterhouseCoopers to do some work at National Petroleum on the basis of information that had been provided to me, both by members of staff and by the Oilfield Workers' Trade Union. That report from PricewaterhouseCooper is imminent and that report, when I receive it, will be laid in Parliament.

I have also, this week, through the board of Caroni (1975) Limited, commissioned Ernst & Young to do a comprehensive review of Caroni (1975) Limited on its financial operations, to include some forensic work on matters that would come to its attention. That work should have started by today. Again, when that report is received, it would be tabled in Parliament, apart from whatever may be required with respect to the fraud squad, the DPP or whoever.

Mr. President, I have also directed, last week, the divestment secretariat—which is a unit within the Ministry of Finance which has handled the divestment of state corporations and, specifically, the rum division of Caroni (1975) Limited

and Tanteak—to do media briefings on the two transactions. A letter would have gone to the media today from the divestment secretariat providing briefs on the two transactions. I believe the media would be invited to the divestment secretariat on Monday or Tuesday of next week, at which time the media would be expected to ask any questions they wish on the two transactions.

I also want to mention to Members of the Senate that on Wednesday of this week Cabinet accepted the recommendations of the Minister of Finance that a special audit unit will be established within the Ministry of Finance. This audit unit, in conjunction with the Director of the Tenders Board, which is also a unit coming under the Ministry of Finance, will do two specific things. One is that every single contract of any state board or statutory body will be required to be reported to the Ministry of Finance with full particulars of the contracts awarded. In the case of contracts in excess of \$5 million, they will have to seek the permission of the Ministry of Finance to enter into those contracts. Those contracts would come under scrutiny before they are awarded. The \$5 million will be a variable figure as determined by the Minister of Finance, depending on the nature of the state board, statutory body or corporation.

Mr. President, that audit unit—which is going to be established—would also provide support and review to every single state corporation and statutory body with respect to the internal audit functions. It would also have the right to go into any of the state-owned bodies to do a review of its financial affairs, financial standards and financial reporting. They would be able to do so on surprise basis. The Attorney General would provide the required legislative support to make those things happen. These things are pending wider legislation that we are contemplating to deal with the management of state boards and state corporations.

I would also mention, Mr. President, that recently Cabinet took the decision that all employment contracts to be awarded to any individual would have to be submitted to an inter-ministerial committee of Cabinet—through the Chief Personnel Officer—for review and approval, in spite of any provisions in legislation that may give a Minister the right to approve such contracts. I would also mention with respect to that audit committee that is proposed to be established in the Ministry of Finance, the Cabinet decision was that the reports of that department of the Ministry of Finance must be laid in Parliament.

Mr. President, I think that with respect to the Bill before us there is sufficient information, particularly with respect to the answers provided to questions from the Lower House. I beg to move.

Question proposed.

2.40 p.m.

Sen. Danny Montano: Mr. President, I will pick up where the Minister left off. He started to talk about all these investigations that were going to be made and talked about the audit unit in the Ministry of Finance, and so on—Mr. President, just let me advise you and Members of this honourable Senate.

Auditing, in the traditional sense, is a very specific science and it takes many years to be trained in how to do a professional financial audit, and I am one of those. I am a financial auditor. However, Mr. President, I am not a forensic auditor, and I have said so on a previous occasion, and a forensic audit is a very different thing from a financial audit. It does not really serve the purpose of trying just to investigate allegations of corruption to hire the services of traditional financial auditors when what is really necessary is a forensic audit.

Now, there are specialists in forensic auditing but we do not have any of those in this country. We have some with a little experience and so on. Of course you would know the name of Bob Linguist. I know that the firm of KPMG Peat Marwick also has a team from Canada that specializes in forensic auditing. They were brought down here to investigate the rice deal and so on. Mr. President, those are the types of persons that are needed to do the kind of investigation to which the Minister referred. With the greatest of respect to my colleagues and friends in Ernst & Young and PricewaterhouseCoopers and so on, unless they bring their foreign experts here, I beg to suggest that really they, like me, do not have the required level of expertise to do what is really necessary.

Beyond that, Mr. President, you would recall that my leader has said that one of the things we should have in the country is a special prosecutor with special powers of investigation. Now, when we did the integrity legislation sometime ago, we talked about the powers of investigation and that is a major effort, because if a company is involved in illegal activities, it means that there are officers, individuals in the company, who are acting improperly and it is the individuals who need to be investigated. Unless there is specific information leading an investigator, whether it is the police, the Director of Public Prosecutions or whoever, to a particular bank account, I can assure you that an auditor hired by the Ministry of Finance, or whatever, has no right of access to that individual's bank account. They have no right to either ask him for the information or can they ask the bankers for that information, and the bankers would never release it in any event. That, therefore, should indicate the level of authority and power that is needed by investigators to really root out the

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allegations of corruption that have been charged against this administration and therefore I am not impressed by what the Minister has said at all.

Furthermore, for the past five years we have been calling for an investigation into the airport. We have yet to hear anything about the airport. We have InnCogen that is screaming for a serious investigation. We have the desalination plant. With the amount of rainfall here, we are putting in a desalination plant that is going to cost over a billion dollars. Mr. President, I have read all the information in the media on the justification for the desal plant and, quite frankly, I can find none that makes any sense to me whatever. It is those issues that need serious forensic investigation, not the type of play-play activities that the Minister of Finance is talking about. We need serious action here, serious action, and until we have serious legislation involved and serious qualified individuals capable of carrying out these investigations in the interest of the people of the country, quite frankly, I would advise him to just stay quiet.

Mr. President, to deal with the issues at hand, the Interim Revenue Stabilization Fund is \$600 million. I am disappointed to hear that at this time. As my learned colleague on the Independent Bench said, when the previous Minister of Finance announced the establishment of the Interim Revenue Stabilization Fund, he certainly led us to believe—and I recall him clearly saying—that all the excess revenues over \$22 would go into the fund. [*Desk thumping*] If it is— [*Interruption*]

Hon. Senator: He said that?

Sen. D. Montano: He said that. If it is that subsequently Cabinet decided to do something else, well they certainly have the power and the authority to do that, but, Mr. President, they did not tell us that. I would have thought that the Government would have had the duty to tell us what they are doing with the people's money. Now, this is over a year ago. This is more than a year ago. They put, as I recall, \$450 million—that is the number that I recall. They put \$450 million and now I hear the Minister of Finance talking about \$421 million, so I do not know what happened with the \$29 million. Has it been raided? Did it disappear? Did it devalue? What exactly happened with it?

Now, Mr. President, I was disappointed to learn also that the fund is earning no interest. We have supposedly \$450 million of the people's money set aside for a rainy day and the previous Minister of Finance, when he set up the fund, spoke about, I think it might have been Kuwait, saying that they have a revenue stabilization fund and the revenues earned from that were more than the national

income of the country as a whole. He was using that as a model and I thought, “Well yes, that certainly would be a nice thing to achieve because we could then abolish income taxes. That would be very nice.” A year later, instead of learning that the fund has earned 5 or 10 or 15 per cent interest, I find that it has somehow been depleted from \$450 million to \$421 million. That is before the addition of this \$600.

More than that, Mr. President, you know, one really has to ask the question: where is this money? Where is this money? Now, the Minister says, “Well, it is in the Central Bank” but, you know, unless that money is sterilized and taken out of the Central Bank’s coffers—now, I do not mind that the Central Bank is charged with the responsibility of administering that fund, but, until it is sterilized and put in a separate investment portfolio, it is in kind of cyberspace. It is in never-never land. It does not really exist as an Interim Revenue Stabilization Fund. It kind of falls into the other funds mixed up with what the Central Bank has wherever it has and they can lend it back to the Government and so on and so forth, because the cash is there somewhere and it really is just a bookkeeping entry in the Central Bank’s accounts, the Revenue Stabilization Fund. It is just a bookkeeping entry. It could be. We do not know that it actually has been sterilized and the money put somewhere.

I remember, you know, back in 1986, a very good statement, when the NAR said the Treasury was empty. Now, that gives the connotation of a box which, when you open it, there is no money in it and it was a very graphic phrase. I would like to suggest that we really have the same thing here because there is no box for this stabilization fund. That box with the cash has no cash in it. It is just an accounting entry and, Mr. President, I have difficulty with that. We have had more than enough time to get the legislation sorted out, bring it to Parliament and get the funds separated, isolated and invested. We have been waiting for this for more than a year. The legislation cannot be so complicated. It cannot be so complicated.

I do not want to get into a debate as to who is going to manage it and how and so on and so forth. However, I tell you, I shudder to think when the Minister says that it can be invested subject to the agreement, or whatever it is, with the Minister of Finance. What does the Minister of Finance have to do with that? If he wants to put it outside the hands of the Government, put it outside the hands of the Government once and for all, but we would not go down that road yet. We will wait on the investigation to come, then we will see exactly what he wants to do with it and then we will talk about it. However, I was disappointed, Mr.

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President, because, quite frankly, while I can certainly support up to a point the establishment of a revenue stabilization fund, it really only makes sense to establish such a fund provided that it is earning interest or some form of income on its own. The reason for that is because everybody knows that the country has massive debt, massive debt—some \$30 billion in debt—that bears interest. It is costing us interest.

Now, logic would dictate, of course, that if you have surplus revenues you would apply that against your debt to reduce your borrowings and your outgoings [*Desk thumping*] and use the savings on your interest for the good of the people, but, in the wisdom of the previous Minister of Finance he decided, “Well, let us set some money aside for a rainy day.” Now, if that is so, and I do not necessarily disagree with it—I have some reservations about it but I do not necessarily disagree—it can only really be justified and a revenue stabilization fund can only really be justified if in fact it is earning income. Just to have it sterilized as a bookkeeping entry is not impressing anybody.

Mr. President, if you do not believe me, go and ask any international financier. Go and ask anybody and they will tell you exactly what I have just said. They will tell you exactly that. They will tell you that it is just play-play economics. It is not real. It is not real. Bring the legislation, take the cash out of the Central Bank and invest it wherever it is you want and take your chances like the rest of us. No, Mr. President, I am not terribly impressed with this. I am certainly disappointed to hear that the allocation to the Revenue Stabilization Fund has now gone from what we understood to be 100 per cent of the excess over \$22 down to 67 and now down to 60 and we are sort of told this by the way, you know, by the way.

I turn now, Mr. President, to the other one, the Dollar for Dollar Education Programme, \$240 million. Again, it is an interesting notion, but the Minister did not really tell us how this fund is to be used and what it is to be used for. Is it that the \$240 million is to be invested and the income from the investment is to service the support for the students, or is it that the capital sum is to be used in support of the students? Which is it? I really do not know. If the capital sum is to be used as support for the students, to sort of ease out the peaks and valleys of the Government’s ability from one year to the next to fund the allocations necessary for the students and to draw down from the capital, I do not have a problem with that.

However, let me just tell you this. I understand that the average level of fees at the university, depending on the faculty, could run about \$30,000 a year at the

University of the West Indies, but my understanding is that the dollar for dollar plan applies only to the University of the West Indies. Is that not so? At \$30,000 per student, \$240 million would fund 8,000 students. Now, Mr. President, I am pretty sure that Trinidad and Tobago does not have 8,000 first-year students going to UWI, so the point of the matter is we are kind of left in a vacuum here. [Interruption] Or tertiary. [Interruption] Foreign as well? [Interruption] Well, that is the point. Well, it is local.

The point is that we are told \$240 million is being isolated and again another kind of book entry, and I do not disagree with the concept. The concept is not what I have difficulty with there, it is, what exactly are you telling us? What exactly are you telling us? Can you stand here and tell me what is happening? Where will the funds be and how will they be used? We do not know, Mr. President. We do not know. We are just told, "Here is \$240 million", like it is just a number, and to Senators on that side it is just a number. [Desk thumping] Two hundred and forty million is just another number. [Desk thumping] Mr. President, in whose pockets is this going to end up? I mean, you know, tell us something about it.

Going through the schedule indicating the allocations to the different ministries, the explanations were fairly comprehensive. Certainly, with the questions and answers that we got from the other place, it did do much to help us in understanding what was going on and I would thank the Minister for that because I do not recall having that on any previous occasion. [Desk thumping] However, Mr. President, one of the things that struck me was this, because I was previously unaware of this. The explanations that we got included contracts of construction and reconstruction that had been granted to MTS, which is the Maintenance Training and Security company, involving the Hall of Justice, Staubles Bay, 17 police stations and the Huggins building, and that was just in this variation of appropriation.

The contract that was referred to for the Hall of Justice with MTS was \$1.1 million; Staubles Bay was \$15.5 million; police stations was \$15.7 million and the Huggins building—the revised contracts or the group of work—was \$20 million. So in just the matters that were referred to in this supplemental appropriation is some \$52.8 million for which MTS appears to be the primary contractor. Mr. President, when did MTS become a contracting company? When did that happen? What is their expertise in this regard? I had no idea what was taking place with MTS here that they would be in the construction business. Why is that done?

I thought that Nipdec had been set up many, many years ago to be the construction arm of government and was still that. However, all of a sudden we

now have MTS, which is maintenance, which was supposed to be the cleaning of schools and of government offices and so on and so forth, not the construction. When did this happen and what are their qualifications? [*Desk thumping*] Who are the people they have there with the level of skill that is necessary for the type of construction that is going on there? Mr. President, let me just show you something. When you look at the Huggins building, for instance—now, how the Huggins building came to be owned by NIB or Nipdec or whoever it is exactly and leased and so on, that is another story for another time.

From the information that I have gleaned from the documents that were provided, the original contract was for \$7.1, nearly \$7.2 million. Then there was an addition, a variation, and a vault was to be added for \$5 million. The car park and a wall were to be added for \$1.3 million. Shelving was to be added for \$1.6 million. Security was \$250,000 and improvements and furniture for \$1.2 million. That added up to \$16.6 million, yet somehow the next line says that the total value of the contract to MTS was now \$20 million.

3.00 p.m.

Well, I do not know how it went from \$16 million to \$20 million. The difference is actually \$3,717,000. Is that a cost overrun? It is certainly not VAT. It is definitely not the VAT. Mr. President, is that a cost overrun? If it is a cost overrun, it is a cost overrun on what part of the contract? It is MTS we are talking about. MTS! I do not know how MTS is building anything at all. We are spending \$20 million to refurbish a building. Mr. President, this building could use \$20 million. [*Desk thumping*] We have been struggling here for years with leaks and slippery floors, and all sorts of things, but on the Huggins building, \$20 million is being spent by a company that—I do not know if they have any expertise at all.

Mr. President, I really do not know where we are going with all this. I am very happy to know that we have surplus revenues, long may they last. Long may they last that we have \$939 million of unbudgeted revenues. I am delighted to hear that. I am happy to know that at least the intention is to set aside most of it for the future but, Mr. President, I am not fooled by how things take place, and I have expressed my disappointment in the management of these funds, and the comments are valid.

I would like to hear from the Minister that the legislation, really, will come within a period of 30 days or 60 days, as the case might be. I do not know how it could possibly take so long, to begin with. I just cannot imagine that it could take more than a year. I guess we cannot do anything about that. We just have to sit

here and accept it, but I am disappointed in how it was done and, quite frankly, how it has been presented to us.

With those few words, Mr. President, I will take my seat. Thank you. [*Desk thumping*]

Sen. Prof. Ramesh Deosaran: Mr. President, I have a few remarks which I will describe, in this instance, as attempts to be helpful to what the Minister of Finance is seeking to do. This is essentially, in my view, a kind of mini budget. A billion dollars is, in a sense, quite a huge amount for a country like this. In fact, that amount is the budget of some West Indian islands as a whole. So I would want to add some importance in terms of questions of getting value for our money, and I find it quite appropriate and welcome in this context that the Minister has taken the kind of initiatives that he has described in his presentation. At least we could consider those as stepping stones towards the ultimate curbing of any alleged corruption or related financial misdemeanors.

I think it is also timely to have a Minister of Finance coming from the banking sector, but the question of financial management and political management—or the management of taxpayers' money as compared to the precision and the kind of accountability you would naturally have within a banking system—is quite different. I am saying so because I have the hope, I am looking forward to the Minister using those competencies; the capacity to derive precision in expenditure and, as well, accountability of the kinds that he has enunciated here. If those things could be invoked into our budgetary arrangements, some of the wishes that Sen. Montano expressed just now could be positively realized.

I think, Mr. President, apart from an audit unit, even if it works in conjunction with the Central Tenders Board and so forth, taking on, as it seems, a sort of prosecutorial approach to corruption, that just speaks to one aspect of controlling corruption.

When I perused the documents that accompanied the Bill, several relatively small things appear. I say relatively small things in the context of a billion dollars but, in absolute terms, there is a \$2 million over-expenditure here. There are hundreds of thousands of dollars there, which really invoke doubts in my mind as to the extent to which financial controls are exerted over these amounts.

I would merely use one instance, Mr. President, on page 11 of the Bill itself. It speaks about a substance abuse rehabilitation facility. Now I think in this country—I know with the seriousness of drug abuse—we would all welcome such

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a facility. The expenditure is \$780 million; then additional equipment, a cost of \$1.6 million, therefore creating excesses of one kind or another.

Even that could be all right, because there are project variations and there are new circumstances that, if justifiable, could be responded to. But what bothers me in such instances is how will the taxpayers be assured—and this is just one example—that this facility will really achieve the objectives it sets out to achieve? There are too many fancy facilities claiming to be able to do this and that, and spending taxpayers' money which, at one level we are happy to provide, given the intrinsic merit of the objective; but I think the time has come when taxpayers must ask whether such facilities are giving us value for the money.

I want to suggest, Mr. President, through you, that in addition to what the hon. Minister is arranging in terms of audit controls—which are really measures for accountability, financial accounting generally—there should be some other systems put in place to monitor the extent to which the allocations that he gives to various ministries could be accounted for in terms of levels of performance.

We can no longer see a budget as purely an accounting document with columns of income and expenditure and, in purely financial terms, the amount allocated to this or that ministry. I am saying so because over the years, for those of us who have had the opportunity to study previous budgetary presentations and, in particular, the Auditor General's report, there is excessive wastage, wanton carelessness, recklessness in handling taxpayers' money. That is why I said at the beginning, I welcome the Minister's intervention, I welcome his search for precision and accountability, but I think these could be usefully supplemented by the kinds of systems I am respectfully submitting.

I know there are systems now, but they are not so well-coordinated so as to have the kind of embracing controls that we need and, therefore, from those, deriving the kind of accountability, not only in terms of accounting, but in terms of meeting your objectives for the value for money given to you. There is too much of fancy spending in some ministries which go by very colourful names. I need not go too deeply into those aspects, because I would really want my presentation to be seen, at least in this first instance—there are other occasions when perhaps we can be more elaborate—as being helpful.

You see, related to this lack of performance accountability—it is related to, but fundamentally different from, performance accountability. The latter, I am urging the Minister to take a closer look at. He can be a YMF—not an IMF—in terms of controlling the monetary fund of the country. And whenever he gives an

allocation, I think he should also be empowered to ask the ministries to account for it at some time or the other—not only in financial accounting terms, Mr. President, but I want to emphasize that time has come for us to have accounting in terms of performance audit.

In modern management science, there is a system called benchmarking. I think in the educational system, in the systems of national security, the prisons, the police, the fire services, there should be some system for benchmarking performance; especially the educational system.

You can no longer have these vast expenditures for school repairs and school refurbishing. I see some elementary schools, costing \$3 million or \$4 million. I am not denying the fact that materials have gone up but, be that as it may, these vast expenditures must raise some concern from the taxpayers' points of view as to whether these schools are functioning according to the objectives which have been set for them and, as well, what they have set for themselves.

This is equally so in the secondary school. So, briefly, the point I am making, the time has indeed come, not only to emphasize financial accounting, but performance audit at the same time. To do performance audit and benchmarking, that is, you set the goals to which you would aspire and know the level to which you are required to improve over time. Many schools keep repeating the same low performances year after year. The same kind of corrupt practices you have in different agencies of Government or state boards; and the tragedy is, Mr. President, after all is said and done, you know how much money has been wasted, but you have little or no evidence to know who is responsible directly. [*Desk thumping*]

So all these units—because we have had these instances before. We have had surplus revenue many years ago. That has dissipated. We have had control systems over and over again and Commissions of Enquiry. The latter, to me, are still important, but the point I want to make—and the other suggestion I want to submit to the Minister with respect—is the need for data systems and a database in every ministry, and over which he should have some jurisdiction, if only as a mechanism to ensure the kind of accountability and performance audit I am respectfully suggesting.

In other words, Mr. President, we have to get scientific about the whole exercise of budgeting and not just treat it as how much money allocated here, and how much income derived there. We have to be modernized and we have to use the available technology and the concepts that I am sure the Minister knows. That is why I am taking some pleasure in speaking on the issue at this particular level

or context, because I think he will appreciate the need, I hope, for what I am saying in terms of advancing the systems of budgeting, at least as far as being accountable to the taxpayers themselves.

Sen. Montano is right. It was a small point, but it did not escape my notice, with these millions of dollars that keep ringing around our ears. There are about five potholes left by WASA for weeks now after the place has been dug up, and the reference he made, quite rightly—I do not think we have been critical unnecessarily—it is the contrasts under which we live.

The Red House is leaking, we are slipping and so forth. That is what really matters to a taxpayer: What is the quality of life in his immediate surrounding? I find this to be a bad habit by WASA. I thought that had stopped, I thought there was legislation coming to compel WASA to fix the holes as fast as they dig them up, or as fast as they create those holes; and yet there was mention about other agencies being responsible. I remember a particular Minister saying there would be legislation to tidy that up so that traffic will flow more easily and will be less accident prone.

By constructing a database in each ministry in terms of its services and in terms of its performances, which can be certainly configured by information technologists, one would help ensure some control over corruption, because people will then be answerable on a concrete scientific basis. People can still steal. There will always be thieves in any country and in any group, but you will have some evidence, more likely than not, when you have such data systems which will help you ensure evaluation, a system of cost benefits and, also, opportunity costs.

The practice is now being widely adopted all over the world in terms of upgrading one's data systems to deal with corrupt practices, and I would humbly suggest, to control, if not remove the inefficiencies we have been seeing in these documents and in a large part from the Auditor General's report, that such approaches be taken.

In this context, as well, I think a budget is supposed to deepen our independence. I remember when the NAR was in power, its first budget was a budget for independence, and it had a description of what it meant and how this could have been achieved. Since then, and until now, I think we are still colonized in several different ways, and I would like to see the budget document speak to a further decolonization; 1962 Independence notwithstanding.

What do I mean by that? In this instance, I mean that overreliance on foreign expertise and the flourish of foreign consultants which sometimes are so totally

unnecessary. I speak of the symbolic meaning that we give in trying to make the country like Singapore. For those of us who know what really is Singapore, and how the Singapore system became what it is, what Lee Kuan Yew had to do was jail over 300 public officials and businessmen and stop the press from publishing for some period. Certainly, we do not want to be like Singapore.

Hon. Senators: No way, Jose!

Sen. Prof. R. Deosaran: So we have to be discerning and stop relying, as we have been over the years, on these transient slogans that we borrow here and there. [*Desk thumping*] We have enough capacity internally in this country, and that is, with due respect, Mr. President, what worries people like myself and, I am quite sure, a number of other people here; all sides of Parliament. We have enough capability here. The human capital to which the hon. Minister refers is here in large amounts.

We need to remove some of the political patronage and the partisan operations aside and let fuller opportunity motivate those who are competent, willing and available to help manage and develop this country. Those are some aspects of what I mean by using a budget to deepen the independence process. And we can do it. I am quite sure that we can do it. If Ricardo Welch were in Singapore, he could not speak in Woodford Square as he speaks.

Sen. Daly: He could not change sides either. [*Laughter*]

Sen. Prof. R. Deosaran: And even the Attorney General could not go in Woodford Square and speak so impromptly as he is doing. That is a freedom that we have, because in Singapore, before you make such a speech in the square, you have to give your name to the police and say exactly what you are going to speak about some days before the occasion. And they post it up.

3.20 p.m.

If you want to be like Singapore, in terms of managing systems and opening ports and so on, it has come because of the cultural basis on which such activities rest. So you cannot put the cart before the horse; we have to think seriously, not only about the parameters of development, as indigenous as they are to us, but the role of local talent and expertise; especially if you want to be a First World country.

I welcome the words a "First World" status. There are about nine objectives: intelligent nation, healthy nation, harmony and security. People will get tired of these slogans if you do not really make them manifest. That is like manifestos; people get tired of hearing political slogans.

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I must admit, some people do not like to hear this, but Eric Williams had a better understanding of what sovereignty was, at least in his early days. This is not a politically partisan statement because in those days—perhaps, if he were here it might be different—he did have a high regard for sovereignty and he demonstrated that in several ways.

I know sovereignty has to be modified for globalization; matters like drug trafficking, transnational crime and so on, but I think we must take stock now and stop becoming so vulnerable to this role of so-called foreign expertise. The Minister of Finance should know that some of these international agencies that come here to arrange loan agreements and to make financial bargains with us, have done their homework so well, they usually come here and catch us with our pants down, in terms of the quality, if not the quantity of data, and it puts them in a strongly advantageous position. They have us by our throats sometimes around a negotiating table.

I would suggest, with respect, that we look at the systems that will help ensure performance for the money given. As one concrete example I suggest, in the case of the police and national security, that we establish a centre for crime research, statistics and policy, which will not duplicate the work done by the intelligence agencies. Briefly put, this centre will not only aggregate other crime reports and the other information stated in its report forms, but will quickly construct several crime prevention profiles and time-series trends for both policy and policy response. The crime data will therefore be compiled; you see, Mr. President, it is an attempt, when you speak about a system. There will be another occasion where this matter could be elaborated upon.

To illustrate my point about systems for delivery and accounting for the money spent, this is one, Mr. President. All the money spent on these police stations, millions of dollars; what will happen after the money is spent? Will we have the crime rate at the same level? Will we see a significant difference in the crime rate? Is that not what it is all about, in terms of what the expenditure is supposed to achieve?

If such reduction in crime is not achieved, do we have some system to tell us what are the reasons so the other government agencies can pick up and supplement the police by other things, whether it is poverty alleviation, school aggression and so on? We have no such system. If you want something from the police you have to wait months sometimes to get official crime statistics, which are themselves deficient. But, of course, this centre for crime research, statistics

and policy, will be an attempt to modernize police work and create some concrete basis for accountability.

The operations and service of this centre will be coordinated in reciprocal matter with the needs and services of the other relevant agencies and ministries; for example, the Ministry of Education, the Ministry of Community Empowerment, Sport and Consumer Affairs, the Central Statistical Office and so forth, because it will serve as a feeder system to other government agencies. That is an example by a data system.

I would suggest the same thing for the Ministry of Education. If you want something from the Ministry of Education about teachers in a particular county or district, you would be surprised to know how that simple information about secondary and primary schools takes some difficulty to obtain. It is worse yet in terms of academic achievement by district, type of school and so on. We just cannot go on this way.

Information today, Mr. President, is the best strategy you have against terrorism. It is the best vehicle you have to fight crime. This morning I was speaking to a gentleman who knows much about America's security systems. There are two sides to the story. How come the terrorism inflicted upon the United States allegedly involving so many people, 40 of them, could have escaped the notice of the intelligence service of the United States?

Secondly, on the positive side; you have to be impressed by the quick moves and maneuvering by the Federal Bureau of Investigation and other agencies in gathering the evidence by networking from airport, to customs, to hotels, largely through computerization; credit card recovery, whatever. That is a system to which we have to aspire.

I say with regret, in 1990, right under the noses of our security forces, the police and the military, the night before, July 26, they were there on the premises and July 27, 1990 the insurrection took place inside here; whilst you had security forces right on the premises days before. So we have to spruce up. We cannot only speak about, "We are ready and you must not try it; if they try it we will lick them up." [*Laughter*] You could certainly "lick" them up after the fact, but information such as the kind I am speaking about, systemically organized and effectively retrieved is the best defence you have against terrorism. Therefore let us put our intelligence services in order. I know there are allocations, but I would insist that we get money; we get our value for that money.

Mr. President, as I said, I am trying to be helpful. I am encouraged by my own understanding of the disposition of this particular Minister. I would suggest data systems; I have recommended. Cut across ministries and let him be in charge of accountability both in terms of financial accountability in the way he has been thinking about it, but also in terms of performance accountability. Then I think we will get value for our money; taxpayers will be happier and I think maybe the UNC could look forward to another term. [*Laughter*]

Thank you.

Sen. Moonilal: I like the end. [*Crosstalk*]

Sen. Prof. Julian Kenny: Mr. President, I had not intended to speak on this Bill because I really am an amateur when it comes to this kind of thing, but I could not help but go through the document which the hon. Minister circulated to us, the responses arising from questions emanating from the House of Representatives. I am going to attempt to help the hon. Minister to look after the interest of the people of Trinidad and Tobago.

In this document, there are a number of questions asked by people and certain details are given; names of companies. It is all above board; it is all behind us. I was reading through on page 7 and I saw a response to a question from the Member for Diego Martin East and it is concerning the Dutch consultants Nedeco/Haskoning, I know of them, in association with Interplan.

This is the only firm mentioned in here that does not carry a limited liability name. If the hon. Minister would care to look at the question, which was deferred, to the hon. Minister of Integrated Planning and Development, he would see the names of a number of firms, all of 133 Sixth Street Barataria. You would not find Interplan; you would find Interplan Group Limited. Mr. President, it is rather interesting to see what this consultancy was about.

I am not going to question whether the contract was properly tendered and so on—presumably the Cabinet has power to do certain things—but it says here: To conduct a feasibility study and to prepare detailed designs for coastal protection, works for a number of critically eroded areas in Trinidad including, Los Iros Bay, Cocos Bay, Coral Point and Mosquito Creek. Mr. President, I have a certain amount of experience in physical oceanography and in coastal processes. I can assure you that on the south coast of Trinidad there is very little you can do because of the peculiar oceanographic conditions. So if anyone is going to prepare, first of all, a feasibility study, you can stop the erosion, but you must be prepared to spend several billion dollars.

There are reasons for this, because the Orinoco swings around and is cutting away the south of Trinidad at rates somewhere between 10 centimetres and up to as much as a metre a year and it has been going on for the past several centuries. I find it very strange that you should ask someone to do a feasibility study and then detailed drawings. You do a feasibility study to see whether you can do something and then, if it is feasible, you commission somebody to do the detailed drawings.

Cocos Bay is what we call the Cocal. It is an area that I have studied over many years now. There is a critical area that is being eroded. There was, I would say, a terror film about Trinidad drowning some years ago and they picked on the Cocal. Of course, they did not pick the other parts of the Cocal where you have beach building, natural coastal processes. As the sea acts on the coastline you add in places and you erode in places; it is very, very elementary.

It is interesting that the Cocos Bay is the so-called strip of sand referred to by a member of the Interim Planning Commission, who is also the person who is making the proposal for the development at the Cocal. Dismissed as a "strip of sand" and this person is also in Interplan Group Limited and sitting on the Interim Physical Planning Commission. This is what Sen. Daly was talking about. It is very, very disturbing to me that here you have a developer whose engineer sits on the Interim Physical Planning Commission.

Two of the members of the Interim Planning Commission, are Directors of a firm that is actually making the proposal for outline planning approval. It is significant to me that the proposal for outline approval was made just a few days before the CEC rules were laid in this Parliament. This is insider information. In other words, the application would be treated under the old procedures of Town and Country Planning, not under the CEC rules and these are people who sit on the Interim Physical Planning Commission. Can I make it clearer than that? To me it is appalling that people are unable to recognize what is a clear conflict of interest. Have we got value for this?

Can you imagine you own several hundred acres and you are making this proposal for development for a resort, hotel, casino and the usual works, and you get a Dutch consulting firm to do a feasibility study, which you are part of, to provide detailed drawings for coastal protection work? Who is to benefit but the client? I really had to raise this matter; it really is to me a very, very disturbing development to see what has happened before, which is going to happen in the future.

I suggest that the hon. Minister of Finance might actually consult the Companies Register as I have done. In the Huggins Building the people are very,

very helpful. You pay your little fee and you can see the files, and you will find that many of the people who are involved in the planning business are actually sitting on the Interim Physical Planning Commission and one of them, the Chairman, is sitting on the Environmental Management Authority Board. To me it is very, very distressing.

I would like to take the point that Sen. Prof. Deosaran was making. I continue to be very, very depressed and distressed at the fact that we continue to use foreign consultants when we have the intellectual resources in the country. I am not asking for work; I am past that now, but we have so many people of skills in this particular area. Hence my question about Halcrow. I am not going to anticipate answers, but I have taken the trouble to print out and read the Halcrow document which we all got in the Senate. Mr. President, I am absolutely appalled at the fact that we bring English consultants to this country, Halcrow/Fox. Incidentally, they are not in the Companies Register but they occupy the same offices as Interplan Group, PCA Limited and Planning and Development Associates, all on 133 Sixth Street, Barataria.

In their report, they refer to the firm of "Trinteak"; they cannot even get it right; Tanteak. Hon. Minister it is your Ministry as well too, energy. They talk about the National Mining Company; there is no such thing. *[Interruption]*

Mr. President: Members of the media, please; a debate is going on here, do not have your own up there.

Sen. Prof. J. Kenny: Mr. President, I would not be long, but you have these foreign consultants; I have no idea what they are paid. I imagine if this contract costs \$5 million, Halcrow might be getting like this or more and they are giving us what I consider to be rubbish. I question, again, referring to the point to which Sen. Prof. Deosaran referred, that we do have so many skills.

We talk about the dollar for dollar programme, building up the intellectual manpower and building the country, and yet we continue to do contradictory things. We continue to bring foreign experts in under terms and so and they give us these reports. Anyone sitting down with any sort of intelligence can read these reports and see that these fellows are just taking us for Third World. So I raise this specifically, because here you have a document; the hon. Minister tendered it in good faith and we have a name jumping out at my eyes like this. I see Cocos Bay; I see the application for planning approval for a big resort down there and I see three members of the Interim Physical Planning Commission involved in this exercise. At the end of it, I assume that having paid \$5 million we got detailed drawings. So the State having paid, a private developer will have benefited.

I want to make this clear: A private citizen who wants a development would have got detailed drawings for coastal protection; we paid for it. So I am just emphasizing this issue. I did not intend to get much involved in this, but it is a subject area that I have been very much involved in, particularly coastal processes and marine science generally. When the name keeps jumping out like this, it becomes a matter of concern.

I do not know whether the hon. Minister would like me to hand over my researches or whether he would get one of his officers to go to the Huggins Building to see the interconnections of all these firms.

Thank you, Mr. President.

3.40 p.m.

Sen. Rennie Dumas: Mr. President, I want to start by congratulating the Minister on his good fortune. It must be quite easy at a time when in your variations you can make such positive additions to expenditure.

If we take the opportunity to look at the variations that were brought previous to this one, the last variation was an increase of \$606 million or thereabouts, and this increase is just under \$1,000 million. We have, therefore, a change in the expenditure of just about 10 per cent of what was originally planned for the year.

Out of curiosity, I thought it would be useful to look back and see what were some of the variations from the last time; and trying to learn from some of the senior Members who went before me, I thought to ask some questions as to what really might have happened to them. To me, if you are going from one set of variations to another, it would be useful to inform us what might have happened to the last set.

I noticed from the variations that the reason given for the last set was an amended schedule of responsibilities of Ministers. This is just post the election and I remember the fervour with which these appropriations were placed before the Senate. I remember also that we were being admonished very severely for not understanding the philosophy and the development programmes of the administration; how unified, proper and visionary were these provisions; how backward we were in not understanding and for daring to question some of them.

Sitting here today I was forced to reflect and contrast that presentation with the one today by the goodly Minister. To me the Minister seems to have lost his conviction. I did not get the kind of exposition, the kind of fervour, the kind of feel that this thing was worth the time, maybe his time or even our time. The last

time he presented variations, one would have left very convinced that the variations were required, they were necessary and they were to be put to good purpose. It was rather sad to hear the end of the contribution which seemed to be all about how people spend our money in ways it should not be spent. Maybe it is welcome to the real world.

To me, the situation we find ourselves in begs the question as to whether we really have a programme. Whether we have a programme that is not deficient in estimation, deficient in analysis, and deficient in proposals, therefore, one in which these allocations just drop to no effect. I could not help but reflect on the good fortune—and I am quite clear that it is good fortune and has nothing to do with good governance—that places the Minister in the quite fortunate position of being able to propose this variation.

There is nothing that suggests targets, there is nothing that suggests policy, there is nothing that suggests a connection between targets, behaviour and any given end at which we find ourselves. To me, governance has been abandoned and we are asked to deal with this matter as a matter of serendipity.

My prime example comes from reading the last variation. The last variation told us that Head 43 required, as a major item, an increase of \$35,805,607. The reason—and of course, everyone would understand why it strikes me at the root of the non-governance and non-management which exemplifies the supplements to the programme that we are looking at again today—Head 43 was under the Ministry of Works and Transport and funds were required to meet the lease payments for the vessel, MV Beauport, which was being used to provide inter-island services between Port of Spain and Scarborough. Then savings to facilitate this transfer were due to the delay in the finalization of loan arrangements to finance the inter-island services. So the variation was required because of absence of performance then. We were given the hope that the new administration would avoid the same absence of performance and was, therefore, asking for funding to perform and perform further and better, as we were then told, with all the fervour that the new Minister of Finance could muster.

If we read what we have before us today, the unavoidable conclusion is that we have fallen into the same trap.

3.50 p.m.

Any analysis of what we are presented with today would show—and it is not I saying so; it is the Minister saying so—the creation of a fund which was done at another time, is now being—what should I say—stroked with the addition of \$600

million, using a formula and a pattern which nobody except the Minister and maybe his Cabinet colleagues are aware of. That formula seems to change willy-nilly, as the Minister and his Cabinet colleagues decide. It is frightening when one looks at the intention of the fund as given to us then: the intention of the fund, stabilization; using money earned now to ensure that we have a stable economic programme and a smoothening out of our financings, and our financing requirements as time comes forward.

When one reflects that that fund which is supposed to perform this role is being treated like that, and then that treatment one seeks to explain it away before the Senate, I think there is an absence of understanding or an absence of basis for confidence in the use, management and future survivability of that fund.

When one further hears that the fund has changed without explanation, allocations made to the fund seemed to have been removed without explanation—I cannot say without permission, because it seems without regulations no permission is required—then the confidence that the concept of such a fund should lead to, goes through the door. One would have suggested that the fund would have answered the concepts of the tactics of managing an economy and one would have been very comfortable, therefore, that as you move forward, the relationships that you draw between what is happening to your earnings and what is happening to your expenditure, would have been proper.

I am suggesting that when we face the reality of our institutions today and how they are managed by the major institution which people tell me I should not talk about and I should never have said was a divided and impotent institution, that that institution is not a credible institution to manage our funds. The present Cabinet is incapable of managing this country. It has failed in its duty; it continues to fail in its duty to deal with our relationships; to deal with our confidence; to put in place the institutional infusion that we want to see in these kinds of things. Its methods are erroneous; its concepts are not real and the way in which it has built itself and built its methods of proceedings, does not inspire confidence.

When I look and I see what other people do, for example, when other people make decisions, they do it, as the goodly Professor said, from good information: proper statistics, proper policy analysis, proper programmes. These heads, these variations, do not suggest that.

Let us take the dollar for dollar programme. Twenty per cent of windfall revenue—some people on the other side know better—we know that there is a

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Ministry of Education, created under the Education Act that has some responsibility for education in the country; we know that while the fund could have been set up under the Exchequer and Audit Act, its management is unregulated. The funds from the windfall have been taken and have been placed in the hands of, we do not know who; being spent, we do not know how; under what set of regulations as yet to be determined, by what legal authority, we do not know.

I would suggest that if you are going to spend windfall money you should at least have the courtesy of bringing regulations and legislation, ensuring that tertiary education in the country is being provided by means that are transparent and approved by the Parliament.

We have done a survey of our living conditions that would identify means and would have allowed us to develop indices that we could have applied as means tests to various sectors of our population, to members of our population, where we would have known and had data that would have said who should benefit, by what amount, and with what kind of consistency. *[Interruption]* Nothing more stupid could be said. Nothing could be more stupid.

We have an expenditure requirement for students that vary across the country, according to the distribution of population. The distribution of population across this country of Trinidad and Tobago does not give you the same amount to be spent on each student according to where the domicile of that child is. When you want to deal with the incidence of cost on the student, you should know the distribution of students according to region, the distribution of students according to cost structure, which you can get from proper statistics and from proper activity.

You make a provision which does not take into account the cost structure faced by each student. You make a provision and you set up a system which does not deal with the requirements that you set out, given the means you have established. I am saying to you that is not proper. The dollar for dollar programme needs to be regulated. We need to know and set up regulations for expenditure. That is what we are saying.

Mr. President, we have a situation where, in budgeting, there are some things we cannot predict. We have a Head 15 which, of course, we could not predict. We have a situation where expenditure on the repair of Big Hole was done because there was a rainstorm. *[Interruption]* Could somebody please ask this puppet to shut up?

Mr. President: Senator, sit please. If you feel you have been disturbed, appeal to the Chair. Do not make those kinds of comments.

4.00 p.m.

Sen. R. Dumas: Thank you, Mr. President.

Mr. President, we have a question where we noticed that most of the expenditure that is being asked for, follows a pattern that suggests poor planning and poor execution of plans. When we see the variations we see, San Fernando Girls AC School—there is a variation on the school; Princes Town Presbyterian, there is a variation on the school. To me, if you are planning a school you should know what you want. That size of variation is more than 20 per cent of the original cost. I find this difficult to understand.

I notice another pattern, Mr. President, that again leads me to ask a question. There are a number of activities ongoing now that I am aware of and I wonder if there is a further adjustment to be made for government expenditure during the year 2001. Is there another variation to come from road works? Is there another variation to come from works that has to do with the various stadia that were built for the football? Incidentally, I find it inexcusable and another demonstration of poor planning by this administration where we could have spent and then asked this Parliament to agree on that. Hundreds of millions of dollars have been spent to put stadia in place for the football and half of the Parliament is here while the football is being played down the road. What kind of administration could have done that? What kind of administration could have invited the world to Trinidad and Tobago, spent hundreds of millions of dollars to host the world and have half of the leadership of the country sitting here debating this exhibit of our ineptitude; this exhibit of our poor planning; this exhibit of our poor administration? We are debating this while we are playing host to the rest of the world down the road.

Mr. President, on that note, and to use that as my prime example of the ineptitude of this administration, I thank you.

Sen. Mary King: Mr. President, it appears that my five-foot height is not sufficient to be seen sometimes.

Mr. President, I also would like to comment on the timing of this variation of appropriation Bill before us today, one day before the annual budget, and, one has to wonder why all of this could not have been brought to us in the previous variation bill which we debated earlier this year. The planning, therefore, of the last budget to me is rather questionable.

I would also like to comment on the fact that we did understand that the Revenue Stabilization Fund would have been set aside for development. It would not have been touched until we had brought some legislation before the Parliament which would have agreed on the regulations attendant upon that Fund, but we see now that money is being spent. Sixty-seven per cent had been allocated last year and only 60 per cent has been allocated this year to that fund. I think we need to get that legislation to the Parliament as soon as possible so that next year it would not be the reverse and only 40 per cent may go into the fund. I think that is something which we need to do very quickly.

I have a few comments to make on the variations which are not very extensive, but there are things which worry me actually. We understand that the Government did plan to build the Trinidad and Tobago Institute of Technology and that we were to pick up a tab of \$28.35 million for that institute. We made an allocation in the year 2001 of \$8 million, therefore, we would have expected that the project, by that stage, would have been at least one-third through, if the total bill is \$28 million. However, what is before us today is that the project has actually been completed within the year and the institute is fully equipped and is in operation, and has obviously been paid for. From that, I assume that we have a super human contractor, or, perhaps more likely that the budgeting process was not as accurate as it could have been. We can make the same comments if we go through the documentation as it relates to Princes Town Presbyterian No. 2 School and the San Fernando Girls AC School.

[MR. VICE-PRESIDENT *in the Chair*]

Mr. Vice-President, let me turn to the famous dollar for dollar education plan with a budget of \$241 million for the fiscal year 2001. This was not budgeted for, obviously in the 2001 budget, even though it was floated by the Government last year before election, that they wished this project to be implemented. The idea to use the resources of the Energy Stabilization Fund, I think, was also floated but we would have expected that the regulations would have come before the Senate. No one who has a child entering university or a tertiary institute at this stage would have any objection whatsoever to this dollar for dollar scheme or plan. It could save a parent of a child going to UWI maybe \$8,000 every year depending on the faculty, of course, that that child is going into. My problem with the programme is even if, as it is hoped, it were to move tertiary level education from the current 5 to 7 per cent of the population to 20 per cent by the year 2005, all that would really do for us is to provide more qualified job seekers when this country really needs to set up job creation. We need job creation very badly in the country.

The present unemployment—[*Interruption*] Mr. Vice-President, may I continue?

Mr. Vice-President: Yes, and I ask my colleagues, hon. Senators, to allow Sen. King to speak with some degree of silence.

Sen. M. King: Thanks once again for your protection, Mr. Vice-President.

The present unemployment figure will then move to include the unemployment of now, and in the future, semi and professional levels of graduates. What we are, in fact, doing is creating and preparing our human resources for the export sector and the return is that money would be repatriated to our country but that does not develop skills for Trinidad and Tobago. India has done a similar thing and it now has graduates driving taxis. What our Government has to recognize is that economic development and diversification of our economy with the associated sustainable job creation is not a function of the level of output of mass education. It is actually a function of the production of highly trained, technological innovators, the types of people being put out by CALTEC and MIT. We must develop this cadre in Trinidad and Tobago.

4.10 p.m.

In my view, economic development depends on the creation of centres of excellence like the Silicon Valley and Shannon Park of Ireland. Centres of excellence would support businesses. We must also have the availability of high-risk venture capital and the facilitation of competition and development of a local market cluster of industries. The Trinidad and Tobago institute is only meeting the demands of the energy sector for technicians and that calibre of persons. Therefore, I am of the view that the dollar for dollar plan will play a negligible part in the restructuring of Trinidad and Tobago's economy.

India's very recent strength in information technology came about when it realized that simply providing low priced programming skills to North America was not developing the country of India. It has now changed its strategy to developing the more highly experienced entrepreneur types that we also need. We keep saying that cheap labour is no strategic advantage. India is now about creating its indigenous innovative products for home use and then for export. We should take heed of this in developing some strategic sectors which are very well developed in that country.

In closing I would like to comment on what has been said by both the Minister and other Members of this Senate. As far as the control of wastage, corruption and misappropriation, we would welcome the return to this Senate, the revised or

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amended Central Tenders Board Act which has been in the process of being amended now, for four years. We would like it to come back to the Senate very soon before we start spending on the 2002 budget capital projects.

Thank you.

Sen. Martin Daly: Mr. Vice-President, I am very troubled by this particular exercise today because we are dealing with some large sums of money. Essentially, what troubles me more, is that we are doing so in the absence of any predetermined rules. I would not enter into the debate about the 67:33 split because that is not important to the point I want to make. Whether the intention was 100 per cent of the sum in excess of the oil price or 67 per cent was supposed to go in the fund, the fact is that we now have on the table, another variation. Assuming it is 67:33, we now have on the table another variation for 60:20:20.

This Minister of Finance in particular will know that I am dealing with what I see; the principles and use of the country's money. What troubles me about this is that we have no rules as yet for the conduct of the stabilization fund, yet in the absence of those rules, we are permitting or it is intended that the Government would do two things. Alter the ratios. Let us assume it was 67:33, alter that to 60:20:20. As if that was not sufficient, the Government is being allowed to take money out of that fund. I do not say this in a pejorative way. It is only a disguise for what is actually happening. The Government is taking money out of a fund for a particular purpose. The merits of the purpose are not important for what I want to talk about. I am saying the ratios are just a disguise. The Government has taken a decision that the first draw to be made on this fund is to be made for a particular purpose.

I am uncomfortable about that being done in the absence of any rules. I would be happier if the Government would really not make this particular move at this time. In any case, I would also be troubled. I do not know what the Minister would say tomorrow. When I look at what is being done, I ask a question. If I come now to the particular purpose for which the money is allocated which is increasing the number of people who receive tertiary education as an important part of the Government's education programme, then the question that suggests itself logically to me is: Why is that not being funded out of the Consolidated Fund as part of the allocation to the Ministry of Education? Why is it necessary in advance of the budget tomorrow—and I think the timing question is important as well—to dip into the Stabilization Fund to provide for what is a main policy or programme of the Government's education thrust? That also troubles me.

I would not like to think that when we get our budget papers, we would see the allocations as such, that the Government could not provide for the dollar for dollar programme. I do not want to give it a slogan. I entirely agree with my colleague Sen. Prof. Deosaran. The Government could not provide for the advancement of tertiary education. They did not have enough money. Their recurrent revenue and expenditure were not in sufficiently good sync, that they could provide for the advancement of tertiary education out of the normal revenues of the country. When you strip it dollar for dollar, it is an educational programme. I suppose that we would get to debate it at some time. I would conceive the Stabilization Fund as something that is not there to supplement the money available to the Government to implement its programmes. We are taking a little extra something here which we really cannot afford given the ordinary balance. I cannot say more than that because I am not privy to the budget. I am fearful that this is what we are doing.

4.15 p.m.

I am particularly uncomfortable in doing it today in advance of the budget, but we will know more I guess, after the budget is presented. That is why this particular appropriation troubles me. I do not think this is really the time for me to say much about what I think about the dollar for dollar programme because, I am on a different point. If this is part of your education thrust, then you must finance it out of your ordinary revenues, and if your ordinary revenues are insufficient then you would have to make a sacrifice somewhere else, and that is what troubles me.

Also, of course, in a sense the rules for the dollar for dollar programme are not very clear. What I mean by that is, we really do want—to some extent I am agreeing with Sen. King—people having their education subsidized to study disciplines that we do not really need. If you want to have the luxury in a small country of studying something that we do not really need, then you have to do it with your own funds. My colleague said astrophysics. That is my point. Therefore, if we are going to subsidize tertiary education, and if we are going to advance tertiary education—and the advancement of tertiary education is a very important goal—we should nevertheless, if we are doing it with public funds, show some preference and use it as a means of encouraging people to enter into fields which we have all identified.

This Government talks about knowledge-based industries and all these different things. So the main thrust of the dollar for dollar programme should be to develop the minds of persons to go into those fields of economic activity that

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the Government thinks are important for the country and, therefore, in a sense—I make that comment on the merits only to underline my misgivings that we are taking money out of the stabilization fund for an education programme, I am a little concerned about it. I assumed that my colleague Sen. Dumas was joking but he does belong to a party that once went to Haiti for a day to have a party by British West Indian Airways. Maybe, he is not joking.

I would just like to say for myself, and I dare say, for some of my colleagues that regrettably, if we have to do our public duty and come here on a day when there is football, we should be pleased to do so. I assumed that the Haiti madness has passed. I will never forget that, the one day, the all-inclusive. The only problem is, it only included one side.

Since I could not see Sen. Dumas' demeanour—because he was in front of me—I would not like to say anything more about that. We, of course, have no token say in this because it is a money bill. I would ask the Government to—even if this has been passed and indeed, it is only for noting by us—reconsider or defer drawing this money out of the stabilization fund if at all possible until we have some rules governing the use of money in this fund. I see it as a very important issue in relation to how we do business, and how we conduct the business of the country. While I entirely agree with—and I am happy to hear some of the control measures which the Minister is proposing—and I see them as measures that are meant to prevent things happening, not to chase them down after they happen. And, of course, I gather that they will have to be supported by legislation, but I certainly support previous Senators who said that tendering rules have to play a very important part in the reports that are going to be made by the State bodies to the Ministry of Finance. That has to play a very important role in any audit committee or audit unit which is being set up.

If one could be as neutral as possible, there is no doubt that a good deal of money leaks through the state enterprise system, and I would really like to see the State enterprise system shrinking instead of growing. And if Sen. Montano is right—I have no capability in this area—that Maintenance Training and Security Company Limited is spreading its wings into construction, which is a particularly risky type of business and very vulnerable to ebbs and flows in the economy, that worries me because ultimately, I would like to see this Government as it said it is going to do, shrink the state enterprise sector rather than expand it. There are some troubling things of principle and how we run the country's business in here. I think it is particularly unfortunate that we are doing something which should come out of the educational budget in this way and, it just underlines the need for

us to have this legislation for this stabilization fund as soon as possible. I certainly—probably in the first contribution I ever made in the Senate—lamented the fact that the Central Bank particularly in an election year, generally was a very willing ally of the Government in advancing money to the Government and then regularizing it later. The fact that the stabilization fund has no rules and it is in the custody of the Central Bank, I would not want to go as far as some of my colleagues and say it is only a bookkeeping entry. Certainly without rules and simply being in the custody of the bank, when a government is under pressure they will touch it. There is no question about it. They touch the ordinary revenues and they get excessive advances from the Central Bank—all governments do it. This fund will inevitably be touched by the Government when under pressure and, therefore, it is very important that we have these rules and that we do not simply let pass the use of the stabilization fund for carrying—I am not saying simply to minimize it, but simply to carry out the ordinary education policy of the Government.

Mr. Vice-President, those are the things that trouble me a little about this. I do not believe the thing is really very integrated, and I hope that the Minister, particularly with his plan for the audit committee, would take account of some of the points that have been raised by Sen. Prof. Kenny—there are apparent conflicts that were raised here in the award of these contracts and, no doubt, when the audit committee comes there should be some kind of expanded guidelines about conflicts of interest positions in the awards of contracts. Those are my misgivings. At the risk of repetition, I would ask the Government not to draw this money out of the Consolidated Fund unless it is absolutely necessary and until we have some rules about how it is to be used.

Thank you, Mr. Vice-President.

Mr. Vice-President: Hon. Senators, this a good time for us to have our tea break. This sitting is suspended until 5.00 p.m.

4.25 p.m.: *Sitting suspended.*

5.02 p.m.: *Sitting resumed.*

[MR. PRESIDENT *in the Chair*]

Sen. Prof. Kenneth Ramchand: I thank you, Mr. President. I did not intend to speak during this debate, but it has been an educational experience for me and I have to say also, in some respects, a horrifying one. I would like to begin with the horrors from which I have not quite recovered.

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I do not need to call the names of the individuals and the companies involved. I am sure that the press will get the details from Sen. Prof. Kenny and publish the information so that the people of Trinidad and Tobago can see what is happening to their money.

I sincerely hope, too, that the Minister has taken note of the instances of conflict of interest with respect to people having membership on the National Planning Commission and on the Environmental Management Authority and also having interest as planners and developers. I hope that the Minister has also noted the advantage taken of that position to do what might be called insider trading—using knowledge of what is to come and moving before it has taken place.

I am shocked that this kind of thing is allowed to happen. When the Planning and Development of Land Bill was being debated, I made an amendment that tried to make sure that such conflicts of interest would not take place with respect to the Land Commission. We in the Senate were told that the country had a very small pool of resources and that it was inevitable that people with private interests would serve on commissions like this.

I have listened to Sen. Prof. Kenny, I have done some research and I know that that is not the case either with the Environmental Management Authority or with the Land Commission. There are enough people with the expertise to make a very strict rule about membership—that a person cannot be a member of a board if he has private interests in that area.

I really hope that the Minister will take note of the information that Sen. Prof. Kenny has provided and which he is willing to pass on to him. Since he has shown his willingness to deal with things like this, I hope he will do something about it and let the Parliament know. There is always time to remove people from boards. I do not know if it is too late to go back to the Planning and Development of Land Bill and tighten up the regulations about who should be members.

That is the first thing I have to say. I hope it did not sound too disjointed because I am really still seething that this could be happening.

The second point is not so much an aggressive point, but a point to support something that Sen. Montano was saying. I thank him very much for making the distinction between forensic and financial auditing. I take his meaning to be that forensic auditing is investigative and financial auditing, if you like, can be preventive. That is the broad distinction I would make between them.

While I commend the Minister for making arrangements for financial auditing, I do not think that will handle the question of corruption which hangs

over so many of the enterprises in this country. I therefore ask him to think again about the kind of auditing that he sets about and that he should investigate. It is good to prevent. But there have been so many allegations of wrongdoing that we do need a lot of forensic auditing.

I agree with Sen. Prof. Deosaran. I have always sung the song that this country has the intellectual and technical resources so as not to depend on foreign consultants to the extent that we do. They have come here and persuaded us that we need a desalination plant and there was no discussion in this Parliament about whether the country needs a desalination plant. It never came to Parliament for discussion. So, they have accepted the advice of foreign consultants that we need a desalination plant and, obviously, the foreign consultants with their local cronies have got the contract.

In education, we have a Secondary Education Modernization Programme—I do not want to steal my own thunder for the budget presentation—which is being run by foreign consultants and the deadbeats of the Ministry, who are responsible for the educational system being in the mess that it is at present. These are people who cannot say to the consultants, “No, you have it wrong”, because they are the ones who produced the old rubbish we are trying to sweep aside. The consultants come in here and work with the deadbeats in all kinds of areas, take our money and produce nothing. Meanwhile, in all fields, there are people with skills, expertise, intelligence and willingness and the need for the money, who could have been used. I have to agree with Sen. Prof. Deosaran that it is a confession of a lack of independence, a lack of pride in ourselves, that we have to call upon foreign consultants.

The Minister came here and told us how, year after year, the post office was not getting money and his answer to that was to hire a bunch of New Zealanders to run the post office. The university has a Department of Management Studies. It is producing people, year after year, with the skills. *[Interruption]* It is because I know better that I am speaking. I do not want to over-elaborate. I know we have much more talent and expertise in this country than is being used and I lament the shameful use of foreign consultants who do the thing wrong anyway.

The third issue I want to speak on—and I am trying my best to save my speech for the budget debate—is the dollar for dollar programme. This is not anything new to the Minister. I told him I could not understand why they had to work out this elaborate and cumbersome arrangement of people getting their dollars matched, when all they needed to do was to increase the subvention to the University of the West Indies by “X” amount and ask that it reduce the fees by

“X” amount to whichever students are admitted. They can look at the other tertiary institutions they want to encourage our people to go to and say to them, “We are paying you to reduce the cost for students of a certain quality.”

Why could the money not have gone in subventions? There is a mess in tertiary education. In the debate on the COSTAATT Bill I pointed this out. The first job was for us to make a survey of all the bodies and institutions that are purporting to be involved in tertiary education, look at their syllabuses, look at their staff, look at their offices, look at their equipment, look at their connections and come out with a ratings list stating who has been approved and whether people who have spent two years there can enter the University of the West Indies in the second-year programme, et cetera. You needed to do that work to clean up the parasitic system that exists between Fifth Form in the secondary school and the university. Clean that up, make those people come to order, register them, tax them. We need to do that before we can think of things like the dollar for dollar programme.

On the question of the dollar for dollar programme, I would like the Minister, when he is winding up, to tell us how many more students are attending the University of the West Indies in the first year as a result of the dollar for dollar programme and how many students are going to other tertiary institutions and benefit from that programme. What, therefore, is the cost, in terms of fees, of the dollar for dollar programme in the current academic year? I presume that people who are going to register for this year have already done so. What are the figures? When I see the figures, then I can know whether I agree with whether they can take \$20 million for the dollar for dollar programme. [*Interruption*] It is \$240 million? I would like the answer. I hear people are getting really abused and “cussed” on television and radio programmes. I am doing my best to be independent and just ask questions. Please, I do not want lash. We ought to see those figures to be able to know what we really need. Would the \$240 million last 20 years or 30 years? Should we invest it? Maybe the interest alone would pay for the fees.

5.15 p.m.

The dollar for dollar plan—if it brings the increase in the number of students going to the university that people are talking about—would, therefore, involve more staff; more buildings; more ancillary staff and more equipment. Is this being budgeted for out of the Consolidated Fund or some other fund different from the dollar for dollar fund? The dollar for dollar programme, if it really works, has other cost implications.

Mr. President, I would not go into details about it but I think if the Government wants—I agree with previous speakers, that if we are going to spend more money on tertiary education, then it cannot be more of what we are already producing. You have to target; you have to pay for new programmes and courses; and hire new staff. Say the country needs X, Y, and Z, we are putting up building we are hiring staff in these areas and this is where we are spending the money. That is what we have to do. We cannot just do dollar for dollar and then everybody goes and takes a social science degree, English degree, humanities degree, as usual. We are not honing our workforce for the specific needs that our country has. Mr. President, those are the three items—Or, the fourth item:

When I look at the cost increases for those two schools, the cost has doubled in one year. I do not think that is bad planning, I think that is planning, which is being bulldozed by corrupt contractors. No contractor could tell me that if something was projected to cost \$2 million this year, you need \$4 million to do it next year. A 100 per cent cost increase, and we are talking about millions of dollars. Unless the Government has doubled the size of the school. If that is so, we have to be told that the reason for this phenomenal increase in the cost is that the Government has gone to the contractors saying, “We want the plan as approved to be changed. We want a bigger school and we want other things put in it”. Explain that to us and then I might find it palatable. As it is, Mr. President, I find it unpalatable that the cost should go up by twice as much. I am inclined to think that there is a general reason for this. Everybody—and I do not know, it is an educational problem, it is a problem in being good citizens—who is doing a job for the Government charges three times more than they should, and they do it half as well as they would do it if a private man was paying them to do it.

When a person comes to build anything for me, I give him hell. First of all, I fight him about the price. I want to see the bill for the raw materials. He cannot build an airport for me. I want to see a bill for everything and I am inspecting day by day to make sure that he uses the material I bought. So something is going wrong in this country that people feel that they could charge the Government twice as much; that they can give the Government shoddy work and the Government is not inspecting the work. Something has to be done. I am going down to look at those schools and I want to see if I could smell the \$4 million on each of them. For \$4 million I could build two schools. I cannot do buildings but I could do two schools for the \$4 million, just give me the land.

Mr. President, I do not know when we can do it and how we can do it, but some kind of responsibility, good citizenship and fairplay have to be worked up in

this society, so that people who get contracts from Government do not feel that, “Ah, I am getting my piece of the cow.” If we cannot educate people like that, money has to be spent on sending inspectors to examine the materials, to examine the work, and to certify the work as being properly done. We should have tight contracts that say: “If a pothole comes three months later you are not getting paid. We want back the money”. Something has to be done about how Government contracts are awarded and Government works are supervised.

I end, not with a summary, but with a highlight. I want to refer to the appalling situation that Sen. Prof. Kenny has exposed. I beg the Minister to please look at it and do something about it.

The Minister of Finance (Sen. The Hon. Gerald Yetming): Mr. President, I learnt a long time ago you cannot win, whether you are in the private sector or in the public sector. Whatever you do, you would always have people who would be disagreeable. I thought I was trying to explain to the Senate what the Ministry of Finance was doing, and what this Bill is all about but I am told by the Senator on the other side, that I should keep quiet. If I keep quiet, I am told I have something to hide. When I try to speak, I am told to keep quiet. Mr. President, I have to listen to the same Senator, for half an hour, to hear absolutely nothing. [*Desk thumping*] With the exception of the comment to learn that there are no forensic auditors in Trinidad and Tobago.

As far as I am concerned, Mr. President, we engage international auditors. Price Waterhouse is a firm of international auditors and so is Ernst & Young. They got a job to do and, quite frankly, they were told that if they do not have the resources to do the work, to find the resources to get it done.

As in the case of Personnel Management Services Limited, we knew when we engaged them for the NWRHA that they did not have all the skills required and they were told if they need legal help to engage a legal firm; if they need auditing help, engage an auditing firm and they were told to engage the best, because we are prepared to pay whatever money it takes to get the job properly done. I think we are going to pay the price for getting the best, I guess.

The major issue in the debate appears to be on the problem of the Revenue Stabilization Fund. As far as I know, the Revenue Stabilization Fund was not a fund imposed on the Government by anybody. Nobody imposed the Revenue Stabilization Fund on this Government. This Government made the determination that on the basis of surplus revenues it should set some money aside. It could have done what the PNM administration did when there was the oil boom. Every single

cent they got in excess of what they budgeted, they spent it. [*Desk thumping*] I do not know that the country could show what it got for that kind of money that they received.

For the Member for Tobago, I do not know that Tobago could show anything that they benefited from. This Government took a decision and arrived at its own formula. It said that it would put two thirds aside and it decided a year later to put 60 per cent aside to allow for 20 per cent to go to an education fund. I do not know we could argue about the dollar for dollar plan or whatever it is. The Government took a decision that it would put 20 per cent aside for an education fund and they say they are being told things by the way today.

I said in my opening contribution—and I have the responsibility for the Revenue Stabilization Fund Bill—that I am concerned about bringing the Bill to Parliament as fast as I can, because I do not want this administration or any other administration to abuse that money. I repeat, I do not want this administration or any other administration to abuse that money. [*Desk thumping*] I am concerned about bringing that Bill soon to the Parliament.

The moneys that went into the fund last year was \$415 million. I might have been a little loose in my presentation, Mr. President, the point was not on the \$415 million, the point was on the \$600 million, but now I am being accused of siphoning \$29 million. Ah mean. [*Laughter*] The \$415 million went into the fund last year, Mr. President, to which we are going to add \$600 million for a total of \$1.015 billion. [*Desk thumping*] The moneys are going to be managed by the Central Bank. The legislation will prescribe the manner in which the moneys should be invested and, in fact, when—as the Opposition Senator suggested—the Bill comes to the Senate we could debate it, so we would not get into that now.

In fact, Mr. President, the legislation provides for separate reporting to Parliament on the condition of that fund. That is in the draft legislation and that is the legislation that would come to the Senate. So there will be no secret about what that money represents; about where it is invested; about its return on investments and so on. The withdrawals from the fund will be in very prescribed conditions.

With respect to the dollar for dollar plan it is a sincere effort. The fact of the matter is that the expenditure for the dollar for dollar plan will not be as high as \$260 million that we are seeking to set aside. What I did say in my presentation was that, in my view, the ideal is that the expenditure for facilitating tertiary level education in Trinidad and Tobago should come out of the Consolidated Fund. The

fact of the matter is that there is no money in the Consolidated Fund allocated this year for that. To get the fund started, we decided to reduce the amount of money that would have gone into the Consolidated Fund from the surplus revenue to put it into this education fund, in a prescribed manner in accord with the Exchequer and Audit Act. That fund will be used to pay for 50 per cent of the education of the students, but all of that money is not being used this year. Mr. President, the idea is that for every year that there is surplus oil revenue, 20 per cent, will go into the fund and out of that fund will be used to deal with the tertiary education thrust in Trinidad and Tobago.

I think the point that Sen. Prof. Deosaran made about project management is a valid one and I would remind the Senator that earlier this year—maybe he might not be aware—I did get Cabinet's approval as Minister of Finance, to go into any Government project, regardless of line Ministry involved, which is why I went, initially, into two projects which is the SEMP 12-School project and the interchange project, except that the authority was given a couple months ago. Much of what we are seeing before us are projects already on stream and probably completed and the capability to be in a position to go into projects is now being built within the Ministry of Finance. So that apart from those two major projects that I mentioned, the intention is to build the capability to go from inception to completion of most Government projects, but it cannot be all, simply because to go into every single project would take horrendous resources.

The question of project management, or performance audit—these are things that we know we have to do as part of public sector reform. In fact, some of what we are doing—by the Minister of Finance being given the right to go into projects; by the audit unit that I am creating; by the tenders reporting that we are going to be seeking, it is a bit ad hoc. But these are tools that we want to put in place immediately so that, at least, we could begin the process. But to be able to deal with the issues comprehensively requires a little more planning and thinking and putting in place. At least some real attempt, however ad hoc—some sincere attempt is being made to put some control, some management, in place.

5.30 p.m.

I am amazed, you know, that, having said all that, there was even some suggestion that what was being attempted was almost a waste of time. I mean, that certainly came across from one or two of the contributions. If I were to take that seriously, you know, I would drop the whole thing and forget it, if I was so irresponsible.

Sen. King raised the question of the timing of this Bill. The fact of the matter is that the way the Revenue Stabilization Fund would work, you will always have this supplemental Bill coming at the end of the year because, if the formula for the transfer to the fund is on the basis of a particular percentage of your surplus revenue on the price of oil, until you know month by month down to the end of the year how you are likely to end off in terms of your surplus revenues, you will not know what 60 per cent of that or, put another way, 60 per cent of what figure is what your problem is going to be. So that you will always have—on the basis of the current formula for a revenue stabilization fund using surplus revenue that you receive on the price of oil, you would always be coming at the end of the year to get this supplemental passed.

The point about graduates coming out, arising out of the dollar for dollar plan, and not meeting jobs is a valid concern. Hopefully, as we progress, particularly with respect to the budget debate, one can see that clearly the plan has got to be that appropriate job creation would go hand in hand with developing the human capital at the same time. In any event, I do not know that it could be so scientific that the match is going to be so perfect. You are going to have some mismatch somewhere along the line, but it is a small price to pay.

I certainly appreciate the point that Sen. Prof. Kenny and Sen. Prof. Ramchand made about this conflict situation. The fact is that we cannot deal with what we do not know. If you have information, I do not think the question needs be asked, Mr. President, as to whether the information should be sent. Just send it and hope that the person to whom the information is sent would act on it; but the sending is not going to cost.

So, Mr. President, I believe that I have addressed most, if not all, of the concerns raised on the other side. I beg to move. [*Desk thumping*]

Question put and agreed to.

Bill accordingly read a second time.

The Minister of Finance (Sen. The Hon. Gerald Yetming): Mr. President, in accordance with Standing Order 63 I beg to move that the Bill not be committed to a committee of the whole Senate.

Question put and agreed to.

Question put and agreed to, That the Bill be read a third time.

Bill accordingly read the third time and passed.

CIVIL AVIATION BILL
(House of Representatives Amendments)

Clause 14 reintroduced.

Sen. John: Mr. President, I have consulted with the drafters from the CPC office, with Senators on the other side and on the Independent Bench and basically, in looking at clause 14, I think a genuine attempt has been made to treat with the matter of pecuniary interest especially within this board. On the provisions for declaration, although some Senators have still expressed dissatisfaction with it not being all encompassing, I am sure we are aware that we cannot legislate for everything and sometimes we just have to allow good sense to prevail and basically for people to do their jobs. In this instance, I am prevailing on my brother and sister Senators to agree with this clause as it is. Thank you, Mr. President.

I beg to move.

Question put and agreed to.

ADJOURNMENT

The Minister of Energy and Energy Industries (Sen. The Hon. Lindsay Gillette): Mr. President, I beg to move that the Senate do now adjourn to Tuesday, September 18, 2001 at 1.30 p.m.

I am told by my colleague on my right, the Minister of Finance, that the budget is such a fabulous budget for the people, he is hoping to have it passed for next Tuesday. Just in the event that it is not passed for next Tuesday, we will debate: an Act to amend the Freedom of Information Act; an Act to amend the Companies Act; and an Act to amend the Indictable Offences (Preliminary Enquiry), as well as prepare yourselves also for Motion No. 4 which deals with the Motor Vehicles and Road Traffic Act. [*Interruption*] Sorry? [*Interruption*] No, we are meeting next Tuesday. We are meeting next Tuesday the 18th. We are meeting at 1.30 p.m.; but, more than likely, we will debate the budget on the following Tuesday. You did not catch me.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 5.38 p.m.