

*Leave of Absence**Tuesday, May 05, 2009***SENATE***Tuesday, May 05, 2009*

The Senate met at 1.30 p.m.

PRAYERS[MR. VICE-PRESIDENT *in the Chair*]**LEAVE OF ABSENCE**

Mr. Vice-President: Hon. Senators, I wish to inform you that the President of the Senate, Sen. The Hon. Danny Montano, is currently acting as President of the Republic of Trinidad and Tobago.

Hon. Senators, I have granted leave of absence to Sen. Michael Annisette, who is out of the country.

SENATORS' APPOINTMENT

Mr. Vice-President: Hon. Senators, I have received the following correspondence from His Excellency, the Acting President, Danny Montano, LLB., BComm., C.A., and His Excellency the President, Prof. George Maxwell Richards, T.C., C.M.T., Ph.D.:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency DANNY MONTANO, LLB., BComm.,
C.A., Acting President and Commander-in-Chief
of the Republic of Trinidad and Tobago.

/s/ Danny Montano
Acting President.

TO: MR. NOEL GAYLE

WHEREAS the President of the Senate has temporarily vacated his Office of Senator to act as President of the Republic of Trinidad and Tobago:

AND WHEREAS the Vice-President of the Senate is acting President of the Senate:

NOW, THEREFORE, I, DANNY MONTANO, Acting President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 40(2)(c) and section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, NOEL GAYLE, to

Senators' Appointment
[MR. VICE-PRESIDENT]

Tuesday, May 05, 2009

be temporarily a member of the Senate, with immediate effect and continuing during the period that Senator Danny Montano has temporarily vacated his Office as Senator.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 4th day of May, 2009."

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency Professor GEORGE MAXWELL RICHARDS, T.C., C.M.T., Ph.D., President and Commander-in-Chief of the Republic of Trinidad and Tobago.

/s/ G. Richards
President.

TO: MS. ALTHEA ROCKE

WHEREAS Senator Michael Annisette is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, in exercise of the power vested in me by section 40(2)(c) and section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, ALTHEA ROCKE, to be temporarily a member of the Senate, with effect from 4th May, 2009 and continuing during the absence from Trinidad and Tobago of the said Senator Michael Annisette.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 30th day of April, 2009."

OATH OF ALLEGIANCE

Senators Noel Gayle and Althea Rocke took and subscribed the Oath of Allegiance as required by law.

INTEGRITY IN PUBLIC LIFE (AMDT.) BILL

Bill to amend the Integrity in Public Life, Act, Chap. 22:01, brought from the House of Representatives [*The Attorney General*]; read the first time.

Motion made, That the next stage be taken at the sitting of the Senate to be held on May 12, 2009. [*Hon. C. Enill*]

Question put.

Sen. Mark: Mr. Vice-President, under Standing Order 48(2), if I am not mistaken, there is a 14-day period I take it. If the Minister is so inclined to rush this particular Bill, at least he could have had the courtesy—because he is in violation of the Standing Order. Therefore, I am suggesting that we have a 14-day period in which we need to study this Bill properly and if the Minister is interested, I would like him to stand it down and he can have discussions with the senior Senator on the Independent Bench and myself, so we could arrive at some kind of consensus. I seek your guidance, Sir, on this matter because it is in clear violation of this Standing Order.

Sen. Enill: Mr. Vice-President, Sen. Mark is as usual incorrect. Standing Order 48(2) allows a procedure, which I have moved, for the period that is required to be waived and I have done that.

Sen. Mark: We object to that. We want a division on that.

The Senate divided: Ayes 20 Noes 8

AYES

Enill, Hon. C.

Saith, Hon. Dr. L.

Annisette-George, Hon. B.

Browne, Hon. M.

Joseph, Hon. M.

Manning, Hon. H.

Piggott, Hon. A.

Narace, Hon. J.

Gronlund-Nunez, Hon. T.

George, W.

Rogers, L.

Lezama, Miss L.

Melville, Miss J.

Gayle, N.

Ramkhelawan, S.

Baptiste-Mc Knight, Mrs. C.

Nicholson-Alfred, Mrs. A.

Drayton, Mrs. H.

Merhair, Miss G.

Rocke, Miss A.

NOES

Mark, W.

Nanan, Dr. A.

Kernahan, Dr. J.

Rahman, M. F.

Oudit, Mrs. I.

Gopaul Mc-Nicol, Mrs. S.

Deosaran, Prof. R.

Ali, B.

Question agreed to.

PAPERS LAID

1. The Report of the Auditor General of the Republic of Trinidad and Tobago on the public accounts of the Republic of Trinidad and Tobago for the financial year ended September 30, 2008 (Volumes 1 and 2). [*The Minister of Trade and Industry and Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne)*]
2. The annual audited financial statements of the Vehicle Management Corporation of Trinidad and Tobago Limited (VMCOTT) for the financial year ended September 30, 2007. [*Sen. The Hon. M. Browne*]
3. The administrative report of the Ministry of Social Development for the fiscal year October 2006 to September 2007. [*The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill)*]

ORAL ANSWERS TO QUESTIONS

**Trinidad and Tobago Amateur Boxing Association
(Monetary Assistance)**

31. Sen. Lyndira Oudit asked the hon. Minister of Sport and Youth Affairs:

Could the Minister indicate to the Senate the amount of monetary assistance which was provided individually to female boxers Wendy Alleyne, Ria Ramnarine and the late Jizelle Salandy, either directly or indirectly, through the Trinidad and Tobago Amateur Boxing Association for the period 2003—2008?

The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill): Mr. Vice-President, question No. 31 was considered by the committee and deferred for an amendment. The answer that was presented was not correct, and therefore, I am of the view that this question will be available on the next occasion that we meet. Therefore, I am asking that it be deferred for the amendment.

Sen. Oudit: One week?

Sen. The Hon. Enill: Yes, one week.

Question, by leave, deferred.

**National Academies of Performing Arts
(Details of)**

40. Sen. Wade Mark asked the hon. Minister of Planning, Housing and the Environment:

With respect to the construction of the National Academies of Performing Arts in Port-of- Spain and San Fernando, could the Minister provide the Senate with:

- (a) a detailed status report on the construction of the National Academies of Performing Arts;
- (b) the original estimated cost of construction of the National Academies;
- (c) the initial projected completion dates for both Academies;
- (d) the current estimated cost and new projected cost of the construction of the Academies; and
- (e) the new projected completion dates for the National Academies?

The Minister of State in the Ministry of Planning, Housing and the Environment (Sen. The Hon. Tina Gronlund-Nunez): Mr. Vice-President, this question is not ready at this time. I wish to ask for additional time for us to be able to respond appropriately.

Thank you.

Sen. Mark: Mr. Vice-President, could the hon. Minister indicate what time she would require, if it is a week?

Sen. The Hon. T. Gronlund-Nunez: Mr. Vice-President, let me state possibly about two weeks.

Thank you.

Question, by leave, deferred.

Emergency Unemployment Grant (Consideration of)

42. Sen. Mohammed Faisal Rahman asked the hon. Minister of Finance:

Could the Minister state whether the Government will be considering the establishment of an Emergency Unemployment Grant as a stop gap social benefit measure to facilitate workers who have lost their jobs as a result of the global financial crisis?

The Minister of Trade and Industry and Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne): Mr. Vice-President, I had anticipated that I would have been in a position to answer this question today. I have to ask that the matter be deferred for one week as the answer has not yet been approved by Cabinet.

Question, by leave, deferred.

Global Financial Meltdown (Proposed Measures)

44. Sen. Mohammed Faisal Rahman asked the hon. Minister of Finance:

Could the Minister state what measures the Government proposes to take to insulate the economy from the effects of the global financial meltdown?

The Minister of Trade and Industry and Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne): Mr. Vice-President, this question was previously answered by way of Senate question No. 21, Part I.

Sen. Rahman: Mr. Vice-President, I apologize to the Senate because I was not aware that matter had been covered.

**TT Dollar
(Delinking from US Dollar)**

45. Sen. Mohammed Faisal Rahman asked the hon. Minister of Finance:

In light of current developments, could the Minister state whether there are any plans to delink the TT dollar from the US dollar?

The Minister of Trade and Industry and Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne): Mr. Vice-President, again, this question has been answered by way of question No. 21, Part III.

In conclusion, the Government has no intention and is not in a position to adjust the exchange rate, as this is subject to a free flow mechanism.

1.45 p.m.

Sen. Rahman: The question is not whether we intend to address the exchange rate, I am speaking of the linkage of the US dollar which is the currency to which we are connected. My concern is the continuing fall of the US dollar with regard to other currencies of the world.

Sen. The Hon. M. Browne: As I indicated to Sen. Rahman, this question was answered extensively in question No. 21 and I refer him to that question.

**Small Business Entrepreneurs
(Tax Incentives and Legal Requirements)**

46. Sen. Mohammed Faisal Rahman asked the hon. Minister of Trade and Industry:

- A. Could the Minister state whether the Government is taking any steps to provide tax and other incentives for small business entrepreneurs?
- B. Could the Minister also advise whether the Government intends to remove some of the burdensome legal requirements that inhibit small business?

The Minister of Trade and Industry and Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne): Mr. Vice-President, the Government of Trinidad and Tobago has provided many incentives to small businesses. These include the following:

- (a) Approved small company status. This is a designation granted to a limited liability company allowing it to derive a tax relief for a period of five years under the Corporation Tax Act, No. 11 of 1988 as amended by Act No. 2 of 2006 and assented to on February 08, 2006. The main objective of this incentive programme is to assist small manufacturing enterprises that have a high risk of failure. It is envisaged that in the current economic conditions more small firms will access this company status given the tax benefit that it provides.
- (b) Loan guarantees for small and medium enterprises. Loan guarantee programme is a credit support instrument designed to assist start-up or existing businesses in securing loans for financial institutions with the Business Development Company Limited providing such a guarantee. This programme is expected to assist more firms in the upcoming period.

The establishment of the research and development facility by the Business Development Corporation is aimed at stimulating and supporting investments in new and advanced technology and innovation. Currently, efforts are being made to revise this facility in keeping with the increased demands of the facility as well as with the business development pillar, “developing innovative people” as stated in the Vision 2020 operational plan.

The SME exchange website is a full e-commerce and e-learning portal that provides services to small businesses such as access to essential business information, training and the exchange of goods and services for commercial purposes. The website is expected to attract more businesses as costs to implement both hardware and software solutions for use in the day-to-day operations of businesses are extremely high.

Initiatives by the National Entrepreneurial Development Company Limited also known as NEDCO—Under the ambit of the Ministry of Labour and Small and Micro Enterprise Development, the following new programmes are proposed by NEDCO:

- (a) The establishment of a small business register;
- (b) The intended launch of a fair share website in 2009;
- (c) The establishment of a network of entrepreneurial centres; and
- (d) The establishment of the entrepreneurial training institute and incubation centre.

With respect to part B, the Government is not aware of any burdensome legal requirements that inhibit small businesses. In Trinidad and Tobago small business can take the form of a sole trader, partnership, family-owned, and/or a limited liability company. All small businesses are required to register at the Companies Register at the Ministry of Legal Affairs.

Thank you, Mr. Vice-President.

Sen. Rahman: I was specifically interested in knowing what tax incentives or reliefs are given to non-manufacturing small businesses like small traders.

With regard to part B, some of the normal business requirements like registration—because there is a fine for not registering your business—some of the very normal requirements for establishing a business in the first place can become very burdensome to people who are now starting off in business. I am concerned about those same normal requirements being waived for small businesses for about a year or two.

Mr. Vice-President: That is not a question.

Sen. Rahman: It is for my clarification.

Mr. Vice-President: It is supposed to be a supplemental question, not clarification. If you have a question, you may ask it. Do you have a question?

Sen. Rahman: Yes. I asked the question with regard to part A, with regard to part B, will the Government review the normal legal requirements for registering small businesses in the first place?

Sen. The Hon. M. Browne: Mr. Vice-President, I am not aware that the existing legal requirements are in fact burdensome. It is very easy to start and establish a small business. I have difficulty in answering the question.

Commission of Enquiry into UDeCott (Cost of)

56. Sen. Wade Mark asked the hon. Prime Minister:

Could the Prime Minister provide the Senate with a detailed account of the cost of the Commission of Enquiry into UDeCott and the construction sector including the engagement of legal counsels both local and foreign as at February 28, 2009?

The Attorney General (Sen. The Hon. Bridgid Annisette-George): Mr. Vice-President, the response to that question is not yet available. Unfortunately, I cannot give a time frame, but as soon as it is available, it will be answered.

Sen. Mark: Mr. Vice-President, that is totally unacceptable to you and this Senate. The Minister should, according to our practice, give you and this honourable Senate a time frame for an answer. She cannot tell the Senate she does not know when it will be ready. That is not acceptable, Sir, and through you, I will ask the Attorney General to give this Senate a time frame.

Sen. Enill: Mr. Vice-President, as I understand the practice, if a time frame is not given, it automatically comes back on the Order Paper on the next occasion. That is how I understand the process. Senator, I thought you agreed with that. Outside of that we can ask for two weeks.

Question, by leave, deferred.

SUPREME COURT OF JUDICATURE (AMDT.) BILL

Bill to amend the Supreme Court of Judicature Act, Chap. 4:01 [*The Attorney General*]; read the first time.

FAMILY COURT BILL

Bill to vest jurisdiction for all family matters and juvenile matters in a division of the High Court to be called the Family Court and to make provision for matters connected therewith [*The Attorney General*]; read the first time.

TRINIDAD AND TOBAGO ELECTRICITY COMMISSION (AMDT.) BILL

Order for second reading read.

The Minister of Public Utilities (Hon. Mustapha Abdul-Hamid): Mr. Vice-President, I beg to move,

That a Bill to amend the Trinidad and Tobago Electricity Commission Act, Chap. 54:70, be now read a second time.

Mr. Vice-President, it is always a great pleasure for me to be here in this honourable Chamber as I spent six very valuable and beneficial years of my life here and so I have come to expect very mature and intelligent debate taking place here and I have no reason to expect anything different today. Let me say mostly intelligent and mature.

Mr. Vice-President, the Bill before us today contains two straightforward but very important changes to the piece of legislation before us and there are a couple consequential amendments which we propose to be enacted.

I will give a brief outline of how we propose to proceed. One of the two major changes will be to allow Parliament to appropriate funds to the Trinidad and Tobago Electricity Commission for projects that are deemed to be in the public interest and this we expect to be able to do by way of the Appropriation Bill—which, as all will know is our annual budget—and any other Appropriation Bill that might take place during the course of the year.

The objective of the second amendment is to allow for one state body to assume responsibility for the payment to T&TEC for public lamps. The present situation is that there are a number of local government bodies that are responsible for the payment of public lamps and we propose in this amendment, to provide for simplification of the process by allowing one state agency, particularly the Ministry of Public Utilities to take responsibility for those payments.

So specifically, what we require to do, is add a new 22A that will take care of the facility to allow for Parliament to appropriate to T&TEC and we are required to amend sections 50 and 51 to allow for the authority of the Ministry of Public Utilities, the one state body, to make payment for public lamps.

What we have decided to do as it is apparent from the Bill, is to repeal and replace those two sections to avoid any complication in the language, so we think that ought to allow for better and smoother reading and a less complicated process. There is at least one consequential amendment in a piece of legislation, that is the Municipal Corporations Act, section 112(1)(d) which we will get to as we proceed.

Let me first deal with the new section 22A and what it provides. Section 22 provides for loans to be made to Trinidad and Tobago Electricity Commission (T&TEC). It is the only mechanism that was contemplated in this legislation and I invite you to consider that this legislation is a 1945 piece of legislation, Act, No. 42, I think, of 1945. So that provision is a very archaic one. The philosophy or policy at that time was to create an environment where the organization could be self-sufficient; that is quite noble and commendable.

What the policy makers intended to do at that time was to ensure that the only way that any government or the state could intervene financially in the operations of T&TEC was by way of a loan. So if there was any project for which T&TEC might have required funding and it had cause to approach the government, it would then make a loan available to T&TEC, or guarantee a loan as the case may be. That loan was not expected or contemplated to be an interest free one, but a loan to be paid with interest.

T&TEC (Amdt.) Bill
[HON. M. ABDUL-HAMID]

Tuesday, May 05, 2009

So we can see very clearly, Mr. Vice-President, that the legislation was deliberately engineered to make it legally impossible for the government to make any direct financial contribution to T&TEC. As I said before, there is indeed no one who is proposing to deny that there might have been some value in that at that particular point in time, especially at the birth of an organization.

We must consider that there was a related policy position which had to do with rates, in that in 1945 the Commission was self-regulating in that it was also given the authority to set rates for itself. So there was a balance to take place between the setting of rates which would determine income and expenditure and the payment of loans and so forth. So the Commission within that context could set the rates at whatever levels might be necessary for it to recover whatever investments it may have made. If one checks section 53 of the same legislation, one would see that there are guidelines for the setting of rates as they related to T&TEC.

Of course, that may seem strange now that T&TEC, once upon a time had the responsibility for setting rates because I think it was in 1966 that the Public Utilities Commission (PUC) came to life and subsequent to that, we now have its replacement organization, the Regulated Industries Commission (RIC). So rates are no longer set by T&TEC, so it has lost, in a sense, control of its income.

So there are capital investment projects that T&TEC may wish to undertake, and since it does not have control of the rates, it is quite conceivable that there may be projects in infrastructure that it may desire to undertake, investments in infrastructure the country desires to undertake, but the rates are not and cannot be expected to pay for those investments.

2.00 p.m.

That is the first problem that confronts T&TEC and with justification. There is ample justification for the existence of the RIC as was the case as well before with its forerunner, the PUC, for ensuring that an independent body take responsibility for the setting of rates so as to protect citizens from any arbitrary increases and so on. But in so doing you have to understand that T&TEC would have lost control of its income in that sense. So that is the first issue that we need to consider as we proceed in terms of understanding the justification for the amendment that we propose.

Sen. Mark: May I, Sir?

Hon. M. Abdul-Hamid: Oh, gosh. I now start. Allow me to proceed a little bit and then I will invite you.

Sen. Mark: Mr. Vice-President, through you, I just wanted to ask my hon. colleague if he could share with the Senate the current financial status of T&TEC?

Hon. M. Abdul-Hamid: Mr. Vice-President, last week the accounts for the Trinidad and Tobago Electricity Commission, dated December 31, 2006 and December 31, 2007 were laid in this honourable House. I am sure the hon. Senator would have these documents in his possession. These are the most updated accounts. In fact, to have accounts laid and be as current is generally very rare in the public service and it is something for which T&TEC ought to be highly commended. [*Desk thumping*]

In addition, we also have the reality that there are occasions when there are projects that are necessary in the public interest as determined by Government as part of the State's national development objectives and T&TEC might be required, if a loan is provided, to pay interest on the loans that are used to fund a lot of projects that are really not projects determined by T&TEC necessarily, but determined by Government as part of a national development programme. So the interest on these loans can become indeed very burdensome for T&TEC and it might be more cost efficient and cost effective to have Government fund these projects directly since a lot of them would have originated as part of Government's investment and Government's national development programme.

I draw your attention to a number of projects that the Government would have undertaken over the last several years. The street lighting programme is a programme in the national interest and it cannot be that T&TEC's income, which is income that comes from rates that are set and charged to consumers, would be the source of the capital funding for projects, such as those projects in the national interest. There are other projects: the lighting of recreation grounds. A number of these grounds have been lit and will continue to be lit over the next few years. Again, it cannot be that consumers be asked to pay for those. Those are projects that properly ought to be funded by the State.

There is also need for new infrastructure. As you know, we do, in fact, have a very ambitious industrial development programme. That requires power; it requires us, not only for power generation, but supporting infrastructure, transmission lines, distribution systems and so on; major upgrades which are taking place at present and at the cost of hundreds of millions of dollars, literally. Because those are projects that generally originate with Government policy and they are not intended to be—at least not yet—profit-making ventures for T&TEC, then it is reasonable that the State be asked to pay for those.

T&TEC (Amdt.) Bill
[HON. M. ABDUL-HAMID]

Tuesday, May 05, 2009

In addition, there are other Government policy initiatives. As you all may be aware, the Government has determined that we would like to proceed by installing infrastructure underground. A number of our new housing development projects, you probably would notice, in Edinburgh and other parts of the country, there is underground infrastructure. The underground infrastructure, of course, would cost some percentage more than overhead infrastructure, but we see it as being consistent with our Vision 2020 objectives. So we have determined that policy and consequently, consumers ought not to be asked to pay for those. In fact, it is quite reasonable that the State would be asked to fund those and if the State were to fund those by way of a loan, then T&TEC would be saddled with burdensome interest payments which we hope not to ask the utility to pay.

Broadly speaking, that forms the justification that there are national development projects that the Government would be required to fund and so we hope to do so by way of an appropriation. The projects will come to the Parliament and the funding to be allocated would come to the Parliament and Parliament would then appropriate the funding accordingly.

It must be noted even now—and it was originally conceptualized that T&TEC would be, as I said before, self-sufficient in this way, so that even now, if a private individual proposes to undertake development involving the installation of electricity infrastructure, that private individual or firm or whatever it is, will be required to pay for that infrastructure. So very often T&TEC would come in and install the infrastructure as required but it will be paid for by the private companies, as the case might be. So in very much the same way, the Government, in our development programme, we are very much like a customer of T&TEC in this sense and so the appropriation is the mechanism that we have determined to be the best mechanism and so, too, we must pay for the infrastructure that we demand of T&TEC that they put in place.

The present legislation does not allow for that, strictly speaking, and we are embarking on an amendment to the legislation to allow the Parliament to make that appropriation. That is what the new section 22A involves. Section 22 remains the same. The Government can still proceed to provide a loan, as the case might be, but there are some projects that are going to be determined to be projects in the national interest in accordance with public policy considerations, and those are the projects that we will fund by way of an appropriation by Parliament.

The second amendment has to do with the payment to T&TEC for public lamps. Right now there are 14 regional corporations that are responsible for paying for these public lamps. They get their monthly bills. What we are attempting to do is really

to simplify the process. The money comes from the Government for the payment of these public lamps in any event and we are really trying to simplify the process for T&TEC to allow for one agency to make those payments.

As you all would know, the Government has embarked, over the last several years again, on this street lighting programme and major infrastructure has gone in. We have more than doubled our street lighting infrastructure. We have moved from somewhere in the vicinity of 60,000 lamps, which is what would have been installed from 1945 to now, and we now have a total stock of over 150,000 lamps. We have more than doubled the stock. There is a recurrent cost that goes with that and since the central government was responsible for the initiative, it was felt reasonable that central government ought to take responsibility for the recurrent expenditure that has gone with that. So those are the recurrent costs.

To effect that change, the law at section 51 was required to be changed because section 51 provides for the local authorities being responsible for paying and we are attempting to change that to allow the Minister with responsibility for T&TEC as defined, to pay in accordance with the rates as determined by the RIC. So that the Minister of Public Utilities will have to make good—

Now, if you are going to do this, then you have to create a liability, and it was our intention to change section 51 that created the necessity for a change in section 50. What section 50 does, it adds the words, really: “upon approval of the Minister”. What that is, it is really to allow the liability to be created by the Ministry of Public Utilities. The local government authorities will still continue to have their relations with the Trinidad and Tobago Electricity Commission in the event that there is a pole or two that they may require. Whatever they require, it will continue.

The costing will take place by T&TEC, as has been the case, but because there is a liability for the Ministry of Public Utilities in this matter, the Minister of Public Utilities will be required to give his approval. It is not anything new; it is not anything dramatic; it is quite common sense in other pieces of legislation. In fact, the Minister of Public Utilities now has the responsibility to sign and approve power generation licences for private power generation, and there are other examples of it around the public service. I think the Ministry of Works and Transport has the authority to approve a waiver of rent at the port, et cetera.

So it is not anything that is revolutionary in this Parliament. As a consequence of that, we had to address the issue for clarity, of the definition of “Minister”, which we have done. I think it is at clause 3. The reason we have done that is because at section 33A reference was made to the Minister of Finance and so this

T&TEC (Amdt.) Bill
[HON. M. ABDUL-HAMID]

Tuesday, May 05, 2009

is really out of an abundance of caution and for clarity. Because the Minister of Finance is mentioned elsewhere, we thought it necessary to make sure that the definition of “Minister” as the Minister being responsible for the Trinidad and Tobago Electricity Commission was made clear in the definition section.

So that gives very concisely, I hope, the background and the thinking in the proposals that we have before the honourable House and I would invite hon. Senators to support the legislation. We think that it is legislation that would be in the best interest of the Trinidad and Tobago Electricity Commission and in terms of allowing the institution to be able to operate in context of the circumstances of today, bearing in mind that the original legislation was first enacted back in 1945. This, we think, will allow us to allow the institution to do its business more cost-effectively and more efficiently and I invite hon. Senators to support the legislation.

Thank you very much, Mr. Vice-President. I beg to move. [*Desk thumping*]

Question proposed.

Sen. Wade Mark: Thank you very much, Mr. Vice-President. Let me welcome my hon. colleague back to the Chamber and to indicate from the very outset that his assurances given as it relates to the intention of the legislation, has to be more analytically dissected and disaggregated. You know, the road to hell is paved with good intentions and I have no reason to doubt that the intentions of the hon. Minister, on the surface, might just be honourable and he may not have any sinister, evil, wicked intentions. But, you know, it was Lord Acton who once remarked that: “Power corrupts and absolute power corrupts absolutely.”

This particular measure that is before this honourable House today has an underlying PNM philosophy and that philosophy centres around central control and expanding its clientele in the process. Innocently, what the Government is attempting to do here is to virtually institutionalize state-sponsored discrimination, which I will demonstrate later on in my contribution.

2.15 p.m.

I will demonstrate how this policy will entrench continued inequality, undermine development further and in the process, frustrate the dreams, hopes and aspiration of the citizenry, as they seek to create not just another society, but adjust an equal society. The Minister attempted innocently to indicate simply in his presentation, that to do what the legislation proposes, certain consequential amendments are required. The victim of this particular charge on the part of the Minister is local government.

I want to hear from the Minister of Local Government today. We are on the eve of a local government election. I believe that this particular amendment to the Municipal Corporations Act is another naked act of aggression on the ideas of decentralization and devolution. I will demonstrate how the Government has continuously attempted to undermine local government, chipping away at its various responsibilities, whether maintenance or infrastructure. Today, we heard that the Government is about to amend the Municipal Corporations Act in order to remove the street lighting or lighting responsibility that is enshrined and entrenched in the Municipal Corporations Act under section 112(1)(d) and it is another attempt by the Government to undermine, compromise and frustrate local government. In fact, this Government, as you are aware, has established several state enterprises or special purpose vehicles as they are called in an effort to undermine the local government priorities. Therefore, what we are seeing is a very subtle, subliminal, but nevertheless—

Sen. Manning: Mr. Vice-President, on a point of order. I would like to object to the statement just made about the undermining of local government by state enterprises.

Sen. W. Mark: You cannot object to my statement on a point of order. The Senator could take note. That is why I have asked that you stand ready to respond to the undermining of local government by your Government. You may object to it, but you do not control here. When the Emperor has closed, then you can object. Please make it right. [*Interruption*] Object, object, object, object. Mr. Vice-President, can you allow me to make my contribution in some degree of peace and serenity? I am getting a lot of background disturbances.

Mr. Vice-President, may I address you? We on this side are submitting that what we have before us today is an attempt by the Government—they are innocent people or they so want us to believe. The philosophy governing this Government's activities is clear: Command and control! They want centralized control of everything. That is why if you look at what is taking place in our country, it is all because of the centralized attempt at controlling the country, the nation and the economy by this administration that is leading to a lot of arbitrary decisions that we are witnessing today. The latest fiasco is the Integrity Commission. Again, centralized control.

When the Minister last addressed this honourable Senate it was a matter on the Motion on the Adjournment. I had raised the question about a lot of unsavoury practices taking place at T&TEC. Corruption at T&TEC is ringing and the hon. Minister had promised that he had been given the assurance by the Minister in the

T&TEC (Amdt.) Bill
[SEN. MARK]

Tuesday, May 05, 2009

Ministry of Finance that by mid-March 2009, a central audit report on several issues in the public arena would have been addressed and he would have been in possession of that report by mid-March. I call on the hon. Minister to make the findings and recommendations of that report on T&TEC—lay it in the Parliament.

The hon. Minister is here today under new section 22A to ask the Senate to allow the Government to provide sums of money from the appropriation accounts, from the budget to finance the operations of T&TEC. If you are coming to us to get funding, this is a very powerful clause in the Bill. As the hon. Minister indicated, the framers of the 1946 T&TEC law wanted T&TEC to be self-sufficient in their operations. They were also given the authority, as he pointed out, to set rates. That had been overtaken, as he pointed out again, by the Public Utilities Commission in the 1960s and now we have the Regulated Industries Commission.

You cannot come here innocently and in a very surreptitious manner to invoke and entrench a clause in which the public of Trinidad and Tobago will be asked to finance the future operations of T&TEC just like that, without giving us an account. You come in a flippant manner and tell the Senate that we tabled reports on T&TEC for 2006 and 2007. I saw the reports. I have them in my possession. I do not have any management letters from the same auditing firm to tell me what kind of corruption is taking place at T&TEC. You want us to finance T&TEC in an environment where there is a lack of transparency, accountability and large-scale corruption and theft. You want us to approve that and say it is an innocent thing and you have projects.

The hon. Minister said that there is a street lighting implementation unit. He went on further to say that we had 68,000 lamps and we have now gone up to 150,000. The hon. Minister has not told us the cost of these public lamps that the Government undertook through T&TEC via the street lighting implementation unit. At one time we were told that it was \$1 billion to put up 150,000 public lamps throughout the country. That was a very corrupt programme where they gave their friends and families contracts. They lit up the bushes for the snakes and “la diablesse” to come alive, where human beings do not exist. Do you know why? Corruption! Corruption! You come to the Senate and say that you want us to finance the operation of T&TEC from here on in without giving us proper accountability. You cannot do that. We are not a rubber-stamp arrangement here. You must come plain and clean with us. Tell us what is taking place at T&TEC.

Yes, my hon. colleague has made mention of the reports on T&TEC. I did a cursory analysis of the reports that came to Parliament on T&TEC for 2006 and 2007, in terms of the audited financial accounts. Do you know what those

accounts are telling me when I look at them? They are telling me that T&TEC is on the brink of financial bankruptcy and insolvency. You recognize that based on your mismanagement and waste at T&TEC, your inability to manage and properly monitor the operations of T&TEC that you had a runaway horse in a chairman who lived in Miami and only flew in when he had a board meeting. "He gone now! A fella called Ramlal." The Government of this country allowed this former chairman to run roughshod at T&TEC.

We exposed it here and that is what caused the hon. Minister to run, not to the Fraud Squad to have people arrested and jailed, but he sent it to the soft area of the Ministry of Finance. He calls it a central audit unit. They asked the central audit unit to enquire into the following contracts: the advance metering infrastructure project; the purchase of poles from Club Lumber Company; the purchase of street lighting luminaire arms; lease of property from Kamus Mufflers Works Limited; purchase from Roopnarine Hardware. This is what you told us you were going to do and you were supposed to get a report by mid-March, so that the country will know whether "tiefing" or corruption taking place at T&TEC. We are now in May and the silence of the Minister is deafening.

Where is this so-called central audit report on these matters that you instructed them to investigate? You come here to tell us that we must support a measure to give taxpayers' money to T&TEC, when we have no answers from T&TEC and you, the Government, on what has happened to public money in these areas. How can we support these things? Somebody should be making a jail! If this Government was serious they would have sent these matters to the Fraud Squad and let the chips fall where they may. Instead of that they are covering up. Up to now we cannot get a copy of the report by the central audit unit on T&TEC.

As I am on this, I ask the Minister of Public Utilities whether he is aware of these Itron meters, and a "fella" called Jailal, with a company called Shades of Greens Landscaping Company.

2.30 p.m.

I never heard in my life where Shades of Green Landscaping Company was given a contract to put up Itron meters throughout Trinidad and Tobago. Up till now, we do not know the cost. What we do know is that a chap who works for T&TEC called Jailal, was given time-off from T&TEC in order to carry out that contract with Shades of Green Landscaping Company. How can a landscaping company put up meters in this country? "Whey yuh tink dis is, is a lawn?" Is this a new lawnmower arrangement, or is it a cover up for corruption again, involving

T&TEC (Amdt.) Bill
[SEN. MARK]

Tuesday, May 05, 2009

T&TEC? Shades of Green Landscaping Company was given this contract. I am told, Sen. The Hon. Dr. Lenny Saith, Minister in the Office of the Prime Minister, that the analog meters that we had before have now been converted, through Itron, to digital meters.

The whole concept was that T&TEC could have stayed in its operation centre, through transmitters and remote controls, and read your meter from T&TEC centres. That is what it was supposed to have been designed to do. We understand that for them to read your meter, they have to send somebody to your home with a device and from your gate, they can stay and press. That was not the purpose of it. We understand that the purpose was for T&TEC to, at a moment's glance at its centre of operations, read people's meters remotely. We want to know who imported these meters, how much money they cost, who were the contractors involved and what kind of procurement procedures were involved in this exercise. We want answers. We cannot allow a measure like this to pass us this afternoon when you are asking the UNC-Alliance opposition in this Parliament to support a measure where, when we look at it on the surface, we are seeing a lot of holes in its proposal.

Therefore T&TEC, as we have seen in these two reports that have been tabled, is a highly leveraged company. In fact, the evidence is showing that T&TEC cannot meet its short-term obligations. That is what the evidence is showing. If the supplier, and bankers call for their money and workers have to retire from T&TEC today, even the retirement benefit plan is in trouble at T&TEC. The Government must come clean and tell us that T&TEC is technically and financially bankrupt and insolvent, it has to rescue them because of the bankruptcy and that we are coming to this Parliament to get moneys in order to keep T&TEC afloat, including the retirement benefits and pension of the workers at T&TEC. Come and tell us the truth. They are unable to meet their loan payment obligation. You must come clean and tell us. When we look at the debt to equity ratio, there is total madness at T&TEC. We looked at a company called American Electric Power and do you know what their debt to equity ratio is? It is 16:8. Do you know what T&TEC's is as at the end of 2007, based on this financial report? It is 4:17. T&TEC is a bankrupt company. Financially, it is bankrupt and technically it is bankrupt and insolvent.

There is another critical ratio called the liquidity ratio. The liquidity ratio of T&TEC is .636. It is supposed to be one or at least 2:1. This ratio is .636, according to our analysis of the numbers. That is why I ask the hon. Minister to share with us the current financial health of T&TEC, because you are asking Parliament to grant approval so that you can subsidize and make funds available to T&TEC in the future. If you want our support for these things, you must come clean with us. Tell

us what is the situation with respect to the financial health of T&TEC. That is a sick utility, because the Government sat idly by and allowed that company to be almost assassinated.

I know if the UNC was in power a lot of people would have been making some good terms, because too many wrongs have taken place at T&TEC and the perpetrators have gone unpunished. Some have gone. There is a chap called Mr. Boxhill, I heard they gave him a nice shake hand and sent him home. I brought evidence to show that this man was involved in corruption. No charges were proffered against him.

We brought evidence to show Mr. Ramlal was involved in large-scale corruption. What kind of charges were pressed against him? Was it sent to the Fraud Squad? It was sent to the Fraud Squad, but it is lying somewhere. The Government did not take any initiative in that area. I think Anil Roberts and Roget from OWTU did, but not the Government of Trinidad and Tobago. The Government talks about transparency, integrity and all kinds of nonsense and they have no standing in the eyes of the public. Confidence level is low in this country.

We have a lot of reservations about this measure that is before us today. They talked about clause 5, where it speaks of approval to supply electricity to street lamps. The Minister is now being given the power to approve all requests by local government for the supply of energy to public lamps. Why is that so? Why do I want to put in the hands of any politician, the power to approve street lamps and energy for street lamps? We are not saying the Minister, the Minister could tell me if I am wrong. I am informed that already there is rank discrimination in the provision of lighting facilities in many areas of this country today under his watch. If it is happening without this measure, what will happen when you bring that measure into being?

I know for a fact that in the constituencies of the hon. Minister, every recreation ground is lit; whether it is African Recreation Ground, Chrissie Recreation Ground, Avinash Samaroo Recreation Ground or Esmeralda Recreation Ground. In areas where the UNC is in charge, grounds are without lighting facilities and they have been making requests. I can tell you that I know of many areas such as Munroe Road II and III Recreation Grounds, St. Charles Presbyterian Recreation Ground, John Peter Recreation Ground and Marchin Recreation Ground are without light. It goes on in many areas of the country. [*Interruption*]

Hon. Abdul-Hamid: Sir.

Sen. W. Mark: You want to say something?

Hon. Abdul-Hamid: Thank you very much, hon. Senator. You have identified three grounds in my constituency. African Recreation Ground is not lit, Chrissie Terrace Recreation Ground is not lit and the Esmeralda Recreation Ground was lit before November 2007.

Sen. W. Mark: I want to know—“Yuh mus be take it off because I talking today. Yuh come here prepared. Yuh switch off lights because I talking. But after I talk lights gone back on. Dat is the kind ah game dey playing; switching it off because ah talking.”

Pierre Road produced great West Indian cricketers. There is an 80-year-old ground and it is the home of the Comet Recreation Club. Over 200 youths are trained there on an annual basis. They have been begging. I want to beg the Minister today; not beg but plead. In fact, not plead but demand, “I eh pleading, ah demanding that the Minister should take urgent steps tuh light up dat ground.” I understand recently, after some struggle, this particular recreation ground eventually, after celebrating—there is another ground. [*Interruption*] That is the ground where they celebrate Ramleela. After 100 years, we understand that it is now being lit, not because of you, but because they have put pressure on you. That is why you lit the grounds.

Even Derek Walcott, when he was receiving his Nobel Peace Prize, spent almost 50 per cent of his speech talking about the Ramleela experience at this particular ground. We have to pull the Minister kicking and screaming for him to provide some lights. I must give him—He is not a bad chap. He is a good “fella”, I like him. He is my colleague. He was here with me. I can tell you that he is in the snake and the balisier and they have poison in that snake and balisier. We know that this Government is guilty of practising discrimination in this nation. We know of the recent court case with a teacher that shows that. People have to go to court.

We are not in support of giving you any power to approve requests by local authorities for the supply of energy to public lamps. That should not be your business. Leave the status quo as it is. Leave the local government authorities to do their job. Provide them as you are providing them now with funding and they would make monthly payments to T&TEC. Why do you want to intervene? What is the rationale for you wanting to intervene to take the responsibility away from local government? The only conclusion I can come to is that you want to sit in Port of Spain and determine the needs of people in Penal, Toco or Tobago. You sit in your cushy office—

One of these days I would tell you about Mr. Jerry Narace and what he did with his office; not now. I want to tell you, hon. Minister, beware of Greeks who bring you gifts. [*Interruption*] The Greek Lady, beware. I have some information to share with you, but at the appropriate time.

We are arguing on this side that under the existing T&TEC Act, the Commission is mandated by law that it “shall” not “may” supply energy to public lamps upon receiving reasonable notice from the local authority. That is in section 50 of the Act. If you go to section 50 of the Act, you will see where that is the power of the local government body. They already have that power. Why do you want to take that power away from local government and put it in the hands of a politician?

2.45 p.m.

The hon. Minister might be a nice fellow, but you cannot put that power in the hands of the Minister. Where are the checks and balances? Where is the transparency? We are living in a world today where people are demanding modern governance, standards and principles. You cannot put that in the hands of a Minister. When he goes out of existence shortly—when we have the general election and you put another Minister—he might be good, but the next Minister might be notorious. We do not make laws for the current Minister, but we make laws for the good governance of Trinidad and Tobago and for the period ahead of us. We must take into account the needs of the people now. We cannot approve this measure. We cannot support any measure that is going to take away from the local government authority to apply and receive from their constituents within their regions their needs, in terms of lighting facilities, and put that in the hands of a Minister.

Mr. Vice-President, let us look at a practical application of this proposal. Let us assume that this Bill becomes law, and the Minister receives a series of proposals from various local government bodies—the Minister has to take decisions and, obviously, the Minister is the politician—those areas under the control of the Opposition will not be given top priority by this Minister. Presently, that is taking place without this legislation and, therefore, you are going to entrench and institutionalize discrimination, and we will never support that. We are for equality, justice and fair play for all of the people—whether they are black, green, yellow, pink or whatever their religion is, they must have justice and equality in this country. That is what we stand for. You have never supported that. As far as we are concerned, you have always supported unjust causes.

Mr. Vice-President, we are not in support of this measure. We are saying that the Municipal Corporations Act should remain as it is. There should be no amendment to the Municipal Corporations Act. Let local government take charge of local government business. Have we been receiving complaints? We did not hear anything from the Minister indicating that they have been receiving complaints. He admitted that moneys are allocated through central government to the 14 regional bodies, and they in turn pay their bills on a monthly basis to T&TEC. So, what is the problem? Do you know what is the problem? The Government wants to take control of the distribution of lighting facilities throughout the 14 regional bodies. That is what they want. Again, the philosophy of the PNM is total control. They want central control. They do not believe in decentralization. They do not believe in devolution. That is what they are about, total control. That is why there is only one man in charge of the Government today and all the rest of them are just little—they cannot whisper, because they have a dictator in charge of the Government

Sen. Browne: You should not talk.

Sen. W. Mark: You should not talk. I saw something in the *Express*. I never tried to seize a bank.

Sen. Browne: I have nothing to seize.

Sen. W. Mark: I never sought to seize a bank.

Sen. Browne: Neither did I.

Sen. W. Mark: I never conspired with anybody to take a bank.

Sen. Browne: Neither did I.

Sen. W. Mark: Mr. Vice-President, the Government must be aware, just as it has brought this measure today to amend the Municipal Corporations Act to undermine local government, we are charging the Government for attempting to undermine local government. You have brought into being the Community Improvement Services Limited, Palo Seco Agricultural Enterprises Limited, the Rural Development Company of Trinidad and Tobago and the Sports Company of Trinidad and Tobago, among others, in order to undermine local government in Trinidad and Tobago, to take over roads, drainage and sporting and recreational facilities.

These matters were dealt with by the local government bodies, but the Government of Trinidad and Tobago wants total control and centralized control. That is their philosophy. They do not want to decentralize operations, and that is

why today they have brought this Bill to Parliament to make the local government bodies the arms and legs of the Government, and the central power will lie in Port of Spain. That is their interpretation of local government. Is there any wonder then that you all were condemned recently when the Summit of the Americas was held? They implemented 0.01 per cent of all their commitments that they had undertaken. They have undermined local government. That is also in the report. The whole summit was a total fiasco.

Sen. Browne: Come again!

Sen. W. Mark: You were the leader.

Sen. Manning: Standing Order 35(1), relevance.

Sen. W. Mark: I am going to relevance now, Hazel.

Sen. Joseph: Hazel?

Sen. W. Mark: Yes, the Hon. Minister of Local Government. Mr. Vice-President, with respect to payment for electricity supplied to street lamps, the existing arrangement for the payment of electricity supply to public lamps is that each local government authority receives an annual allocation, which is part of the total revenue allocation for the payment to T&TEC for the cost of supplying electricity to street lamps in the entire region.

We understand that in the case of the Princes Town Regional Corporation, they might receive about \$3.2 million on an annual basis. What happens is that T&TEC will send them annual/monthly bills and they meet their obligations accordingly. What is happening in this Bill is that the Government is seeking to amend the Municipal Corporations Act by deleting section 112(1)(d). The Government is saying that the corporation's fund shall be applied towards the payment of the expenses incurred in the forming and laying out, repairing, draining, cleaning and lighting the streets. Do you know what the Government is proposing now? The Government is proposing under clause 7 of the Bill to amend that section to delete the word "lighting".

So, what is the responsibility of local government now? They were responsible for lighting the streets. I understand many of those streets that are now lit are not controlled by these corporations. So, the few streets or areas that are under their jurisdiction, the Government is taking a measure to remove them by deleting the word "lighting". What is the purpose of this? It does not make sense. Leave the local government authority to do their lighting, whether it is in parks, recreation grounds, squares and foot ways or other public places vested in the corporations.

T&TEC (Amdt.) Bill
[SEN. MARK]

Tuesday, May 05, 2009

Why do you want to take away that responsibility of lighting the streets? They are in charge of the squares, parks and other public places. Why do you want that power? It does not make sense. We cannot support this amendment or this attempt at deleting that particular word “lighting”, because there could be consequences.

I do not know if the Minister has thought this through properly, but this “lighting” that you are going to remove could impact on the ability of the local government authorities to deal with lighting recreation parks, squares and other public places. It is not just about street lighting, but it is about all lighting that they are engaged in and that is wrong.

I do not believe that the drafters and the Minister’s intention is to take away all lighting responsibilities from the local government bodies and invest same into the hands of the Minister of Public Utilities. Every time you need to have a park, a square or a public place lit within a regional corporation or a borough, you have to seek the permission and approval of the Minister in order to do that. That is backward. That is bureaucratic. That is not taking the country toward Vision 2020. That is tunnel vision, not 2020 vision.

I want to indicate to the Minister that this particular provision that he is seeking to introduce here is not going down well. We are not in support of it. We want to give more power to local government and not to take it away as this Government is seeking to do. We want to decentralize and devolve powers like the Tobago House of Assembly. Give the local government bodies in Trinidad the powers like the Tobago House of Assembly and give the THA the power to have their own independence if they want. We do not have any problem with that. We would like Tobago to be within a federal structure in Trinidad and Tobago, and not what the Government wants to turn Tobago into—a county council ward.

Mr. Vice-President: Hon. Senators, the speaking time of the hon. Senator has expired.

Motion made, That the hon. Senator’s speaking time be extended by 15 minutes. [*Sen. Dr. A. Nanan*]

Question put and agreed to.

Sen. W. Mark: Mr. Vice-President, thank you very much. As I said, I do not believe that the hon. Minister’s intention is to really overthrow or undermine local government at this time, but the provisions here are going to do exactly that. That is why I am saying that the hon. Minister should rethink those provisions that are in the legislation. It does not give local government the kind of power it needs.

If you go to clause 6 of the Bill, the Minister is giving the responsibility to pay for street lights or energy that is generated to these lamps. Why would the Minister want to have that power? He said that it is going to be more cost effective and cost efficient, but the Government has already allocated moneys to local government to pay their bills. Why do you now want to put that into the hands of the Minister of Public Utilities? What is the reason?

In the past, how this matter was determined was by agreement. So, as a local government authority, if I demand lights in my community for the citizens whom I represent in that community, then what happens is that T&TEC is compelled by law to supply that light. They shall do it. That is the law. In addition, when it comes to the payment there was an agreement. The local authority sat with the commission and arrived at a price. If there was any challenge, arbitration could have kicked in. That is in the law. Has it worked or did it not work? We do not know. Today, we did not get any explanation from the Minister. All we know is that the Regulated Industries Commission will now take the responsibility for determining the price of the energy that is being supplied.

3.00 p.m.

So, there is a new method in determining the price of the energy that is going to be supplied. We have not been told that the previous arrangement did not work; we did not get any account from the Government on that matter; we do not understand what is the rationale for them. Is it just out of the blues these things come? What is the reason for these things?

I believe there are two reasons. One, the bankruptcy of T&TEC, and you have to save it, and two, you want to have control over the supply of energy, so that you could determine who will have lights, who will not have lights, and when they will have them. Discrimination—that is what you want to engage in. Discrimination!

The allocation for the installation of street lights, how did it work in the past? It was under the Public Sector Investment Programme (PSIP) that local authorities would receive funds for the installation of street lights. That is how it worked, but the last time this was done and they received allocation was back in 2004/2005. From then to now the Government came up with this bright idea; they want to what? Light up the country; street lighting implementation unit, \$1 billion allocated towards street lighting. What did they do? The whole system was totally corrupted. Everywhere there is an opportunity to "tief"—not to thief, but to pilfer—to engage in some kind of "bobbol" the regime is there.

T&TEC (Amdt.) Bill
[SEN. MARK]

Tuesday, May 05, 2009

We must do a forensic audit. I am demanding—and we would write the Auditor General to demand—that a forensic audit be conducted into the expenditure surrounding the Summit of the Americas. We believe that there were plenty hanky-panky dealings that took place there and plenty corruption surrounding that Fifth Summit. We need the Auditor General to go into those books and do a proper forensic investigation for the citizens of this country.

We believe this proposal to amend the Municipal Corporations Act is not in the best interest of the people of Trinidad and Tobago. We believe that there appears to be a disconnect between what the Government is seeking to achieve by deleting section 112(1)(d) and what the Government is seeking to amend in the T&TEC Act. Do you need to amend this particular provision in the Municipal Corporations Act in order to give effect to the measure that you want? I do not see the need for it.

Why do you need to do that? Therefore, we have concerns and we want the Government to recognize that the effort on their part is not going to bring the results that they are anticipating as it relates to this particular measure. We have made it very clear. There is need as well for us to define in the legislation—when the Government talks about providing services in the public interest in section 22A—if I may go back to section 22A. It says:

"...for the purpose of providing services in the public interest..."

What do you mean by that? What services? There is no definition in the legislation telling us what services you are going to provide. You are saying in the public interest, and in accordance with public policy consideration. You never told the country in your manifesto you are going to light up the country. You took that as a decision in your Cabinet; that was never in your manifesto. You did not tell the country you are going to install Itron meters throughout the country and give a "fella" called Jailal the contract. You never told the country that. So, what services you are talking about? What is in the public interest? Who determines what is in the public interest? The PNM? There is no consultation, no participation in decision making processes here.

We are advancing in clause 4 of this Bill, that the Government should be able to define what it means by services. I have never seen in any legislation a provision that speaks to the issue in accordance with public policy consideration. I have never seen that. I do not know if any Minister could point out that for me in terms of legislation. Could you point out for me, where in legislation you give the power of a Minister to approve what is being attempted here in another utility?

You know, Mr. Vice-President, it comes like, for instance in TSTT, you have it on a regional basis, people want telephones, land lines, in let us say, the eastern region or some corporation that covers that area, Sangre Grande Regional Corporation. It seems to be ludicrous to come to carry it to the logical conclusion in terms of absurdity of this arrangement, that you could have a Minister granting approval for land lines in the Sangre Grande region. This is what it is amounting to. You are giving a Minister the power to approve lighting energy for lamps in your local government region. That is wrong. Why does the Minister want that power?

We cannot support that and that is why I would like the hon. Minister, in winding up, to tell us, where in the public legislation is there a similar provision, as you are seeking to impose in clause 4, in any utility in Trinidad and Tobago? Whether it is TSTT, transport, WASA, the telecom authority, as the case may be, but I am seeing it here in the case of T&TEC. We just do not understand why this Government is seeking to control and to control and to control. Leave the regional bodies to control their own affairs. Let us have an arrangement with the Minister of Public Utilities and T&TEC in order to have this matter addressed.

We know that the board of T&TEC is appointed by the Cabinet. Is that a fact? The President is the Cabinet and they appoint the board of directors or the commissioners. At least you get these people from different areas of life, and therefore, if you have to make an appeal, you expect some balance and impartiality. So, on a commission of five or nine, and you make an application, as how for instance, the local authorities would make to get energy supplies for their lamps, we expect some impartiality, some fairness and some balance.

When you put it into the hands of a politician, who is mortally or who, Mr. Vice-President, is opposed to you, politically speaking, what do you expect him to do? Logically he would promote the interest of his political party. He would promote the interest of the Government that he serves. He would not promote the interest of the citizenry of the country, and especially those who are in support of the UNC and the Opposition forces in this country.

This is a recipe for institutionalized state sponsored discrimination, and we condemn the Government for bringing such a provision and putting that provision in the legislation. Therefore, we cannot support the measures as contained in the legislation today. We see them very naked in terms of its discriminatory practices; we see plenty inequity in that area; plenty injustice and therefore, we on this side would not be able to support the provisions contained in this legislation. I believe

T&TEC (Amdt.) Bill
[SEN. MARK]

Tuesday, May 05, 2009

once the equal opportunity commission begins to function there will be many cases going before them as it concerns discrimination by this Government, as it relates to these provisions.

I thank you very much, Mr. Vice-President.

Sen. Basharat Ali: Thank you very much, Mr. Vice-President. Last week I was not here, and one of my colleagues called me the following morning to find out what was wrong with me. I was okay and I told the person yes, I am okay. I asked what we were going to do today, and this was one of Bills I was told we were going to do. My colleague told me this was a no-brainer, so I left it behind for a little while. I suddenly realized that either I have no brain or that this Bill is not a no-brainer after all, although it has just a few clauses.

The genesis of this whole question of street lighting relates back to a few years. In fact, the 2007 budget is where I saw, if I remember correctly, where they announced that the street lighting programme was \$625 million, what was going to be done and how much had been done already. The second time it came about refers to what we are dealing with today and that was in budget statement 2008, which was done on August 20, 2007. I would just like to read the two paragraphs, which refer to this particular subject. It says:

“The T&TEC Act will be revisited with a view to, among other things, making amendments which will allow one Government agency to be responsible for the payment of street lighting bills and not the local authorities as obtains at present.

The proposed amendments will also allow the Commission to engage in other types of business activities, for instance, the leasing of spare capacity on its expanded and upgraded communication network, as it seeks to improve its financial performance.”

Having revisited this 2008 budget statement, I am not sure what the second paragraph is about. I see the hon. Minister is shaking his head. Really, what we have here, after almost two years, is a Bill to give effect to that first part. What I understand it to be—I do not know what the second part is—is to give effect to the payment of street lighting bills, and not to an agency but to the Minister responsible for T&TEC, because that is what is shown in the Bill here. Clause 3 says section 2 will include the Minister to be a Minister with responsibility for the Trinidad and Tobago Electricity Commission. So, it has taken a very long time for this legislation, which one of my colleagues, as I said, described as a no-brainer.

I would like to proceed with some comments on some of the items or some of the clauses. The first clause is one which has been just talked about and that is clause 4, which provides for a new section 22A. I read it again:

"The Commission may receive such sums as may be appropriated by Parliament for the purpose of providing services in the public interest and in accordance with public policy considerations."

3.15 p.m.

As the hon. Minister said, this comes in the context of sections 21 and 22 which refer to the financial provision for T&TEC. Those subsections really refer to advances and loans, et cetera, and this clause as we have it here seems to be an appropriation without any question of payment. So, having seen this being put down here for the purpose of providing services in the public interest and in accordance with public policy considerations, I am wondering whether this means that this is subvention or subsidy for that matter, it is an amount charged by T&TEC to the ministry in the person of the Minister and will be a subvention. I looked at the word "subvention" there looking at the budgetary arrangement—normally they say transfers and subsidies. The reason it is going here in that block there is because you want it to be a subvention. So, T&TEC charges and the Ministry of Public Utilities pays the bill that T&TEC provides. That is what section 22A is all about.

If I go to the next clause, I presume the Minister will respond to that in the context of what I am saying, whether it is a subvention, whether it is a soft loan or not; it does not say that here.

Clause 5 is an important one, that is section 50 of the Act which is being repealed and most of the language of section 50 comes from the previous section 50. So, in repealing I do not think cognizance was taken of a matter which is close to my heart and that is the question of metrology. The Metrology Act has been lingering there now, it is almost five years.

Sen. Browne: It is coming, it is coming.

Sen. B. Ali: It is coming like Christmas, Mr. Minister. I heard something about radar guns but I am hoping it will be here. June 2009 will be five years; five years since the Metrology Act was assented to. [*Interruption*] No, but the point I am making is nobody thinks metrology, because here we come now and we talk about 75 yards. We should not be talking about any new law going in with yards at this stage if we are serious about metrology.

So, I have a proposal to change that figure from 75 yards which happens to be 68.6 metres. My proposal is to amend that to say "70 metres" which is 76.6 yards. We have precedence for that because many of us will know that when we see these vehicles which have air brakes—it used to be what? “Keep 50 feet away”. Now, when we see them they say, “Keep 17 metres away”. So the Ministry of Works and Transport, Transport Division must be insisting on this sign now, because I do not know whether you notice it, but I am very sensitive to anything like that. It says “Keep 17 metres away”, so I hope this proposal of mine to change to 70 metres which gives us a bit more leeway than 75 yards will be taken into account at the committee stage.

Sen. Seetahal SC: Modernize and up-to-date.

Sen. B. Ali: Modernize, up-to-date, and take into account that we are going to be metric soon, according to the hon. Minister in the Ministry of Finance and other portfolios that he carries—Minister of Trade and Industry.

I can address that to the hon. Minister there because he is also the Minister of Trade and Industry. He is nodding his head and saying that metrology is coming for proclamation soon, then I am speaking to the right person on that matter.

Sen. Seetahal SC: Are you nodding your head?

Sen. B. Ali: Yes, he was. He is more or less telling me it is coming. Not only radar guns but we have been told for quite a long time now that the amendments to the Breathalyzer Act are waiting also on metrology, but in the meanwhile, hon. Minister, if you look for this last week, how many fatal accidents have happened at 3 o'clock and 4 o'clock in the morning. Do you know what that is for? What was the most likely cause of those accidents?

Sen. Browne: Sleeping or alcohol?

Sen. B. Ali: You do not know, well—

Sen. Browne: Alcohol.

Sen. B. Ali: Alcohol, yes, that is what we are talking about, curbing that by the Breathalyzer Act which has also been lingering for almost two years, I think. July will make two years. So let us hope that we have a gift soon that we will get the Metrology Act in place with the necessary amendments and have it proclaimed so that all of these problems can be taken into account. Anyway, this one is easy because this is an amendment and you can just put in the 70 metres if you agree with my figure. That is my amendment to that long clause here, the rest of which I agree with.

Clause 6, section 51 of the Act, I think is probably the most puzzling, for me anyway, in terms of numbers. The hon. Minister never said a word about numbers. As I often say, I am a numbers person, I always like to know what the numbers are. I agree with the text here by the price to be charged and to be paid, “For all energy supplied...shall be payable by the Minister” and he should know what he has to pay for, and in accordance with rates as determined by the Regulated Industries Commission pursuant to the Regulated Industries Commission Act, fine with me, except that I have not been able to find out what rate we are talking about.

That is why I said it is not a no-brainer, I went back and tried to find out and I even spoke to Mr. Atwal who is the Executive Director, because I was trying to find out where these rates are. So, the document that I went to try and get myself informed as to how they calculate this thing is the document with the title, “Regulation of Electricity Transmission and Distribution, June 01, 2006 to May 31, 2011”, and its final determination, rates and miscellaneous charges. This document is 389 pages. I can assure you I did not read all of those pages but I was able to selectively go through and pick out a few pages and look at some of the tables. I was really looking for tariffs and the one that came up is Table 12.4 on this large document. This is the one which addresses street lighting. It addresses all classes of rates: residential, commercial, industrial, and one that says street lighting.

Mr. Vice-President, street lighting according to this table is given by annual figures and these are the final figures for 2006, and they have categories or class S1-1, \$792—that is an annual figure—S1-2, \$528; S1-3, \$384; S1-4, \$348; S2-2, \$420; S2-3, \$324; S2-4, \$264. I had not a clue and I still do not have a clue as to what these numbers refer to. I believe it is, in terms of classification of the number and wattage of the lamps concerned. So, I could not verify where it is because in my quick search through that document I could not find it.

But I presume those numbers for 2006 would have been changed in accordance with the procedure the RIC adopts for making proposals or recommendations for tariff.

What is interesting is that the methodology that seems to have been adopted by the RIC is to look at what T&TEC's requirement is for revenue, in fact, the line item there is the total revenue requirement. So, it is T&TEC in fact that will work out within certain formulation what the revenue requirements would have been, in this case for this five-year period 2006 to 2010. Those are the years that were looked at and I believe when T&TEC gave the numbers the RIC smoothed out the

T&TEC (Amdt.) Bill
[SEN. ALI]

Tuesday, May 05, 2009

revenue, instead of having bumps. For example, in increases from one year to another, they smoothed them out and must have arrived at a final revenue allocation by class.

That is Table 12(1) for those who want to go and look at the document and you will see there that they have assigned from a total requirement, 1.5 per cent of the annual requirement as what street lighting will take or will have to pay. This is a matter of interest. This document here says, street lighting 2006, 1.5 per cent, that is \$28.5 million; 2007, \$30.6 million; 2008, \$32.9 million; 2009, \$35.3 million; 2010, \$37.9 million. Just for reference we are in 2009, \$35.3 million will be 1.5 per cent of the 2009 revenue which is \$2,355 million. That would be the revenue figure for T&TEC's requirement for 2009 in accordance with—

I am not an expert in it, it is just that I had to think of some numbers because I did have some figures from 2008, because in my contribution in 2007 when I was referring to this particular budget statement I did give a figure then of \$48 million for street lighting. That is the number that is still there. The revised figure, according to budget 2009, is \$48 million for street lighting for 2008 and for 2009, \$62 million. So, evidently, I do not know how they calculated this or who calculated it, but it appeared in the local government budget figures. It is a rather tedious task which I did. I went through and looked at each one of the corporations. So, those numbers which I quoted there refer to the total for the 14 corporations which will be what is covered.

I would like to get some feedback from the hon. Minister through his technical people as to the process, how do they arrive at these numbers, even before this, how it gets into the budget figures. Because it is here in the 2009 figures and I suppose if this Bill is passed as you expect it will, then it will disappear from the local government numbers and enter into Head 39, Ministry of Public Utilities budget. I have to say to the hon. Minister, I could not verify the figure for 2008 because I noticed that the Ministry of Local Government was delinquent in the final accounts and the details are not published for the Ministry of Local Government because they did not submit it in time. It is terrible, but it says, "Not received."

3.30 p.m.

So this is something which puzzles me, the method. Although I spoke to Mr. Atwal for quite a while on the phone, I really could not understand because he says that there are other categories. Instead of this S1, et cetera, there are other categories because he told me that these numbers were for existing street lighting.

Now, apart from street lighting, I think Sen. Mark was making the point about parks and recreation grounds, et cetera, which is a different category from the point of view of lighting and I looked at those numbers too and those also come up to approximately \$2 million. I think it might be more.

Mr. Vice President, I was trying to find out not so long ago—I am concerned about the amount of money we are spending on street lighting and park lighting because it would appear and it has been said by others, it is not discrimination in lighting, it is indiscriminate street lighting. So there are a lot of areas where you do not require lighting and it is lit up. I do not know how they control them. Maybe the hon. Minister could tell me how they control street lighting, whether it is by plots or lighting, or whatever it is. And the same thing applies for the sports club.

Mr. Vice-President, if you are driving down the Priority Bus Route as you must do and you go past the Aranguetz Savannah, it is lit up at all hours.

Sen. Seetahal SC: Taking exercise.

Sen. B. Ali: Exercise at midnight? But that is a huge amount of electricity. We are talking about carbon footprint. I saw and was pleased to see all the youngsters talking about carbon footprint, but I think in addition to talking the talk, they will have to walk the walk and we have to start by doing something about it because:

- (a) it is costing us money;
- (b) it is using up our resources; and
- (c) it is adding to the problem of greenhouse gas emissions.

I make a plea once again to the hon. Minister, because as I say, it is a big chunk of power that we are going to be devoting to this thing.

As regards the question which Sen. Mark raised on the local government issue with respect to street lighting, it is interesting that the report that I looked at had a little section on public street lighting, section 9.6 of that report. Let me just read two paragraphs of it. It says:

"One of the contentious issues raised by consumers and Regional Corporations is the tardiness of T&TEC in repairing and installing streetlights. Additionally, consumers were concerned that street lighting was inadequate and requests for additional lights were not being satisfied.

With respect to additional lighting, the RIC is satisfied with the existing arrangement under which the Regional Corporations are responsible for the

T&TEC (Amdt.) Bill
[SEN. ALI]

Tuesday, May 05, 2009

payment of street lighting bills, and as such, they must have the responsibility for determining where new lights are to be installed."

So evidently, what the RIC is saying is contrary to what we are taking about today. The RIC did have a little caveat which says that "...RIC is of the view that T&TEC has full responsibility for the monitoring of the condition and performance of public lighting assets..." and so on.

So I believe we have some matters to deal with on this one. So primarily as to how these things are going to go, I would like to get some feedback because the numbers that I have seen jump around quite a lot. One corporation has the street lighting bill doubling from \$780 to \$1500, figures like that, and that is the Couva/Tabaquite/Talparo Corporation. Their 2008 estimate was \$7.6 million and it suddenly jumps to \$15.25 million. So evidently a lot of lighting has gone into Couva/Tabaquite/Talparo. I do not know. Those are the numbers which come out of the 2009 budget.

So, Mr. Vice-President, I do not think I have much more to say on this subject. Most of my requests are for answers which I do not have. I hope that at the right moment I will get some answers because as I say, I am the first person that has raised a number in this debate so far and to me it is very important that we look at these, especially now that we are talking about tightening belts, et cetera. Sixty million dollars for street lighting, that is a lot of money.

Mr. Vice-President, I thank you very much. [*Desk thumping*]

The Minister of Local Government (Sen. The Hon. Hazel Manning): Mr. Vice-President, I take pleasure in joining the debate on this Bill to amend the Trinidad and Tobago Electricity Commission Act, Chap. 54:70, because it is yet another step in the framework of achieving a national strategic development plan, to ensure that we develop an effective and efficient management system as we journey towards our Vision 2020. We are attempting unambiguously to put in place institutional arrangements to make that journey more effective.

Mr. Vice-President, I am sometimes amazed when I hear members of the Opposition and in particular, Sen. Mark, repeatedly speak about the fact that we are centralizing as he puts it, our command and control; a central approach to commanding what is happening now in the environment, in the country and controlling what is happening. I have repeated very often in this Senate, that the Ministry of Local Government has now developed for the first time, a unit that is called "The Local Area and Regional Planning Unit" and that unit is involved in putting in place local area and regional plans.

As we speak, we have out in the community a number of the consultants who are speaking to the stakeholders out in the communities, about putting in place local area and regional plans. And so, we will soon be getting plans for the Princes Town region, for the Port of Spain region, local area and regional plans, region by region. We are doing that because we are really very much involved in getting a sense of the needs of the people in this country; we are not sitting in our ivory towers and planning for them. So when I hear this centralizing of the local government issue, pulling together at the central office and planning at the central office for what is happening out in the rural areas especially, I want to totally disagree with the hon. Senator on the other side.

Mr. Vice-President, the early history of electricity in Trinidad and Tobago was quite different. It reflected a relationship between the State and the private sector that we are attempting to change. We are attempting to change and especially for essential services, to put in place an approach of delivery of these services that would speak to community development, commercial, industrial and socio-economic development in general.

When I looked at the recorded history, it revealed that in 1886, a group of local businessmen was given a 20-year franchise to operate an electric power plant. They were doing that because they were also involved in the establishment of a tramway system in Port of Spain and they were successful. So much so, that at the end of their project, they were able to hand over the contract to a Canadian businessman and he was able to purchase that power plant and continue the business.

It was not until 1933, that the Government of Trinidad and Tobago was able to take over this electricity company. And by 1945, the Government proceeded to develop an island wide electricity scheme under the guidance of the Trinidad and Tobago Electricity Commission which came into being by virtue of the Trinidad and Tobago Electricity Commission Ordinance, No. 42 of 1945.

So it was under this Act that electricity was generated and distributed throughout the city of Port of Spain and at the same time, throughout the town of San Fernando and their immediate hinterlands. So, sometime in 1949, the commission served over 6,000 customers, operating from one power plant on Wrightson Road in Port of Spain and another power plant in Penal. So with the establishment of these plants, the distribution of electricity began to spread and the expansion started towards Chaguaramas, Point Cumana in the west, to Sangre Grande, to Toco, to Rio Claro, to Mayaro, to Navet in the east, along the Southern Main Road to Chaguanas and in San Fernando and from San Fernando to Santa Flora, moving towards the south. I am just here naming a few of the towns and villages impacted by this distribution.

T&TEC (Amdt.) Bill
[SEN. THE HON. H. MANNING]

Tuesday, May 05, 2009

Mr. Vice-President, this expansion of improved supply and distribution continued. It continued annually until the 1970s and at that time, T&TEC and the Government was able to boast of an island wide grid under a renewed drive provided, and therefore, they had to make amendments to the Trinidad and Tobago Electricity Commission Act of 1965, to be able to accommodate this expansion.

These conscious efforts by the Government to expand the electricity service to nationwide, domestic customers, industrial customers, commercial and manufacturing customers, this expansion of the customer base made electricity affordable, especially to the domestic customers.

3.45 p.m.

Mr. Vice-President, this Bill underscores Government's philosophy and clear understanding that access to electricity was not only essential to improve the quality of life and standard of life and living of the ordinary people of Trinidad and Tobago, but it was also a very strategic approach to encourage economic development.

So there was a need and there has always been a need to review the manner in which electricity was generated, transmitted, distributed, and that was continually done by T&TEC to ensure that it was more effective, that it was used economically, to ensure that there was prompt, reliable and affordable quality customer service.

During the 1970s and beyond, again T&TEC took off, and supported by the Government's policy, intervention and finance, T&TEC was able to concentrate on providing quality service and achieving greater economies of scale. It was able to move from providing kilowatt to megawatt power, and to restructure its institutional arrangements with respect to generation, transmission and distribution.

As a service provider, in 1994 T&TEC moved from providing service to 6,613 customers to 1996 where it provided service to 299,000 customers, an increase of over 292,387 customers over a 50-year period.

Mr. Vice-President, it was not surprising, therefore that in 1993, T&TEC had to establish a commercial department to improve customer service. Today, that customer base has grown exponentially, impacting on every municipal corporation in this country. Suffice it to say, that the local government bodies traditionally played a very pivotal role in providing street lighting to local communities so that Government kept changing its policies and approaches to accommodate what was happening at the grass root level.

Mr. Vice-President, the relationship between the Ministry of Local Government, especially through the local government bodies—

Sen. Dr. Nanan: Mr. Vice-President, on a point of order.

Mr. Vice-President: What is the point of order?

Sen. Dr. Nanan: The point of order is the Minister is reading her speech.

Mr. Vice-President: Can you quote the Standing Order to which you are referring?

Sen. Dr. Nanan: [*Inaudible*]

Mr. Vice-President: I am asking you to. Continue, Minister.

Sen. The Hon. H. Manning: Thank you, Mr. Vice-President. I would show the Senator on the other side that a lot of what I am saying is not in this document, these are notes, and I can give them to him now so he can follow. They are speaking notes.

So, Mr. Vice-President, as I was saying before, the relationship between the Ministry of Local Government, especially the regional corporations, and T&TEC was established on a basis of robust democracy. The regional corporations listened to their burgesses, their citizens, and responded. There is a need for identification of the needs of the people and those needs were carried forward and, therefore, through our process of partnering, listening, implementing, planning and programming we were able to get to the point we are at. So there is no centralization of this programme, it is driven at the grass roots.

I want to go through the relationship that we have; the regional corporations and T&TEC. Normally a request is made by the councillors for their respective electoral districts so that the burgess or citizen would walk off the street, visit their councillor, go to the regional corporation's office and make a request for their respective electoral district to be serviced with street lights. If it is a new housing estate, new community, or if they are living in an area where there is need for a street light, they would go to the regional corporations and make that request.

There is an approval and then the street lights will be installed by T&TEC normally after it reviews the request, and there is normally an involvement also with the Ministry of Works and Transport, because if the request is made for highways or major roads, the Ministry of Works and Transport is also involved and this approach will continue.

When the street lights are put in place and there is malfunctioning or need for repair, the local government bodies again, the municipalities would request a replacement or repairs and pay accordingly.

T&TEC (Amdt.) Bill
[SEN. THE HON. H. MANNING]

Tuesday, May 05, 2009

Mr. Vice-President, unfortunately in this process, a major challenge has been and would always be the payment of bills by the regional corporations to T&TEC, and I want to quote some figures here. My figures appear to be different from Sen. Ali's. They came from T&TEC and they were sent today so I believe that they are updated figures.

T&TEC wrote saying that they attached listing of balances by regional corporations for today's date. They ask us to note that the current billings column represents the account balances as at the end of April 2009, while the back billings represent retroactive billings still to be applied to the accounts. These occur since the accounts were updated with new lamps when the reports of installation became available. The months for which the lamps were installed prior to the report becoming available still have to be updated on the accounts.

So these are the figures that we received today from the Trinidad and Tobago Electricity Commission (T&TEC) explaining to us what has been happening in the regional corporations from August to December 2006; January to December 2007; January to December 2008 and April 2009. I will give you the total of some areas.

Chaguanas Borough Corporation owes approximately \$6 million in arrears; we have Couva South, Couva East and Couva Central; they have separated them and when we add the figures they owe approximately \$13 million in arrears for those three years.

Tunapuna Regional Corporation owes \$10 million; Princes Town Regional Corporation owes approximately \$5 million; then we added the back billings for the year August to December 2006 and we have a total of \$4.5 million owed by the 14 corporations.

In January to December 2007, approximately \$10.6 million was owed by all the regional corporations; January to December 2008, approximately \$11.4 million owed by all the corporations and for the year 2009 up to April 2009, we have current billings of approximately \$41.7 million, a total of approximately \$68 million.

A note here is saying that T&TEC started to bill the regional corporations for street lights installed under the national street lighting programme from August 2006. So what we saw was an increase in arrears or back billings as they call it every year starting from 2006—2009 and so, recurrent expenditure has been increasing. We have a figure of almost \$68 million over the years and, as a Government, we have to do something to lift the burden off the corporations of Trinidad to be able to keep this country well lit.

Sen. Rahman: Does the Minister have any figures available about the general payment of T&TEC bills by government ministries? Are they all up-to-date, or are there similar arrear figures for government ministries and other government bodies?

Sen. The Hon. H. Manning: I think he is asking the wrong Minister; maybe if he files a question the right Minister will be able to respond. I am not in that ministry.

Mr. Vice-President, so Government in its quest to develop, to achieve developed country status by improving the standard of living for the people of Trinidad and Tobago has therefore decided that one agency must be responsible to manage this essential public utility.

4.00 p.m.

So in September 2005 the Government announced the National Street-lighting Programme where, at a cost of \$627 million, T&TEC was mandated within two years to install 82,000 new street lamps and to upgrade 36,000 lamps, from 70-watt to 150-watt high pressure sodium bulbs—approximately 118,000 street lamps. By December 2007, this programme was completed within time and within budget.

So because most of the country now is well lit, Cabinet took the decision that one agency must be responsible for the development of the national electricity grid for Trinidad and Tobago. The Ministry of Public Utilities is to be responsible for the development of the national electricity grid for Trinidad and Tobago and, therefore, for payments to be made for public lamps. So changes have to be made.

Sen. Mark: Mr. Vice-President, on a point of order; Standing Order 32(6).

Mr. Vice-President: It is my opinion that the Minister is not reading from her speech but only using it as her notes.

Sen. The Hon. H. Manning: Mr. Vice-President, maybe I am speaking so well that he cannot believe that I can speak so well. [*Desk thumping*] I am as good as you are, Sen. Mark. You cannot believe it.

Sen. Mark: Heaven help us; after six years! [*Crosstalk*]

Sen. The Hon. H. Manning: We have got to amend the current Municipal Corporations Act, 1990. It is stated in Part V of that Act under the finance section, section 112(d) that:

“The Corporation Fund shall be applied towards the payment of—

(d) the expenses incurred...(in) lighting the streets, the footways,...”

I am quoting here, Sen. Mark:

“...squares and other public places vested in the Corporation,..”

Under Part VII on streets and buildings, sections 142 to 144 state that the permission of the council is required to erect or remove poles on those streets under the control of the council.

Sen. Mark: Next page.

Sen. The Hon. H. Manning: Yes, my speaking notes are very well done. As we review the Municipal Corporations Act, we will introduce the new local government legislation. That is coming to the Parliament very shortly. Under the Local Government Reform Programme, this responsibility will have to be removed from the Ministry of Local Government and two consequential amendments are to be made to the T&TEC Act, and that is what we are doing here. So the Minister of Public Utilities will now be responsible for the payment of bills. Section 50—the Trinidad and Tobago Electricity Commission is mandated to provide lights upon approval of the Ministry of Public Utilities, as stated in clause 5 of the amended section 50 of the Act which states:

“...to provide for the Minister of Public Utilities to give (written) approval, where a request is made by a Local Authority for the supply of energy to public lamps.”

In clause 6—section 51 of the Act, it goes on to state:

“...the price to be charged for the energy supplied to public lamps to be payable by the Minister, in accordance with rates determined by the Regulated Industries Commission.”

This is an administrative move to allow the Ministry of Public Utilities to ensure that it has the requisite funding to meet the cost of paying for the installation of new lamps.

Secondly, it also places the responsibility on the State, through the Ministry of Public Utilities, to fund this component of T&TEC’s capital development programme. This approach also mitigates against the burden of cost being fully transferred to the taxpayers as justification for increases in electricity rates, in T&TEC’s case, before the RIC.

Section 51 brings the settlement of the charges for public lamps in line with the new procedure of payment by the Ministry of Public Utilities, and the fact that

charges are to be settled by the RIC under their new legislation. So T&TEC is wholly responsible for the routine maintenance of street lights within the municipalities. Finally, the cost of street lighting is borne by the State through the Ministry of Public Utilities.

Clause 7 of this amended Bill seeks to amend the Municipal Corporations Act, Chap. 25:04 in section 112(1)(d) to remove responsibilities from the Municipal Corporations for the payment of street lights. However, the Municipal Corporations would—and I want to repeat that—we would continue to make representation for street lamps by making requests to T&TEC, by making requests to the Ministry of Public Utilities, because it is not a centralized system; it cannot be a centralized system.

The Ministry of Local Government and the regional corporations will channel those requests to the relevant agencies. Requests for the supply of electricity, to installations such as recreational facilities, will be made to T&TEC by the municipal corporations and paid directly to T&TEC. The stark reality is that the Ministry of Local Government and the municipal corporations, although representing the State, are customers of T&TEC.

In conclusion, the amendments today are intended to rationalize and clarify the relationship between the Ministry of Public Utilities, T&TEC, the Ministry of Local Government, the municipal corporations and their respective roles in the supply of electricity for street-lighting purposes. The amendments are also designed to improve the provision of quality customer services and to ensure that there is greater managerial efficiency and effectiveness, inclusive of value for money. I would therefore like to urge all Senators, especially those on the Lower Benches of the other side, to support the proposed amendments.

When I called out the figures from the budget, you would have noted that the figures in the regions that Sen. Mark claimed belong to another party, those figures were higher. It means that we are putting more—

Sen. Mark: Because you are not giving them the money to pay. That is why it is higher.

Sen. The Hon. H. Manning: That is not so at all. It means that we are putting more electricity. We are electrifying those places even more—

Sen. Mark: They are bigger—

Sen. The Hon. H. Manning: We are now doing them because they did not do them.

Hon. Abdul-Hamid: How many lights they put?

Sen. The Hon. H. Manning: None. Therefore, I am appealing to them to support the legislation to improve the quality of life of the people of Trinidad and Tobago; to improve the standard of living of our people, regardless of their social standing, regardless of their economic circumstances, gender, class and political affiliation.

Thank you. [*Desk thumping*]

Sen. Mohammed Faisal Rahman: Thank you, Mr. Vice-President. It has been such a long time since I stood in the Senate to speak, I feel a stranger for a moment.

You know they say good things come in small packages and this Bill today is a very small, innocuous, economic package. It is a small package like a hand grenade; it is a hand grenade Bill and I will try to explain why I say this to the honourable Senate.

This Bill, in addition to being a small Bill, is a multifaceted Bill: I want to say with all respect and fraternity to the Minister of Public Utilities—what I am going to say here comes from what I sincerely believe this Bill is going to do. We are not questioning Government's intentions here; we are questioning the consequence of the measures that are contemplated by this multifaceted Bill.

It is multifaceted because it is ambitious, to begin with—one of its facets. It is a very ambitious Bill. You know, when you are going to fish, you do not take a big, fat line like a cable; you take a little—like a piece of twine; not even twine. You could catch a 600-pound marlin with a very fine—

Hon. Senators: Nylon.

Sen. M. F. Rahman: Nylon is the word. Thank you very much. You can catch a very huge marlin with nylon cord. It is do-able. And the Government is good, you know. They could catch with a nylon cord and a little hook. This is a very ambitious Bill. It seeks to establish ministerial power from power distribution. They are taking power out of power and by taking power out of power, they are “de-powering” others— [*Laughter*] No, they are “de-powering”; they are unplugging local government in the process.

But that is not all. It is an anachronistic Bill. A facet of this is its anachronism. I do not know, I stepped out of the Chamber for a little while. But why does this Bill use the terminology “yards”? That is an imperial measure; we have gone metric a long time now.

4.15 p.m.

I agree with my colleague. You are bringing an amendment today after all these years of establishing the metric system and you do not say 75 metres; you are leaving yards. That is a serious slip-up. It is archaic. The good Minister mentioned the question of archaic. This Bill is burdensome. When you say that the Minister will approve requests of the local government authority for lights, you are faced with a logistical nightmare. Now we have a cap-in-hand situation. Whereas before the local government would make a request to T&TEC and they would be satisfied with the requirements, this has now been overtaken with the Government's plan to overtake all the controls whereby the citizens get the benefit. The benefit must appear to come from the government not the representatives of the people who have been duly appointed to the municipal bodies.

Let us look at the logistics of this thing. It is micromanagement but for a very serious and sinister purpose. The local government bodies now have to go cap-in-hand. The Bill does not say how this requisition and approval by the local government authority will be given. We know that this Government will put aside the business of the day for a photo opportunity to open a highway. They will shut down the Parliament for a talk in the square.

Do you think that when a local government authority places a request for lighting, the Minister will jump and say, "Let us see what we can do about that; here is the approval"? Does he have a team to examine the merits of the requisition of the local government body? Is there a structure or does he say that that local government body is a supporter of the Government, so we would approve that without a question? There is no guidance as to how requisitions and approvals are to be given.

The Minister is becoming burdened with a logistical problem. The local government authority could turn around and say that they have been asking for lights for the longest while and they are not giving them because the Minister is not approving it. You are exposing yourself to some serious trouble. This is a dangerous Bill. In today's crime situation, how can the Government sitting in government offices in Port of Spain decide the merits of the need for lighting in darkened alleys and "PH" taxi stands that are sprouting up here and there?

How can the Government sitting in Port of Spain determine the need for lighting? You are lighting up stadia, and unfinished stadia too, and you are lighting Aranguez Savannah. They are doing that pre-emptively because they want to look good. The local government authority has a need to save the women

T&TEC (Amdt.) Bill
[SEN. RAHMAN]

Tuesday, May 05, 2009

from being raped and the children from being snatched and you tell them, “We will get around to that; we have a bridge to open tomorrow; we cyah look at dat.” How are we going to ensure that the needs of the people in the municipal areas are met with dispatch? You are talking about arrears. We want to hear from the relevant Minister the arrears of the other government offices that are not paying their bills. This comes in the papers every now and then.

Why are the local government bodies not paying their bills? They get their money from the central government. If you do not give your child pocket money to go to school or to buy lunch, would you beat him for not eating? We have a problem. The Government has cut back on the allocations of the local government authorities, dramatically. Some of the local government bodies have to take allocations for buying new vehicles and pay labour to ensure that people keep their jobs. They have to reshuffle funds.

You cut back on the allocations to the local government bodies and you expect them to give priority to T&TEC’s bills, when they are having difficulty in meeting commitments that are more urgent and pressing. One thing I have always criticized this Government for is its poor prioritizing. A matter may be urgent but not important; a matter may be important but not urgent. You have to take the urgent and the important at the top of the list. When the local government bodies are not getting the money to pay, why should they take the money that is supposed to go elsewhere and prioritize T&TEC? T&TEC can wait on them as they wait on the other government offices that are also not paying their bills.

I want to tell you something that is very disturbing. The Government wants to undertake the payment of the electricity bills for the street lighting, rather than doing it through the local government authority. It is my understanding, and I have been reliably informed by a teacher in one of the denominational schools, that the Ministry of Education, whether through the Ministry of Finance or directly, is responsible for giving denominational schools funds to pay their electricity bills.

In recent times, they have told the denominational schools that they can no longer foot the bill for electricity. As a result, the schools have been told by the Minister that they must ask the children to ask their parents to make subscriptions for the denominational schools to pay their bills. The Government is no longer prepared to pay the bills of the denominational schools, but it is prepared to pay how many hundreds of thousands of dollars to put up street lighting to look good. They are saying that they are going to undertake to pay these bills.

The interesting thing is this, in the case of school lighting, it is against the law for schools to raise any money to pay for anything for which the government is responsible for paying, unless it is given in writing by the Minister of Education. The Minister of Education has refused to give it in writing so far. The schools have to break the law with the knowledge of the Minister of Education by asking children to tell their parents that they need money to pay the bill for the lights in the schools, when the Government is supposed to be paying it. This is a disgrace. It flies in the face of the Government's intent to want to offer to pay for all these lights it is putting in a lavish sense, in chosen areas, for which there are all sorts of explanations as to why they do not want to burden the public. We will come to that in a minute.

In addition to the burdening, one of the facets of this Bill is that it is recalcitrant. It is tripping up the local government body. This Bill is a fiddling Bill. It fiddles with the autonomy of T&TEC which was established originally as a self-governing body, complete with company seal to be run on a profitable basis. The introduction of the Regulated Industries Commission was to establish rates with a view to having all the consideration in the matter. If the Government wants, radically, to change the terms of reference of T&TEC, it has to bring a basic and fundamental Bill to revamp the entire edifice, structure, concept and standing of T&TEC. You cannot do it like this. T&TEC has not been receiving grants by appropriation. It is supposed to pay back its loans and this has been done in the past.

However, when you are saying that you are burdening them by their having to pay interest, what is the law that says you are bound to charge them interest as a government? China is giving us a 40-year soft loan with a moratorium for some projects. Can the Government not give T&TEC funding to do its capital developments? Is T&TEC a generating unit to need capital funding? We have PowerGen for that. Interestingly, when PowerGen was conceptualized—just to cover myself here—we were fed the story that we did not have the generating capacity. We had to find hundreds of millions of dollars to invest to develop the power generating capacity. We had to bring PowerGen. I do not know who benefited from that. I do not have the facts. Sen. Wade Mark will know more about that than I. I know that they have rotten fish inside there. We are running close to 4.30 p.m. and I have much to say. *[Interruption]* No boss, “ah going on.”

When PowerGen had to be brought into existence we were fed this story. When they came in they used all the old plant and equipment, properly streamlined and we never had any capital expenditure. The whole object of PowerGen was a bluff. Now, you are coming to tell us that you need to give

T&TEC (Amdt.) Bill
[SEN. RAHMAN]

Tuesday, May 05, 2009

money to T&TEC. To do what? To buy new generating plants? This is as Sen. Mark has said, T&TEC is on the verge of bankruptcy. They are on the verge of bankruptcy because of corrupt practices. They finished the street lighting within budget and time because contracts were given selectively. Everything was in line. They must have ordered the goods already before they got the contract because they knew that they were getting them. This is one of the things with the new refinery that we are trying to set up. They have already decided the company to whom they are going to give it with all the talk.

We will not be fooled into believing that this money is to save the public from having to pay more for electricity. That is hogwash. This is money to prop up the malpractices within T&TEC. Nobody gets charged. Nobody gets fired. “A fella resigned on his own and anudder fella gets a golden handshake.” This Bill perpetuates the fertility of corruption and all the practices that are rotting and causing T&TEC to operate at this level close to going under, to going “belly-up”. This is a very, very serious little Bill. It is not a hand grenade. It is a whole lot of dynamite inside there. You are not only blowing up but also pulling the plug from the dyke and you are flooding something in there. This matter is very serious.

Mr. Vice-President: It is now 4.30 p.m. We will take the tea break now. This sitting is now suspended and we will resume at 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Sen. M. F. Rahman: Thank you very much, Mr. Vice-President. How much time do I have?

Sen. Dr. Saith: Five minutes.

Mr. Vice-President: You have 26 minutes of regular time.

Sen. M. F. Rahman: Thank you, Sir. I am relieved that you would overrule any attempts to silence me, Sir, with the time that you have allocated. *[Interruption]* Do you mean you reserve the right to silence me? All right.

I had gotten to the point where I had introduced one of the facets of this very dynamic or dynamitic Bill—I do not know which is the correct term—as recalcitrant. The recalcitrance of this Bill is demonstrated by its determination to trip up organizations that have been set up with particular purposes.

It is very interesting, the Government has embarked upon special purpose companies to streamline its programmes. A precursor to this, many years ago, was the establishment of T&TEC as a corporation, so that the Government would not be

burdened by having to control things. It gave the authority to T&TEC, much as it gave the authority to UDeCott, to do what it wants to get done. It gave it autonomy. The Government would not contemplate—

We heard of the Uff Commission. Even the Minister cannot give instructions to UDeCott. They are not accountable to the Minister. Here we have a precursor to UDeCott and the special purpose companies being overturned, not in a complete overt sense violently, but on a leverage, so that a Minister comes to control aspects of its formerly autonomous operations. Simultaneously, we have entrenched laws also being subverted with regard to the municipal corporations. Some of the authorities are being removed from them. They are being relieved of authorities.

I have had a very instructive short discussion with one of my colleagues from the opposite side during the tea break. The bottom line seems to be that the Government feels the Minister is ultimately responsible for performance of the enterprises. It does not seem to apply to UDeCott; that is a sacred cow. If the Government is responsible for T&TEC, it might as well take complete control. This was the philosophy of Hitler's fascist government. Since he is going to be—this is very serious.

The longest journey begins with the first step. We do not know where this Government is heading. We have an Executive Presidency being promoted in this country, because if the Prime Minister is ultimately responsible for everything, then he might as well take control. That spells a serious departure from the democratic process.

We had the Fifth Summit of the Americas and it was convened on the basis of democratic states functioning with democratic systems. Here we have the sole signatory of the Port of Spain Declaration departing, as a Government policy, from the concept of a democratic procedure to come to total control. If you are responsible, take control. The interesting thing is that the Government is always taking control for the good and it always distances itself from corruption. That is the big problem that we have.

The reason that T&TEC has found itself in the position where the Government perceives that it needs to be bailed out, is because a blind eye has been turned to the corruption that has been taking place here. Here we have, being presented to us as virtuous acts and accomplishments of the government, the putting up of lighting in areas that do not need to be lit.

This whole concept of power generation comes from the use of our fossil fuel. If you feel that lighting everywhere that you like to light up at night to look pretty—you are coming on a plane and you are seeing lights and—This is a pretty

country, it always looks pretty. Even the slums look pretty at nights with the lights. You are removing the authority of the local government bodies to decide where beneficial lights should be placed. Here you have a continuing situation of control; control, control; look good; look good; spend, spend to look good; spend, spend and look good; and gain control.

This matter of recalcitrance is taking autonomous bodies and fully empowered local municipal corporations and bringing them back under Government control. If that is not a return or a step towards centralization and total dictatorial control, I do not know what is. That can only be described as getting your tentacles on everything that moves.

The Bill among all its facets, is a reversionary policy. It is turning back the clock. We had a situation where power was generated by different bodies. It is very interesting; we had a little history of T&TEC given to us by the good Minister of Local Government. It seems as though we want to go back to those days where we had government having its hands on situations and on everything. This Bill is reversionary among its other facets. It is defeatist. These are facets that arrive out of similar circumstances.

I was speaking about the autonomous control of these bodies. These bodies are given the authority to proceed in particular directions, so that the Government may have a proper functioning for the benefit of the society. When the Government turns around and says that by it taking over the bill and subsidizing or appropriating funds to give to T&TEC, it is saving the citizens money, that is a total bluff because every cent that the Government spends comes out of the taxpayers' pocket and the patrimony of the citizens of this country. You are paying bills to charge the population, but you are paying it in a different way. You will extract it in a different way.

Another thing is when it is done like that, the rich and the poor stand the cost equally. It should be that those who are wealthy should spend money to light up their places and they should pay the bigger bills. When you have everybody—even when you light up the parks and people jog every night, it is not the whole population who is jogging. It is the elite few who can afford to have their cars and drive out in their nice tracksuits and go down to jog in the night.

When the Government subsidizes and funds T&TEC in the way it is proposing, it is not those people who would be paying. Let them go to the gym and walk on the walking machines. It is the man in the street, the poor man, who eventually has to pay for every cent that we pay to T&TEC, every megawatt that we generate and every drop of fossil fuel that we burn, to be able to maintain this lavish thing.

Impacting upon all of this is the economic downturn. The Government is continuing on its freewheeling/free spending mode. Is it not time to take stock? They could not discuss the economic downturn at the Summit even though they had so many months. In a little meeting in one of the smaller islands, they were able to, I think it was in Guyana, have that as one of the major issues on the agenda. The whole Summit was run and organized by this Government and they could not deal with a matter that is of absolute and pressing importance to every citizen in this country. Here we are, continuing to expend money.

We come back to the problem. You are saying that you are going to pay and your Minister of Education is telling the people: “We cannot pay for your light bills for the denominational schools.” That is another facet. That is a contradictory facet to this Bill. On the one hand you are setting out to do one thing and on the other hand you cannot do the same thing in the other direction.

Mr. Vice-President, meddling is another facet. The Government is meddling in autonomous bodies that have the right to function. When we have urgent matters coming up like corruption, exposés and people resigning out of fear and the Government does nothing to pursue these things, they are meddling selectively. You do not meddle in what needs to be done; you are meddling in what does not need to be done. At the end of the day, manage, do not meddle. Why do you not manage?

Another facet of this Bill is the clumsiness. Here we have a Bill seeking to amend the T&TEC Act. It incorporates the Municipal Corporations Act and the RIC Act in major ways. All you have to say in this Bill is: Notwithstanding any provisions to the contrary, the Minister would now be responsible for paying the bills. You do not have to try and bring in the municipal corporations into that. The Minister will pay the bill according to the current method of assessment or billings. You are having a triple whammy in one Bill. It is clumsy, in my view. I do not know about the Bill, but it looks very clumsy to me. It is drafting that seems to lack. At the end of the day, when you have to go back to these Bills, how are you cross-referencing these Bills if somebody is not aware of what one Bill says, where it amends three and four other Bills? You would have a lot of confusion in the courts, eventually. I find this whole matter about the Bill being brought three and four—*[Interruption]*

Sen. Annette-George: There is an index.

Sen. M. F. Rahman: All right, so the lawyers are kept up-to-date, but what about the poor layman? You would not need an index if you did the Bills properly. I am minded to believe that this Bill is a precursor to the local government overhaul that we are going to face, because this Bill, as I was saying,

T&TEC (Amdt.) Bill
[SEN. RAHMAN]

Tuesday, May 05, 2009

is the finger in the dike. When you pull that finger out and the Municipal Corporations Bill comes up, you would find a lot more than lighting being taken away from the local government authorities. What we have here is a precursor. I do not understand, why do you mix apples and oranges, you have a T&TEC Bill? Clumsiness is one of the most scintillating facets of this Bill.

The aspect of crime and danger is something that is known to the various communities. We have the Mayor of Chaguanas begging for certain things, pleading for cameras and to put an end to the PH driving. The local government authorities are best aware of what their communities need. Again, I say that what we are doing here is dangerous, because the logistics to determine and to prioritize the request, according to the demands of the local government authorities, is going to make this whole operation a mishmash and a total mess. At the end of the day, you would find people quarrelling with each other, trying to figure where the buck stops, who is responsible for what, who caused this delay and who caused that delay.

At the end of the day, the crime continues to escalate in those darkened areas that they have neglected to light, because the local government authorities asked for it and the Minister in his wisdom sat in his office and decided: “No, we eh putting dat light” because “it eh necessary. Who does go there?” The Government will face the music. They would have earned that.

5.15 p.m.

Mr. Vice-President, we seem to have a bent on one area, but what happens when seasonal lighting is required in a region when they want to light up an area around Christmas time? How do you go about that? The local government authorities are no longer responsible—well, they did not have the funds, and now they are getting cutbacks. In addition to the cutbacks, they no longer get additional funds. It is a mess. You have Christmas and Divali coming, and you do not know how to light up the place, because you cannot ask T&TEC to do it. It is going to take three months for the Minister to get around to it and then you have to decide what to do. You are taking away the authority of the local government bodies. To tell T&TEC we want this power and we want that power is a dangerous thing. You are going to have a backlash.

When the various religious festivals come around, there are going to be whole communities turning against the Government. You are going to have people protesting, because they could not get Christmas lights and so on. You are not only going to lose constituents from our side, but you are going to lose

constituents from your side, because you are going to find that all the trees in Diego Martin, St Augustine and all over the place—do you have a mechanism to light them up? How are you going to approve this? Do not tell me that the Minister has a task force that is going to go out there and promptly approve it. That is going to defeat the whole objective. He is going to lose power. Who is losing power? It is the local government authorities and the people who want to get lights in the dark alleys. The Lord said, “let there be light”, and there was light, but do you know what is happening here? We are reversing it. The Government is saying that there should not be light, except as we say. That is a very dangerous thing.

Mr. Vice-President, we know that the Government does not have the authority to tell NIB, UDeCott, HMB and Nipdec and so on how to manage their day-to-day affairs. Do you know what is very interesting? One of my friends, a Minister, has complained bitterly in one of the joint select committees. He said: “Help me, I want to get my people to give reports. I want you all to ask them questions”. I hate to use this information, but it is very relevant to this issue. The Minister cannot get his own people to function, and they cannot get their own staff to give them reports. Who would be listening to the Minister of Public Utilities when he tells T&TEC that after four months they could go ahead with Calabash Alley or whatever he wants to say?

Mr. Vice-President, we are looking for serious trouble. They do not have control. Things are outside of their control, and yet they want more control. I strongly say that this Government has erred very seriously in this matter of seeking to change the policies that have been established in this country for the free and fair running of corporations and bodies that have a right to function.

Mr. Vice-President, I have enjoyed this contribution very much. [*Interruption*] I should say that I have enjoyed making my contribution. From the furore that I faced as I walked out the Chamber earlier, I can tell that something has happened. I am looking forward to getting the licks that was promised to me by one of my friends who is a Minister on the other side.

Thank you very much. [*Desk thumping*]

Sen. Gail Merhair: Mr. Vice-President, thank you for the opportunity for allowing me to contribute to a Bill to amend the Trinidad and Tobago Electricity Commission Act, Chap. 54:70. Now, I would like to begin my contribution by examining what the hon. Minister of Public Utilities said in his opening

explanation. He said that the process was chosen, because it is a simplified process. However, I do not think so. Having examined this matter very carefully, the process is far from simplified, and I will go on to show this in my contribution.

I see no real reason to change the current arrangements that exist between T&TEC and the regional corporations as they relate to the provision of street lighting throughout communities. Let us deal with centralization versus decentralization. I know this has been a topic that has been discussed quite colourfully before, but I can assure you that my contribution would not be as dramatic and colourful, but I would try to stick to the issues.

Clause 5 which amends section 50 of the Act provides for the Minister of Public Utilities to give approval where a request is made by a local authority for the supply of energy to public lamps. I see nothing wrong with the current arrangement that exists where the authorities make their requests and payment directly to T&TEC. Now, what this amendment seeks to do is to centralize the authorization of the request into the hands of the Minister, which goes against the process of local government reform, as I see it as the issue of decentralization, or does it? Does the Government reform equate decentralization? What has happened to all the work that went into local government reform?

Allow me to quote from an article published in the *Trinidad Guardian* dated April 15, 2009, entitled “T&T gets bad rating” and I quote:

“Active Democracy Citizen Network (ADCN), made up of representatives of 21 countries, has given Trinidad and Tobago a bad rating for non-implementation of decisions from previous Summits of the Americas.

The results were derived from considerations over 2006—2008 of the following points, among others:

- Local government reform process that is moving more in the direction of centralization rather than decentralization, reduced autonomy and funding for local government authorities; three-times postponement of local government elections;”

Mr. Vice President, I think this is a clear indication of this country’s local government reform process coming on the heels of hosting the 5th Summit of the Americas. Notwithstanding what I have already said, the UNDP is, at present, supporting the Ministry of Local Government with a comprehensive decentralization programme which encourages more efficient delivery of services to its clients. By June 2009, approximately 200 staff members of the Ministry of Local Government will be trained and updated in management methodologies.

As at 2008, over 60 per cent—42 per cent of those taking the project in management examination in controlled environment had become Prince 2 certified. So, the question begs, what is the purpose of all this effort of local government when, in fact, what we are doing is moving away from a decentralized system to a centralized system? It is rather contradictory. The local regional authorities should be left with the opportunity to give final approval in their respective areas. I think that the local corporations must be allowed to demonstrate to citizens within their bodies what is happening and what is meant by achieving continuous improvement for their areas. I think the process is so designed. It is made of councillors within the regional bodies, and it should stay that way where the councillors advise the regional bodies what is wrong in various areas.

I think what should have happened in this instance is that the Government should have brought legislation to strengthen the powers of the Auditor General's Department, and to let the public know whether the best value for money is being achieved. This should be done in areas where we need to get best value for our money that is being spent. We need to have a body to inspect what is happening with the citizens' money. The Government needs to see how well the policies are working on the ground. We also need to identify the areas that we are failing in and take the necessary action, and we need to get best practice and policies in place.

Now, the regional corporations have developed a stronger customer focus, in terms of the street lighting service, and by seeking out the views of the people within the area—what we seek to do is have regular consultations through village councils, community groups, neighbourhood watch groups, et cetera. Mr. Vice-President, I do not know if you are aware of this, but on a monthly basis the regional corporations have statutory meetings. Those meetings are attended by members of the business community, the fire service, police officers, councillors, WASA, T&TEC, URP and many NGOs that make up the communities.

What happens is that on many occasions, the local bodies are aware of what is going on in the communities in terms of areas that are high risk in crime and areas where you have children taking part in various outdoor activities. I think by taking away the control—the information being given to the local government bodies and taking it into the hands of the Minister—it means that there is going to be a further disconnect between the citizens who reside in these communities and the services that are being given. [*Desk thumping*]

I think we need to develop local performance indicators which do not only address technical issues, but which focus on the outcomes, for example, the reduction

T&TEC (Amdt.) Bill
[SEN. MERHAIR]

Tuesday, May 05, 2009

in the fear of crime; the impact on the incidence of crime; and to improve the perception about safety at schools.

Now that I have discussed centralization and decentralization, I would like to discuss another matter and it begs the question, should a Minister of Government engage in the micromanagement of such a facility? Mr. Vice-President, I feel as if we are dealing with the Emergency Ambulance Services Bill all over again, because of the number of layers of bureaucracy and inefficiencies, and what is being asked of us to approve today.

In this day and age, I see no need why this Government should choose to micromanage essential services. Now, in the Westminster system where members of the Executive are drawn from the Legislature, Ministers are generally responsible for framing government policies and for steering government Bills through Parliament. Ministers give political leadership to officials throughout the central machinery of government and, in so doing, may act in varying degrees as political initiators, departmental managers, or policy publicists. Ministers are criticized on several grounds. They are criticized on the ground that Ministers are really experts in policy areas to which they are appointed and they seldom have the experience to manage large organizations before entering government.

Secondly, they are generally kept in the same position for less than two years and, thirdly, they have a heavy workload and limited knowledge in the area in which they are being asked to serve. Ministers become heavily reliant on civil servants especially in relation to routine and reactive policy making. Again, I think that Ministers have no business in micromanaging their portfolios.

Given the heavy workload that already exists for these Ministers, I think that this amendment will invariably lead to the delay in the delivery of service, with respect to the provision of street lights within the various communities. We are going to have delays.

A few minutes ago in this honourable Senate we have seen perceived claims of political interference and perceived claims of victimization. We have inefficiencies and bureaucratic red tape which may well lead to the deterioration in the provision of simple things such as the installation and repairs of street lights.

5.30 p.m.

Clause 7 seeks to amend the Municipal Corporations Act, Chap. 25:04, in section 112(1)(d), to remove responsibility from municipal corporations for the payment of street lights. This is, in my opinion, a movement in all the wrong directions. Local authorities should be able to continue the funding of lighting

projects within their communities. It is the duty of central government to allocate sufficient funds for these undertakings—[*Desk thumping*—]—and to allow the local authorities to raise sufficient funds to do their job.

Mr. Vice-President, as my recollection, it is proposed as it is the practice now, that the regional bodies are now collecting taxes within the various areas instead of going to the Warden's Office. What is happening here is that if the local authorities or the regional corporations are in fact collecting these taxes, they have to pay and they are accountable to the people or the citizens of this area. I think central government needs to provide them with the funds in order to do so.

Now, the regional corporations have to look at other areas in order to raise money. I might very well suggest—take for example, the area of outdoor advertising; taxes are not being collected on many of these. There are areas in which the regional bodies could raise further taxation within the area, and we need to be creative as a people and we need to think outside the box, in which these regional corporations can find moneys to control their areas.

I know that the hon. Minister of Local Government indicated that a great deal of moneys are being owed by the regional corporations, and it begs the question, if moneys are being owed since 2006, who has that responsibility? I am yet to understand, do these regional bodies not supply an account to the Parliament, and do they not submit their annual reports to Parliament? If they have not paid their bills what is being done about this?

Sen. Browne: What do you do? Fire them?

Sen. G. Merhair: You do not fire them; you call them into account. This is what we, as a Parliament, are supposed to do. We have to bring them into account. Why are they not paying their bills? Is it because they did not get sufficient funds? Or is it because they are misappropriating funds? If they are in fact misappropriating funds, as some may want to lead us to believe, then I think that somebody should be investigated, if that is the case.

If funds are being misappropriated and misused for the benefit that it has been given to, then these people are to be brought into account. However, if they have not been given the appropriate funds or insufficient funds, then I also think that that needs to be dealt with. What I am seeing happening here is that we are moving away from accountability and transparency, and I think we are treading on dangerous grounds if we do so. [*Desk thumping*] I think that the Prime Minister's National Street Lighting Programme has been a tremendous success.

Sen. Enill: Thank you. Mr. Vice-President. Through you, to the Senator, I would like to have clarification, please, if I can, on your interpretation on micro-managing, because I am trying to understand that in the context of what is being contemplated. I just want to be clear that I understand you. So, if you could explain to me this concept of micro-managing.

Sen. G. Merhair: Thank you, Mr. Vice-President. Certainly, let us take a little step back to last week, I see a contradiction of Government policy here. Last week by the WASA Motion it was stated that you want to move sewerage out of WASA and place it in SWMCOL. So, what I got from the Government policy is in order to have efficiency and proper management, that you all were moving one provision away from one in order to have a better expeditious service.

What I am seeing here is that you are moving it away from local government or the regional corporations and putting it in the hands of a Minister, and I think by a Minister having to do that, it is in fact, micro-managing the service. So, here in one area you are saying—and it falls under the same Minister, fortunately for us—that it is not good, you have to separate these two in order to get efficiency, and here you are saying now, you need to bring it together in order to have a more efficient and simplified process. I am not seeing that, because what I am seeing here is that if somebody has a request for street lighting, whom do they write? They no longer write the corporation?

Hon Senators: Yes.

Sen. G. Merhair: They now have to write the Minister? *[Interruption]* So, you still have to write the corporation and the letter goes where?

Sen. Enill: Again, Mr. Vice-President, I thank the Senator for giving way. That is really why I was having the difficulty. What you are arguing, I am not sure that is what is being contemplated, and maybe we have not explained it properly, so let me just take one minute of your time.

What is being contemplated is this, that right now, instead of one agency—which currently exists—having the responsibility for making the payment, it would go to another agency, and that agency happens to be the Minister of Public Utilities. All the things that you normally do will continue. This is about making sure that the payment that has to be made takes place. That is all, nothing else.

Sen. G. Merhair: What about approval? You see, what I am not getting—and probably hon. Minister Enill is right—in looking at it, probably the full arrangement was not revealed by this Bill that we got, and probably the hon.

Minister did, in fact, explain certain things to this Senate. Probably some of the issues were not explained because I am trying to work through the process of what has to take place now, and I am not seeing it happening in a systematic way that would bring benefits to the citizens of Trinidad and Tobago.

I am not seeing an efficient system; I am seeing a system layered with bureaucracy. If right now, as a citizen of a particular area, you go to the corporation and you say, this street needs lighting; or, I am the principal of a school and right next to the school we have additional classes, YTEPP may conduct classes, there are other skills programmes going on there and the principal can now go to the regional corporation and request that the lighting is there.

I know, by the way, that the regional corporation can write straight to T&TEC or the regional corporation—when the community meets at the statutory meetings, this can be presented—and it would take action. What is being proposed here is that the Minister now has that right. So, the regional corporation will now have to write the Minister of Public Utilities instead of T&TEC. [*Crosstalk*] What is happening?

Hon Senators: No, no. [*Interruption*]

Mr. Vice-President: Order!

Sen. G. Merhair: Mr. Vice-President, I think what is happening here is that it would seem that what is being proposed in the Bill and what we are reading into the legislation and what—

Mr. Vice-President: Hon. Senators, the Senator is trying to make her contribution, and I am having some difficulty hearing her, and I am sure all of you are having some difficulty hearing her. You cannot speak and listen at the same time.

Sen. Mark: "All yuh stay quiet".

Mr. Vice-President: Sen. Mark, I am on my feet. Senator, could you please continue?

Sen. G. Merhair: Mr. Vice-President, thank you once again. It seems that we need further clarification on what is happening, because if what I have read, what I have interpreted, and what is the Government intention, in reference to the previous Act, as well as the amended version, are two completely different things, I would strongly suggest that something be done, because I am certain that I am not the only person who has misinterpreted or has read it the wrong way. [*Desk thumping*]

T&TEC (Amdt.) Bill
[SEN. MERHAIR]

Tuesday, May 05, 2009

So, it obviously means that if I am having problems with it—I am certain that if this amendment is about to be placed as legislation—then the people we are asking to interpret that legislation are going to have the same problem that I am having now. [*Crosstalk*]

Mr. Vice-President: Hon. Senators, for the second time—[*Crosstalk*] Hon. Senators, this is an honourable place and I am sure that everyone inside here are honourable people. So, please, could we listen to the Senator in silence? Thank you.

Sen. G. Merhair: Mr. Vice-President, thank you. It would seem that this is the first occasion—

Sen. Manning: Could I clarify for you, please, Madam Senator? Mr. Vice-President, I would like to clarify. Madam Senator seems to have a problem. I would like to suggest that exactly what happens at this point in time would continue to happen. If it is that someone finds that they have problems in an area, that they do not have lights in the area, and they need their lights to be upgraded, they need to put lights in, they can go to the regional corporation and make the request.

When that request is done, the request then comes to the Ministry of Public Utilities or T&TEC, and the lights would then be installed. When the lights are installed, instead of the Ministry of Local Government or the Ministry of Finance giving the funding to the regional corporations for them to pay, the funding would go directly to the—and it would be sent there by the Minister of Public Utilities. [*Interruption*] I said the Minister of Public Utilities would do it.

Mr. Vice-President: Senator, please continue.

Sen. G. Merhair: Mr. Vice-President, thank you very much once again. This is the first time that I have spoken in this honourable Chamber and it would seem that I have caused—

Hon. Senator: No.

Sen. G. Merhair: No, that is not the first time that I have spoken, hon. Minister, it is the first time that I have had to be interrupted so many times. I do not know if that is a good thing or a bad thing.

I understand what the hon. Minister of Local Government is saying, but from the Bill again, this is not what we are getting. I am getting that the hon. Minister of Public Utilities—I know that he has to pay, but what we are also getting is that he has to approve.

Sen. Rahman: Yes. [*Desk thumping*] That is the point. Well said.

Sen. G. Merhair: This is my point. Mr. Vice-President, as I make my last point, I must say that the Prime Minister's National Street Lighting Programme has been a tremendous success, but continuing to sidestep established bodies in the provision of goods and services is not the answer to our problems. I think that the answer to our problems is to bring all public officials into account in terms of transparency, accountability; get the system right; make the system work, and not transfer the problem from one area to another.

With that, I thank you.

Sen. Subhas Ramkhelawan: Thank you very much, Mr. Vice-President. When the hon. Minister of Public Utilities came to this Senate to introduce this Bill, he suggested that here is a place for intelligent discussion and debate. As you know, Mr. Vice-President, there is a flu going around the world and he may have brought that from some other place here, because I sense that the level of intelligent discussion and debate has fallen away somewhat. I am going to try to bring it back on course.

5.45 p.m.

My understanding of this Bill is that it seeks to change the basis, on the one hand, on which payments are made in respect of lighting—and my colleague called it, not lamps but luminaries. I want to address basically certain matters of governance and disclosure.

The first is, that the rearrangement of the deck chairs on *Titanic* did not resolve the whole question of whether it would sink or not. [*Interruption*] I do not wish to suggest that what we are doing here is in anyway going to fall apart, but I simply want to say that the rearrangement of the payments via some appropriation, such, which is then vested, if you will, in the hands of the hon. Minister of Public Utilities to make payment, I do not see it as something that is overbearing or burdensome. I think the point that has been raised here, that some recognition ought to be paid to, is that the Minister is doing more than just arranging payment. It is that the Minister will have to approve, and one questions whether in terms of the governance of the whole situation, whether the approval should remain somewhere in the hands of the Minister of Local Government and that the payment should remain or should be concentrated—if you will—in the hands of the Minister of Public Utilities.

T&TEC (Amdt.) Bill
[SEN. RAMKHELAWAN]

Tuesday, May 05, 2009

The legislation, as I understand it, the amendments do not seem to make that very clear. If it does not make it very clear and that seems to be flowing through this honourable Senate, then all we need to do is to make it very clear. All we need to do is to clarify the piece of legislation, if that is the offending clause, and then we can move on. So I would suggest to the hon. Minister that he give some consideration in collaboration with his hon. colleague, the Minister of Local Government so that we can get clarity and move beyond this.

The second point that I would like to make has to do with the question of appropriation. Now, it is my understanding that with other state enterprises—and this is not a state enterprise it is a statutory corporation—I have seen that payments are made via grants. It was the case—I think the last time we looked at it and raised it in this honourable Senate was in the case of CNMG where they were operating and capital grants given. I am just questioning whether it is actually necessary for you to have the legislation adjusted for an appropriation, or whether we can go through the similar and tried route of a grant and that can be properly reflected in the books of T&TEC.

The third issue that I have is the issue of disclosure and governance on the part of T&TEC. What we have seen is when we appropriate funds for the luminary programmes—I would like to call them—what is happening on the other side? There must be a requirement for T&TEC to ring-fence those grants or that appropriation that has been given for a specific purpose and account fully and directly for all of the expenditure that has been given, appropriated or granted for that purpose.

I have not seen anything in this amending Bill that is before us to suggest that there will be a clear and cogent connect between what is provided via an appropriation, what is received and a clear account of that appropriation, how it is going to be spent. When we talk about disclosure and when we talk about governance, which is one of the pillars of the 2020 programme, I think we have to move along that road to say, not only the giver, there must be clarity on the side of the giver, but there must also be clarity on the side of the recipient.

I take issue with the Minister of Public Utilities when he suggested that it may not be an infraction of any kind that T&TEC presents its accounts or that the accounts of T&TEC more particularly are presented in this Senate some 15/16 months after the accounts should have been settled. I think that is an aberration, especially since the Minister of Finance is asking the state enterprises under his charge to report and to provide audited financial statements within—three months, is it?

Sen. Browne: Four.

Sen. S. Ramkhelawan: Within four months, and we are allowing an institution that is the recipient, in my view, of much more funds to be lax and lackadaisical in terms of its presentation of the accounts. Now, T&TEC may not be the one to blame as far as this is concerned, because when I looked at the accounts for the year ended December 31, 2007, what I saw is that the accounts would have been signed off by the contracted auditors sometime in July. But there is a clear lacuna in terms of how long it has taken to come from the auditor to be tabled in this honourable Senate. And maybe in terms of governance, the responsibility, after it goes its route to the President and so on, remains with those who have to table it in this honourable Senate. If it is completed in July and it takes you until April to do that, what you are talking about is 10 months later after the accounts have been prepared and that is contrary to the whole notion of improvements in governance that the Government espouses.

So I want to caution the Government. I want to caution that if you say governance and if the hon. Minister introduced this Bill on the basis of better governance that you need to live it. You need to live it and you need to do the things that must be done, and 10 months after the audited accounts have been completed is far too long for tabling. If it is the responsibility of the Minister of Public Utilities to table it, I would say to him, you know, tighten up, tighten up a bit; get better corporate governance.

So as we are on the subject of T&TEC, in the early 1990s, I believe, we moved to separate generation from distribution and many years later, some 15 years later, I wonder whether we have gotten the benefits we thought we would have gotten by the separation of generation from distribution. When I looked at T&TEC's accounts what I saw is that as part of the purchasing agreement—the PPA—T&TEC supplies the gas to the generation processing company free of charge. Well, that is what they said.

Sen. Prof. Deosaran: Yes, tolling arrangement.

Sen. S. Ramkhelawan: At no charge. So, they have to pay for the gas and put it into the tolling arrangement and so on, and then the generation company sells back the power into the grid. I wonder whether we have gotten the kind of capital injections externally, injections which were anticipated with the separation; and I suggest not. But related to the point of T&TEC providing the gas, I question, when I look at the accounts, I see that T&TEC, and I wonder, are they paying their gas bills to NGC? *[Interruption]* Because I am seeing loans, at least in

T&TEC (Amdt.) Bill
[SEN. RAMKHELAWAN]

Tuesday, May 05, 2009

the 2007 accounts—if my memory serves me right—to the extent of \$470 million. Is T&TEC doing what it should do in terms of proper governance, first part of which, pay your bills on time? Pay your bills on time, that is part of proper corporate governance. Are they doing that?

I would certainly like in his winding up if the Minister of Public Utilities could shed some light, one, on the whole question of the efficacy of the separation of generation from distribution, and two, what is the situation that exists now in terms of T&TEC paying its bills on time as far as gas is concerned. So when we talk about the picture relating to governance and when we talk about disclosure and transparency as essential elements of governance, then we must carry the thing right through to its end, not talk piecemeal; a piece here and a piece there.

So in summary, I would say I think that the responsibility for approval of lighting should remain with the Minister of Local Government, that is as far as the local bodies are concerned. If the Minister of Public Utilities wants to take it upon himself to make payments—and I am being a bit facetious—after legislation is passed that is fine, but there must be a clear separation of the functions, the separation of the duties, the accountabilities and the responsibilities so that we have a proper channelling of the various responsibilities. I hope that the Government would take that into account, as it seeks to clarify, adjust and tweak, the draft legislation to ensure that it properly represents and does not misrepresent what is its best intention, for as we know the road to hell is paved with very good intentions.

Sen. Browne: Some of it is bad too. [*Laughter*]

Sen. S. Ramkhelawan: No, Sir. Before I forget, Mr. Vice-President—[*Laughter*]

Sen. Browne: Is that the good intention road that you are going down right now? [*Crosstalk and laughter*]

Sen. S. Ramkhelawan: Let me move on before I say some things that I might regret.

Sen. Browne: I only wanted to know if there is a good intention road.

Sen. S. Ramkhelawan: You know, my friend the hon. Minister in the Ministry of Finance is really a cunning linguist and he twists words and uses all kinds of words and so on, but I want to stay away from that. [*Crosstalk*] Leave that cunning linguist to himself. People might say that but I do not believe it. [*Crosstalk and laughter*]

Pension funds—I think that my learned friend, Sen. Mark, spoke about the pension fund and commingling it with the operations and the performance of T&TEC. I think what is clear is that those funds are clearly separated and ring-fenced, so I do not think there will be much opportunity for that commingling, if you will. I just wanted to clarify that they are run separately, they are managed separately, so I do not think you need to worry too much as far as that is concerned.

So, I close by asking again of the Government that it look very carefully at some of the points to ensure that there is clarity, not in terms of the legislation but to give support to the good governance that we all aspire to.

I thank you, Mr. Vice-President.

6.00 p.m.

The Minister of Trade and Industry and the Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne): Thank you, Mr. Vice-President. Street lighting accounts for 2 per cent of the total demand for electricity. The total demand for electricity was 1,181 megawatts in 2008 and street lighting accounted for 2 per cent of it. It is projected in the year 2020 that demand will increase by approximately 120 per cent and the total demand will account for 2,461 megawatts. Street lighting will still remain at approximately 2 per cent. So in other words, the street lighting we are talking about, accounts for approximately a very small percentage of the total demand for T&TEC.

I think the Act also makes the point that it is a standard axiom that essentially, organizations must be able to stand on their feet and must be able to generate the revenue that allows them to undertake the capital expenditure moving forward. Alternatively, where those capital expenditures are not justified on the basis of revenue formulation, somebody else must stand in those shoes. I think at the time when this Act was first proclaimed in 1945, there was the intention on the part of its framers to ensure that T&TEC remained an organization which generated sufficient revenues in order to undertake its capital expenditure. Section 22 of that Act, therefore, only allowed the Government of the day—and even though there were many subsequent amendments over the years, essentially, section 22 retained its existing form and allowed borrowing by advances from the Government. In other words, the organization could only borrow and the Government could only inject money by way of loans. Not by way of capital, but by way of loans. Section 22 goes on to set that out:

"(1) The Commission may borrow by way of advances from the Government such sums as may be necessary for carrying out its functions...but notice of any...given to Parliament.

- (2) For the purpose of making approved advances...the Minister of Finance may authorize advances out of the proceeds of any loan raised for the purpose or out of the reserve fund, revenues or surplus balances of Trinidad and Tobago."

Sen. Seetahal SC: Can I interrupt you? That last part there, you just said that it is only through loans. But I was looking at the Act and it says "or reserve fund, revenues or surplus balances", would that not be under the general finances of the country? What does it mean then?

Sen. The Hon. M. Browne: It says very specifically, "or any loan raised for the purpose or out of the reserve fund, revenues or surplus balances". Surplus balance is the Consolidated Fund, and the Consolidated Fund can be used to pay debt, not to pay directly to T&TEC. So again, it means that it is ring-fenced and you could only advance money by way of loan.

So an organization would find itself in a situation undertaking capital expenditure, but with generating over time, a continuously growing debt with no prospect of repayment, unless of course, the revenues were to be able to do that. Also, pending the raising of any such loan, the other paragraph goes on to say, "any such loan". Since you could only use the Consolidated Fund to pay down debt, by definition, you could only borrow money for that purpose. So it is loans.

Sen. Seetahal SC: It would not be a separate access then? Through you, Mr. Vice-President, you would be saying it is a loan from the Consolidated Fund because when I looked at it on the first reading, it did not appear so. It appeared that that was a separate access. You had the loan, then you had the revenues and you had the surpluses, but if you are saying that because subsection (3) says "in that loan", then that means that, I guess you know what you are talking about, given the fact that you all are operating—

Sen. The Hon. M. Browne: Yes. So in other words it says debt financing. The Government can in fact provide debt financing. So we end up with a situation where what we will have is continuously over time, debt financing. So the company essentially would develop an unrepayable loan over time. It goes on, especially subsection (4):

"The repayment of any such advances and the payment of interest thereon shall be made by the Commission in the same manner as other borrowings by the Commission, subject to any special terms and conditions which may be stipulated with respect to any such advance by the Minister of Finance upon the making thereof."

So, essentially we have a situation where you can inject funds by way of loans and that is it. So we have a situation where essentially, T&TEC undertakes development if you want, of not merely generating capacity—well, no generating capacity anymore, but if you want capital expenditures for which it would not be able to, in a sense, pay for. So, how do we find a way around that? This is the purpose of this Bill, and that is the reason for the addition of subsection 22A:

"The commission may receive such sums as may be appropriated by Parliament for the purpose of providing services in the public interest and in accordance with public policy considerations."

What are the public policy considerations? Essentially, to put street lighting in position and to undertake those types of expenditures which ordinarily the commission would not do because it would not be cost justified on its own. So the purpose of this Bill is in fact twofold, and we will debate the local government aspects when we come to deal with the business of local government and local government reform.

- (1) An agreement to allow T&TEC to receive money—this is its purpose—by way of subvention from the Government of the Republic of Trinidad and Tobago for the purpose of providing services in the public interest and in accordance with public policy considerations as approved by Cabinet—that is the purpose.
- (2) An agreement to allow one agency of government to make payments—the agency of the government in this particular instance is the Minister of Public Utilities—directly to T&TEC for such amounts due and owing for the provision of public lamps. Approximately 2 per cent of the generating capacity we are talking about.

Now, Sen. Mark also spoke disparagingly of the success or capacity on T&TEC, and he spoke in particular about T&TEC's pension plan. I am not certain where he got his information from, but inasmuch as these accounts were laid in the House, I shall refer to the accounts then. I am so sorry Sen. Mark never is around when I am rebutting things that he has said.

Note IV of the financial statements—in fact, not even Note IV. Let us deal with employee benefits. Pension obligations—one of the longest notes—which has been changed under the international accounting standards and creates some of the biggest difficulties in terms of interpretation. But it has the benefit of bringing to the public's eye, exactly where we stand with regard to public

T&TEC (Amdt.) Bill
[SEN. THE HON. M. BROWNE]

Tuesday, May 05, 2009

liabilities, liabilities which are due to third parties. In this particular instance, the individual stakeholders, the employees of the corporation. What do the accounting rules as published in this financial statement say?

"All the Commission's full-time employees are members of the Trinidad and Tobago Electricity Pension Plan, a defined benefit pension plan..."

In other words, it defines the benefit to be paid to members. The liability falls on the organization, T&TEC to pay it.

"the assets of which are invested via a separate trust administered by an independent Trustee.

The pension...is funded by payments from employees and the Commission..."

As at this date—and if you go to Note IV, on page 19 of the financial statements, it sets out plan assets at the end of the year 2007, somewhere in the region of \$2.7 billion and it also talks about the net defined asset. In other words, the plan is in surplus, not deficit. It is in surplus and it is right here in the notes to the financial statement which are published and present in this House. The net defined asset is after allowing for fair value of future plan assets on all defined benefit obligations, it leaves a surplus of approximately \$1.4 billion. If one then subtracted—assume you are in a worst case situation, let us take out all the unutilizable assets, you still end up with a surplus just under \$308 million.

So the assets of this particular plan are well-structured, well-funded and managed independently. So this plan is not in deficit, this plan is not in problems and the asset base of the fund, as we speak, is \$3.6 billion. So, that nonsense that was said with respect to the plan being in deficit is wrong, and a patent misinformation and misleading.

The asset recognized in the balance sheet in respect of the defined benefit plan, is the present value of the defined present obligation at the balance sheet date, less the fair value of plan assets together with adjustments for unrecognized actuarial gains and losses and past service costs. The asset is calculated annually by independent actuaries using the projected unit credit method. Actually, it is the longest note in the financial statements which takes up a page and a half to talk about what the valuation of the assets are and it turns out that 2006 was the last valuation, and the plan was in surplus at that particular point in time.

So let us dispense with that idea that T&TEC's plan is in deficit and that the employees have a problem. Let us start off by kicking that out the window.
[*Interruption*]

Sen. Mark: You feel you working Butterfield. You are in Parliament, you know. You feel you still working in the private sector.

Sen. The Hon. M. Browne: You have a problem with that?

Sen. Mark: You are disrespectful.

Sen. The Hon. M. Browne: Well, at least you could give proper information when you are coming here, especially since the information is laid in the House. At least you could deal with the Notes.

So, Mr. Vice-President, we also look at the financial statements of T&TEC. Let us deal with the assets of T&TEC. At the end of 2005, the total assets of T&TEC were just about \$4.2 billion. At the end of 2007, it was \$6.5 billion. Between 2005, in other words, we added approximately \$2.3 billion in assets. The non-current assets grew from \$3.3 billion to \$4.9 billion, a net increase of approximately \$1.7 billion. That really represents the real growth in the balance sheet, the total assets moving from \$4.2 billion to \$6.5 billion.

Now, it is interesting to note that Sen. Mark referred to a publicly quoted, and therefore, a foreign utility company that raises its money and operates in the private sector. T&TEC does not operate in the private sector in the same fashion as the entity that he quoted. So the financial asset ratios are going to be different. By definition it must be because that company raises its money in the financial market and operates independently. So its ratio alignment is going to be completely separate, and it is not subject to public policy in the same fashion in which this entity is subject to public policy. T&TEC is a true utility.

In fact, we have only one electricity company in Trinidad and Tobago. So by definition, T&TEC is subject to public policy direction and on that basis therefore, we need to be minded about how—and that is one of the reasons by the Act was worded in this particular fashion—to ensure that the revenue of the country was not used in a narrow interest.

That was one of the reasons the Act was written that way. Now, when we are talking about making certain decisions and moving forward, we have to find a way to pay for services which the Act did not contemplate at that time and hence the reason for the adjustments as I pointed out earlier. Far from taking away the authority of the local government organizations, the fundamental issue is that the local government bodies, while they request services, do not pay for them. They take the money and use it for something else—that is the reality—and we find ourselves in a situation that unpaid balances amount to approximately \$72 million as at April 2009.

The majority of that expenditure took place in the four months to this date. Before, it was roughly 50/50 over the previous three years, and much of it taking place in the latter part. The bottom line is that the local government organizations or the regional corporations do not pay the bill. That is the reality. They do not pay it even after they get the funds. That is the reality. So we are looking at a situation to put the company back into funds. We are talking and we are going to deal with the issue of local government reform and we will deal with that down the road, when the local government Bill is brought, and they are working on it as we speak.

Looking at the financial position of T&TEC, we have growth in T&TEC of approximately \$2.3 billion between 2005 and today's date, much of it in terms what we call "non-current assets". What are non-current assets? Property, plant and equipment. What are property, plant and equipment? Precisely those infrastructural items which are required to keep our communities, to put them into light, to develop new communities.

That is financed, in the first instance, by approximately \$571 million provided by way of reserves, and the reserves are at Note IX. Let us look at what Note IX says:

"This balance represents refundamental capital contributions made by customers towards the cost of installing sub-transmission and distribution facilities."

Well, if you are going to be doing a lot of housing developments over time, then by definition you have to build capacities to be able to put lights in those developments and somebody has to pay for it. So, these represent the capital contributions towards that exercise.

Unfortunately, those capital contributions are only a fraction of the total cost that has been undertaken over time and we are talking about, effectively, \$1.7 billion in terms of property, plant and equipment. That really reflects the fact that T&TEC has been undertaking public policy, in a sense, public policy expenditures which have to be refunded, which have to be paid for, and they have to be paid for by some entity. The entity in this particular instance that looks after public policy is Government.

6.15 p.m.

Where should the agency of that Government lie, should it be local government or public utilities? At the end of the day the Minister of Public Utilities is responsible for T&TEC, so the idea is inasmuch as he has the oversight responsibilities and oversight requirements, the Ministry of Local Government

will do what it has to do but at the end of the day the liability is going to end up with the Ministry of Public Utilities. That is the reality. That is what the Bill is about, it is about recognizing a liability and creating a way to fund the capital costs that are incurred over time and it has to be paid for.

I think Sen. Ramkhelawan got it right. At the end of the day, T&TEC is not paying its bills on time because inasmuch as Government is not paying it back, it does not pay its purchases of gas. So T&TEC is in fact funded by central government but indirectly, it is in fact funded by way of a creditor that supplies gas for which it is not paid. That is what Sen. Ramkhelawan picked up in the accounts and that is exactly how it takes place. So what we are doing in a sense, is making the Minister of Public Utilities responsible for paying T&TEC back for the public policy consideration, for the capital expenditures, so that Trinidadians and Tobagonians can have lights in their homes on a daily basis.

That is not to take power away from the regional corporations; that is not what it is intended to do; the intention is to find a mechanism so that T&TEC can be paid for undertaking the capital works that it has done to ensure that there is rural electrification and lighting in every community. That is the reality. [*Desk thumping*] That is what we are dealing with here and that is the intent of this Bill in short order.

So quite apart from the fact of saying that T&TEC is bankrupt—which is the word that Sen. Mark used—the bottom line is that it has financed its expenditure judiciously by relying on its creditors, in this particular instance, one creditor which is owned by the State, the National Gas Corporation. So effectively, we have had an unofficial loan in the order of approximately \$1.6 billion by NGC to T&TEC. That is the reality of this.

With respect to the issue of corporate disclosure and getting the financial statements here on time, well, the biggest room is room for improvement. Let us accept that. The bottom line is that these financial statements were signed off in July 2008—and yes, they took too long to get here. The financial statements have to go through a due diligence review, they have to report to this, they have to report to that and they also have to go through the RIC and a number of other issues.

How has T&TEC performed financially over the last couple of years? It made a small loss in 2005. Why did it make a small loss in 2005? It made a small deficit in operation of approximately \$4 million. It made a small loss in operations as well in the amount of \$2.1 million in 2006. In 2007 what did it do? It changed its rate structure which change was implemented in 2007 and moved from a loss

T&TEC (Amdt.) Bill
[SEN. THE HON. M. BROWNE]

Tuesday, May 05, 2009

of \$2.1 million to a profit of \$275 million and this was partly how it was able to finance part of its growth. At the end of the day, growth has to be financed; losses are to be financed as well. So T&TEC generated a substantial growth and paid for the infrastructure development but only a small fraction not all of it. One-fifth of what was required was in fact financed by way of its profit.

The losses we are looking at historically over time—and we talked about generating capacity—I think it is also a point that had been missed in some of the commentary made on the other side, that T&TEC is actually a 51 per cent owner of the generating company. So, 51 per cent of whatever profit is made in that company is for the benefit of T&TEC. In looking at the financial statements one will see that that amounted to \$112 million in 2005 and \$114 million in 2006, and it fell in 2007 to \$96 million.

So quite apart from the generating capacity—and part of the reason for generating capacity is that T&TEC in a sense has ensured that the operating and maintenance costs are borne by a third party which has the capacity to handle that and T&TEC has concentrated on what it is good at, distribution. That is what it is supposed to be good at and that is what it has concentrated on and allowed somebody else that is strong in the business of maintenance, that has the capacity for maintaining equipment, to be able to handle the actual power generation. That matter will be dealt with at a later stage of the game because when we are looking down the road at increasing TT's generating capacity we are going to look to do the same thing. That is what is called power purchase agreements; they are part of what we call public private partnerships (ppps).

That is by definition what we have to undertake when we think of the considerable infrastructural requirements that have to be undertaken in this country to bring us into a modern operating society, public private partnerships. That is going to be true of water; well it has to be considered in terms of how we finance the expansions—which are pretty expensive—in terms of additional electricity generating capacity. We have to double our generating capacity by a total of 120 per cent between now and the year 2020. There is one project in position as we speak and we are undertaking that and we are also looking for a public private partnership in terms of undertaking that particular exercise.

Sen. Mark: [*Inaudible*] the report.

Sen. The Hon. M. Browne: The Report of the Central Audit. An interim report of the central audit was done, for your information on a UNC-appointed chairman and we did not discriminate or throw our weight. The final report will

be completed next week and it will be submitted to the Minister who will take the necessary action. You do not go anywhere until you have evidence of certain actions and you can only take action on the basis of the evidence that you have. So at the moment we are finalizing the report, it will be submitted and the relevant action will be taken when the report is finalized, if I may speak in that regard.

Clause 5 will amend section 50 of the Act simply to provide the Minister of Public Utilities to give a written approval where a request is made by the local authority for the supply of public lamps. I made the point that it is not a substantial part of the cost generation.

With respect to the issues with regard to local government, the methodologies remain as they are at the moment. No change has been done in that regard. This Bill is simply to provide a mechanism to allow the Minister of Public Utilities to accept the liability because as it stands, the Act has no such capacity. So the Act is being amended to allow the liability to vest, or in a sense to attach to the Minister of Public Utilities so he can, in fact, make an appropriation in terms of the next budget speech to be able to undertake the expenditures required to put T&TEC back in funds so it can do what it is supposed to do and to meet its liabilities to third parties.

Sen. Mark: It is bit convoluted.

Sen. The Hon. M. Browne: Unfortunately, that was how the Act was written in 1945. I cannot do anything about how it was written in 1945, so an amendment has to be done now to address what was done in 1945. And this has arisen now as we speak, precisely because we have expanded, we have done rural electrification and we have tried to bring electricity to all the communities that did not have it previously for all the reasons that we want: to ensure that we stop crime; to ensure that people—

When you pass all the various grounds in all the constituencies—Opposition as well as PNM constituencies—you see people playing football and doing all kinds of stuff up to 9.00, 10 o'clock at night especially when you consider the difficulties in terms of the transportation system. It is in fact extending the concept of a community, and that is what that programme has done, so now we have to find a way to pay for it. That is all.

Sen. Mark: So that is good management?

Sen. The Hon. M. Browne: We found a way to pay for it yes, and T&TEC found a way to pay for it too, it relied upon a creditor. [*Crosstalk*] As you know, Senator—[*Interruption*]

Sen. Joseph: “Don’t take him on, leave him alone.” As usual, he is always off the mark. Leave him alone.

Sen. The Hon. M. Browne: He is off the mark, he is misnamed. So that shine I saw on his head is a reflection.

Sen. Joseph: Yes, he is always off the mark.

Sen. The Hon. M. Browne: Sorry, Mr. Vice-President, I was moving in the wrong direction. I was actually trying to take on Sen. Mark.

Sen. Joseph: “Yes, doh take him on.”

Sen. The Hon. M. Browne So the purpose of this amendment is to give the Minister the capacity to pay in a situation in which he has not, and furthermore, I think it is also important to make reference—and I think Sen. Ali did. It is clear that there are a number of infrastructural developments which are required by T&TEC in the near future. It has a substantial number of projects it has to undertake and in fact, it has started.

Street lighting on the South Bypass; the Lady Young Road; street lighting upgrades; Churchill Roosevelt Highway; Sir Solomon Hochoy Highway; the national street-lighting programme; the rural electrification programme; street lighting and electrification; the upgrade in network to supply the industrial plants; the extension of the 132 kilovolt system in the south to establish Reform Union Estate and Chatham; Wallerfield; Pinto Road Extension and other series of Government projects that added up to a total of approximately \$1.7. That is the infrastructural work that was done.

How did T&TEC find the resources to be able to do so? I want to add that when the RIC looked at what T&TEC was undertaking and in order to ensure—because that is what the Regulated Industries Commission does. It is trying to make certain that the organization functions in a way that the public good is maximized and that it is properly funded so we do not have an organization in a sense which falls down on the job.

They have identified a number of projects which they indicated should be funded by the Government as this would benefit not only a targeted customer industry and that such projects should have no impact on the prices faced by network users that have already been excluded from T&TEC’s capital building block. The Regulated Industries Commission said that. So by definition therefore, if T&TEC is undertaking certain work, the RIC has said, an independent third party institution mandates that the capital expenditure to be undertaken by T&TEC

should be funded by the Government, must be paid for by the Government and the Act as written, did not have a mechanism to allow that to take place. That is the purpose of the amendment to the Act, to allow it to do what the RIC has said it should do, to pay for the capital expenditures.

It went on to say that these projects should be totally ring-fenced. In other words, that the public, the individual entities, the corporations ought not to expend any moneys to pay for those projects. So how do you do it? The Act says you can only give money to T&TEC if you lend it money, if you give it loans. If you give it loans, by definition you presume that it has some terms of repayment and some sort of interest repayment or debt burden. So the bottom line is that you have to find a methodology to put moneys into the hands of T&TEC in a fashion which does not—

ADJOURNMENT

The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill): Mr. Vice-President, I beg to move that the Senate do now adjourn to Tuesday, May 12 at 10.00 a.m. to debate the Integrity in Public Life (Amdt.) Bill.

I wish to apologize to my good friend Sen. Mark who expressed some concern about the urgency of this matter, and of course, Sen. Prof. Deosaran. It was only intended because this issue is currently one which should be completed as quickly as possible to give the commissioners work to do and so it is my intention that we adjourn to May 12 at 10.00 a.m. to discuss the Integrity in Public Life (Amdt.) Bill to completion.

6.30 p.m.

Mr. Vice-President: Leave has been granted for two matters to be raised on the Motion for the Adjournment of the Senate; one by Sen. Dr. Nanan and one by Sen. Mark.

Primary School Curriculum (Stifling and Overloading to Students)

Sen. Dr. Adesh Nanan: Mr. Vice-President, under the PNM administration the creativity of our primary school population is being stifled by an overloading of the primary school curriculum. Primary school children are suffering from mental fatigue under this PNM administration. By the time the children have been taught to understand one subject, the teacher is already introducing a new one. As the curriculum has been overloaded, teachers have been force-feeding students material that is irrelevant to their needs and interests.

Primary School Curriculum
[SEN. DR. NANAN]

Tuesday, May 05, 2009

When creating the curriculum, the Government should have considered implementation at the classroom level. Students are being stressed out and are going into depression. School, especially primary school, is horrible. I call upon the Government this evening to evaluate educational practices at the school level to ensure that it does not violate the purposes of education as mandated by law. Education should be a joy, not a burden.

I want to draw an example coming from the Social Studies syllabus. It is the Social Studies Draft Primary School Syllabus, September 2002. It deals with recognizing the Caribbean Sea as the main linking factor of the Caribbean islands. The pupils would be able to do that. But the questions that are coming, especially—and I want to talk of this particular situation that is developing within the primary school system, that is national testing, because we have a new private enterprise that is mushrooming in this country with national tests and answers to national tests, and parents are scrambling all over the country to get their hands on these answer booklets.

The questions that are being asked are not simple questions for these students at the primary schools. The questions are being asked in such a way that they must memorize. We are going back to the days of memorization and recall. The days of creative thinking and analytical thinking are things of the past under the present PNM administration.

I want to tell you, Minister in the Ministry of Finance, Sen. Mariano Browne, that I, as Minister of Education was the head of the task force dealing with review of the primary schools curriculum. It was for this very fact that we ensured, under the director of curriculum development at the time, Mr. Lloyd Pujadas, that this would not have taken place. It has infiltrated the primary school curriculum again and these students are being overloaded.

It is very difficult for teachers in this country at the primary school level to finish this curriculum. If you take an analysis at this point in time, teachers are rushing through the primary school syllabus to finish and the students are at a disadvantage. If you survey the primary school population, you will see strata developing where you have those who are gifted and are moving forward are going at a rapid rate, and because of the overloading of the curriculum, the children who are weaker in terms of being able to grasp these concepts, are being left behind. So we have a situation in the primary schools where we are heading towards a dropout level at the secondary schools.

As I go to the secondary schools, the syllabus for Forms 1 and 2—and the former Minister of Education, the current Minister of Local Government, talks about a streamline process.

Sen. Manning: Seamless.

Sen. Dr. A. Nanan: What we are having is repetition in Forms 1 and 2, especially in Geography and History, with the primary school students. These poor primary school students are being asked to answer questions like: they have to know all the islands in the Lesser Antilles. Why is that of importance to these primary school students? They have to know all the Greater Antilles; they have to know all the islands in the Virgin Islands, over 300. That is how the questions are being framed. That is the kind of burden that is being placed on the primary school students. And you look surprised. Why do you look surprised?

The students are being hounded day and night, trying to get the work done. Homework is a burden now in this country! The children are being stifled! Their creative ability is being suppressed by the PNM administration and it is my right as a Member of the Senate to point this out and implore the Government, for the benefit of the primary school students and the future generation in this country, to do something about this curriculum. It definitely cannot continue like that!

Somebody had that idea to take Geography and science, put them together in a syllabus and confuse everybody. There is no theme within the curriculum with the various subjects! There is no seamless transition. The Minister of Education needs to take a second look. Apparently there is some situation developing in that Ministry or the Ministry is on auto-pilot. Nobody is looking at the curriculum for the primary school students.

In fact, what we should be teaching these students at this time: where is Drama? Where is Music? Where is Art? These are three dying areas in this curriculum and I am sure you will agree with me, Minister of Energy and Energy Industries. You must agree with me. Our students are creative and their creative ability must be harnessed; it must not be stifled and suppressed. A syllabus must be designed in such a way to bring out the creativity of our pupils.

Sen. Dr. Kernahan: They want robots.

Sen. Dr. A. Nanan: Exactly. Why must we have robots? Why are we going into the days of memorization? Why must our students have to memorize dates? Why is it necessary for the students in this country to know all the Members of Parliament? Why is that necessary? Those are variables. As the Government

changes, these things change. Deal with constants! Why is that necessary? Why must they know all the dates? Why is this thing in the syllabus? These children have to memorize all these things on a daily basis.

This particular situation cannot continue; it must not continue. The Minister of Education must take stock. It is in the Education Act. You cannot have these children being railroaded into a curriculum that is sending them to the dustbins of society! These children will be dropouts at secondary school. Whether you build all the secondary schools and have universal transition, these children will not make it!

Where is the tracking system for the primary school students? The national test results have not been released by the Ministry of Education. It is a big secret! The children cannot be tracked. There is no tracking mechanism. Children are being left by the wayside in these schools and the Minister of Education is doing nothing about it. It is my duty to make an observation here in the Senate, to plead, to help those primary school students.

We must take an interest; we must ensure that what they are being taught is relevant. It must be interesting; it must be fun. Education must be a joy. It should not be where students are now saying: "School is horrible. I do not even want to go back there" because they are being drilled into a curriculum that has no value in terms of how they are going to progress. It really affects me when I see the primary school curriculum that these children have to endure. This is unbelievable, that at this particular time when these children should be learning about their own country, you have them learning about the countries of the Caribbean and the globe.

Why are you teaching them latitude and longitude? You are teaching them latitude and longitude without even teaching them the rotation of the earth! The children have to know Greenwich Meridian; they have to know all those time zones; the arctic zone; the frigid zone; things that they are learning in secondary schools. What are you killing these poor students with? Even in technology, they are being left behind. Compare our curriculum to the Canadian system. Look at the Canadian system; look at our curriculum. We are driving our students to hell!

You must take note. We have computerized our primary schools, but yet these students cannot use computers for any projects in the primary schools. They must never use these things. Creative writing is being stifled. Mathematics and English have fallen by the wayside because these students are competing at the Geography and History level. That should never happen! Then we complain about the failure in Mathematics and English at the higher levels. It is unconstitutional for that to

happen. Somebody will bring an action against the Minister of Education for infringing on the rights of these children at primary school. It must be done! That is the only way the Government will take stock of that particular situation in our primary schools.

It is totally unsatisfactory. We cannot tolerate that. We should never do it. Our children should be able to utilize English. What about Public Speaking? They do not have time for that. How are we going about that? Physical Education; all different aspects; those children are being stifled. It is totally against the trend of the United National Congress. We ensured that the primary school curriculum was structured in such a way that the students would be able to move forward at a pace that would take care of all of them. But now we are in a situation where those who are able to go forward will go forward. And do you know what is going to happen? The bright ones will remain at the front of the class and those who are not able will be put behind. That is the situation that the PNM is overlooking. That is the kind of situation that is developing in our primary schools. Nobody is paying attention and it is my duty to bring it to the attention of the Parliament and the community as a whole, with respect to this situation. If the Minister of Education wants help, she can ask Mr. Lloyd Pujadas. He is willing to help you in the development of curriculum, because he did a great job in the Ministry of Education when he was the director of curriculum development.

I thank you, Mr. Vice-President. [*Desk thumping*]

The Minister of Education (Hon. Esther Le Gendre): Thank you very much, hon. Sen. Dr. Adesh Nanan. Clearly the task before us this evening is four-fold. We need to get back to basics so that we can all be talking about the same thing: what is the curriculum; what is its purpose; how the curriculum is developed and I believe what you are most concerned about is, how do we ensure that it is fit for purpose, for national purpose as well as an international purpose.

The primary school curriculum generally is defined as the course of work that is followed by students in the primary schools. In Trinidad and Tobago the school curriculum is shaped by the educational policies of the Government of Trinidad and Tobago and through it, of course, the executing agent is the Ministry of Education. It also looks at the country's needs as well as the needs of the children who are being taught, using international research and what we would like to think of as current best practices.

The concept of the curriculum is generally held to include content, standards, objectives, instructional strategies, evaluation methods. In 1994, the Government

Primary School Curriculum
[HON. E. LE GENDRE]

Tuesday, May 05, 2009

of Trinidad and Tobago, together with the IDB, financed a basic education project to improve education at the primary school level and in 2002 the Minister of Education at that time, undertook the reviewing of the primary school curriculum.

The education plan produced as a result, focused on an outcomes-based education and it was grounded in the perspective of Vision 2020. To this end, the vision emerged of building capacity in our school system and the product of which is described as united, resilient, productive, innovative, as well as healthy, happy and well-educated students. So at least we agree on one thing: that school should be fun. At the end of the day we want to produce citizens who are capable of taking their place in the world.

6.45 p.m.

At that time the Cabinet was asked to agree to certain requests. The major thread underlying all the Minutes, 1278 of 2002; 230 of 2004; 3363 of 2006 was to set up a self-reviewing, high quality seamless education system which would be characterized by certain values as equity, effectiveness and articulation which should be barrier free.

In order to implement such a transformational project that would start from early childhood and go through the system, huge amounts of capital and recurrent expenditure were needed. As such, we entered into an arrangement with the International Development Bank (IDB) for assistance to create the seamless education system, that you mentioned a while ago, so we could produce global leaders. The key point of the philosophy underlying curriculum development process was that pupils at primary level are typical of Piaget's intellectual development stages. They move from the sensory-motor stage of behaviour to the stages of formal thinking. In this process, they build meaning through learning experiences so as to acquire certain skills.

The curriculum outcomes therefore envisage a series of subjects that will produce such learning experiences so that we could obtain certain predetermined skills essential to nation building and global citizenship. The subjects selected as a result were linked to core skills, foundation skills and a criterion reference curriculum which spelt out the desirable achievements at each level of primary schooling. To remind Sen. Dr. Nanan, because he seems to be a bit confused about what is exactly offered at the primary school curriculum, it is all the subjects that you want. These are Language Arts, Mathematics, Science and Social Studies, core subjects. The foundation subjects are the ones that you are interested in as Art, Music, Physical Education; technical and vocational subjects such as Home Economics, Agri Science and of course, Spanish, the first foreign language of Trinidad and Tobago.

The development of criteria to ensure the quality of the curriculum was done using international benchmarking as agreed upon with the International Development Bank. Skills at each level of the curriculum were defined and a so-called spiral design was applied to ensure that in each subject area, these skills were developed at the level of infants, juniors and seniors. This spiral curriculum design was selected so that each concept and relevant topic introduced could be further expanded, as students move from one level to the other.

The learning styles and rates of pupils were considered in the introduction of instructional and assessment methodologies. Thus, a constructivist orientation in which a hierarchy of skills and concepts were built by the students with the approach selected. Mathematics, for example, addressed deficiencies in certain concepts. This constructivist approach allows pupils to develop logical thinking; spotting patterns and posing premises.

I am told that constructivism is both a cognitive and a methodological perspective. Activities and a curriculum are so organized as to allow the pupil to connect the known to the unknown and in so doing, construct new concepts and processes.

Science addresses such matters as scientific processes; creative problem solving; investigative techniques; measurements and observation. You see, Sen. Dr. Nanan, we are not so far apart. It is just our understanding about what is happening.

English Language goes further in developing communication as the major learning outcome by integrating reading and language in one curriculum that is Language Arts. This curriculum process of development also supported direct interaction with the environment and was also another pillar for developing the primary schools curriculum. Hence, the foundation subjects such as Art, Music, Physical Education and the technical and vocational areas were introduced so that exposure to multiple forms of representation, models, diagrams through which people develop an enriched understanding of concepts and technology. The provision of connections between pupils' existing ideas and experiences in these foundation fields allowed for the addition of higher levels of skill, as pupils progressed from infancy to Standard 5.

The curriculum that finally emerged consisted of this spiral design using the approach that I mentioned before and was criterion referenced to control quality. It was presented in core testing subject areas as Maths, English, Science, Social Studies and included foundation areas as the ones I mentioned before and Spanish as we move to a more global approach and regional integration.

In the case of Social Studies, some schools have opted to introduce History and Geography, since these two subjects are component parts of the Social Studies syllabus. They are not separate subjects.

It should be noted that at the primary level subjects are often presented in themes and projects. On the face of it, 10 subject areas are presented, yet, in practice many of the areas may be delivered in a single or joint lessons. Aspects of Maths may be combined with Physical Education exercises and Language Arts may be infused over a range of subjects.

Social Studies might expose pupils to citizenship behaviour, Agri Science and Home Economics may support particular skill development. Music would be used to stabilize the emotional intelligences.

To ensure the sustainability of this new curriculum a quality assurance unit was set up and is already setting the framework for certain reporting mechanisms and structures. The corporate plan of the Ministry of Education, 2008/2012 has outlined the deliverable annually for this major project which is moving pupils from a 20th Century instruction that you and I might be more familiar with to a 21st Century product. This equity-based and forward-looking curriculum is linked to six essential learning outcomes which are in place at Forms 1 to 3 in secondary schools. Perhaps this is the link that you have seen. There is a link between the primary school and the secondary school. There is also a backward link to the ECCE level.

The threading of these subjects you think might be repetitious in various areas. At the primary school level the building blocks are laid and at the secondary school level, the teachers use their skills to build on what is seeded at the primary school level. This ensures that Trinidad and Tobago can produce a knowledgeable, talented and future workforce. We have introduced international benchmarking in our primary schools. The programme allows us to measure our performance against that of countries we consider to be developed countries. Our assessment practices also follow international norms. You mentioned the national testing. We allow for continuous assessment of student portfolios using self-evaluation instruments.

The Vision 2020 agenda has categorically affirmed that the people of Trinidad and Tobago will be known for excellence in innovation. Our primary schools' curricula are about the citizens of the future. These curricula reforms with learning outcomes measure literacy and all its ramifications in health, reading, et cetera. Competence in technology and good citizenship attitudes are aimed at a

21st Century citizen and were formed by consultation with major stakeholders. It is the vision of excellence in education grounded by equity of distribution of the Government and the ministry which currently informs the development and the roll-out of the current primary schools' curriculum.

Thank you.

Heritage and Stabilisation Fund (Status of)

Sen. Wade Mark: Mr. Vice-President, my matter on the Motion on the Adjournment addresses the issue of the current status of the Heritage and Stabilisation Fund. As you are aware, this particular fund was established by Act No. 6 of 2007 and with effect from March 15, 2007, it was established for the purpose of saving and investing surplus petroleum revenues derived from production business, in order to cushion the impact on or sustain public expenditure capacity during periods of revenue downturn, whether caused by fall in prices of crude oil or natural gas.

It was also designed to generate an alternate stream of income so as to support public expenditure capacity, as a result of revenue downturn caused by the depletion of non-renewable petroleum resources. Finally, it is supposed to provide a heritage for future generations of citizens of Trinidad and Tobago from savings and investment income derived from the excess petroleum revenues.

There are some challenges we are faced with as it concerns this particular fund. The time has come for us to review this board and its non-independence. There are certain elements or personalities on this board—I do not want to get into names, but they are cause for some worry. Apart from the Governor of the Central Bank with whom I have no problems and Miss Allyson Lewis who represents the Ministry of Finance, I do have problems, however, with the chairman, Marlon Holder about whom I will have more to say when I bring a motion on Unit Trust Corporation and what is happening with him at Unit Trust Corporation. *[Interruption]* Samuel Martin is the chairman. There is a chap called Marlon Holder who is a member and another chap called William Lucie-Smith.

Hon. Senator: He resigned.

Sen. W. Mark: I do not know if he resigned, but this is the latest report I have and his name is here; William Lucie-Smith.

This quorum along with the constitution and composition of the board is an area about which we have some concern. The latest information we have at the end of February 2009, is that the balance in the Heritage and Stabilisation Fund

Heritage and Stabilisation Fund
[SEN. MARK]

Tuesday, May 05, 2009

amounted to about US \$3 billion. That is what we have learnt from the information that we have gathered. There has been a failure on the part of this PNM Government to aggressively save from the energy windfall, unlike countries like Qatar that began a sovereign wealth fund in 2006 and by the end of 2008, had saved US \$65 billion.

7.00 p.m.

I also want to bring to your attention, without any disturbance from the other side, especially that lady called planning and development—[*Interruption*]

Hon. Senator: Minister.

Sen. W. Mark: The Minister or whatever she is; talking a lot of nonsense here. [*Continuous crosstalk*] Mr. Vice-President, I withdraw. I would deal with Qatar. I want to refer to Chile in an article by Gregory McGuire on page 4 of the *Trinidad and Tobago Review*. It states that in Chile, the Minister of Finance is more concerned about savings rather than what we have here, spending and splurge. What they did, when copper prices went up between 2006 and 2008, is that the Minister steadfastly resisted the temptation to spend the windfall revenues so earned. By the end of 2008, Chile had stashed away US \$48.6 billion; more than 30 per cent of the country's GDP. That is a country and a nation that is concerned about its future. Thirty per cent of their savings is equivalent to their GDP. Do you know what ours is, according to this article? Ours is 13 per cent. After a fund was established in 2007, which begun in 1999, our Heritage and Stabilisation Fund is equivalent to only 13 per cent of this country's GDP. So well off is Qatar and Chile, because of their savings, the Government of Chile was able to have a US \$4 billion package of tax cuts and subsidies to ease the pain, particularly among the most vulnerable in the population. Do you think we are getting that in the 2010 budget? We would be getting more taxes and more pressure because of the spendthrift nature of this regime.

Saving has also been a residual for this Government. They have never taken seriously the whole issue of savings. When we established, back in 1999, the Revenue Stabilisation Fund, this Government pooh-poohed on the idea. They said that we must spend now and not save for later. Later on they embraced it. When we started the desalination plants, they pooh-poohed on the idea. Now we are building more than is needed in the country.

Hon. Senator: Watch your language.

Sen. W. Mark: Mr. Vice-President, I am sorry if I offended anyone. My problem here is that if we are to save for our future generation and population,

then the Government ought to have been conservative in pegging its budget to oil prices; rather than going to the higher end like the last rung, US \$70 and having to get a reality check, because of the crisis internationally, and go down to US \$50 and US \$45. It may reach as low as US \$35 shortly. Why did the Government not budget at US \$35 from way back? If they had done that, today we would have had US \$20 billion in the Heritage and Stabilisation Fund and not US \$3 billion.

Mr. Vice-President, we are concerned that this Government has not really taken its responsibility to this country seriously. We had a budget of \$50 billion and it is down to \$40 billion or thereabouts. When we look at our savings in the Heritage and Stabilisation Fund, it is not a huge percentage of our national budget. That could be swooped up or consumed within a period of one year. This Government has disappointed the population insofar as its responsibility for saving in this country. They have wasted the country's patrimony. They have pilfered it in a lot of corruption, inefficiency, waste and mismanagement and now we are being told, even in the face of the Governor of the Central Bank, who is an individual to whom I must pay compliment—I have been critical of him, but he is a very forthright public officer. He does his job whilst both Ministers in the Ministries of Finance and Energy and Energy Industries would give the impression to the country—while he is talking about stagnation and maybe stagflation—that everything is all right: “What guava season are you talking about? We do not have a guava season. This thing is temporary.”

The Prime Minister said that it is a blip on the radar screen and by next year this time everything would be okay. You are fooling the country. You are fooling the poor people, because the poor people would continue to spend because the Prime Minister said: “Doh worry, dis is ah blip and it is temporary.” The intelligent people are taking their money out of the country. It is capital flight on the march in this country.

Sen. Browne: Where is it going to?

Sen. W. Mark: That is the attitude. That is how they behave. When the Governor speaks, they do the same thing. They do not care. They live in La La Land. They are not real. They are not coming down to reality. At this particular time, I want to warn them that if this thing continues and they continue to fool the people, there would be a backlash.

The Auditor General has warned us that this Government has been manipulating section 13(1) of the Heritage and Stabilisation Act on page 2 of her September 2008 report on the Heritage and Stabilisation Fund. Hear what the Auditor General said:

Heritage and Stabilisation Fund
[SEN. MARK]

Tuesday, May 05, 2009

“Without qualifying the above opinion, attention is drawn to the following:

Section 13(1) of the Act states:

‘Where petroleum revenues collected in each quarter of any financial year—

- (a) exceed the estimated petroleum revenues for that quarter of the financial year by more than ten per cent, the currency of the United States of America equivalent of the excess revenue shall be withdrawn from the Consolidated Fund and deposited to the Fund in accordance with section 14(1); or
- (b) exceed the estimated petroleum revenues for that quarter of a financial year but do not exceed such estimated revenues by at least ten per cent, the Minister may direct that the currency of the United States equivalent of all or part of the excess revenue shall be withdrawn from the Consolidated Fund and deposited to the Fund in accordance with section 14(1).’

Section 14(1) of the Act states:

‘A minimum of sixty per cent of the aggregate of the excess revenues shall be deposited to the Fund during a financial year.’”

The auditor concludes by saying:

“The above quoted sections of the Act are open to interpretation.”

The Auditor General is saying that it is open to interpretation and it is recommended that suitable amendments be made to the Act to provide for greater clarity, with regard to deposit to the fund.

I am calling on the Government, through you and the Minister of Finance, to bring speedily to this Parliament the relevant amendments to the legislation, so that there can be no misinterpretation of this particular section of the legislation.

I also ask the Government to review the board of directors of that particular fund, so that we can have independent people, not necessarily coming from the PNM, but people who are committed to seeing the fund really grow, expand and develop.

Therefore, I raise these issues, because as a citizen of this country I am concerned about the direction this country is taking and the direction of the fund. Although the government has said that it will not dip into the fund, I know for a fact that the time will come when they would do so. I therefore call on the Minister to give us some assurance today that there will be speedy amendments to the legislation, so that there would be no interpretation or misinterpretation of the legislation.

I thank you.

The Minister of Trade and Industry and Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne): Thank you, Mr. Vice-President, for the opportunity to respond. I make the point that the Government has every confidence in the current Board of the Heritage and Stabilisation Fund who have acted in a manner completely in keeping with the Act and have also worked tirelessly to ensure that the Heritage and Stabilisation Fund is maximized and protected at all points in time.

Suffice it to say, our glass is either half-empty or half-full, depending on your point of view. There is always room for improvement, in terms of how much money is put aside and how much we should put aside. At all stages, the Government has acted in a fashion with due dispatch in recognition of the need, both to provide for heritage and for stabilisation purposes and to maximize the capacity of the country to grow and develop, as it moves its way forward and that there are differences between countries, in terms of the investments that they must make to provide the level of infrastructure and the support required to enable any individual country to achieve its just and equitable future.

In this regard, if I may be so bold as to point out what is the current position. As at the end of February 2009, the balance of the fund, as Sen. Mark correctly pointed, is just about US \$3 billion. In fact, it is \$2,911,469, 201/\$2.911 billion. That is where it is. The asset allocation is spread between the following countries: in terms of being held in Canadian banks, 2.39 per cent; France, 10.72 per cent; Ireland, 8.70 per cent; Netherlands, 3.1 per cent; Switzerland, 3.34 per cent; United Kingdom, 30.55 per cent; and United States banks, 41.83 per cent of the fund. The fund initially was invested largely in US fixed deposits, but was diversified starting in May 2008, into US Treasury Bonds. It was further diversified into US Treasury Bills by the end of 2008. The portfolio, as it stands in 2009, approximately 91.5 per cent of which is held in the form of US fixed deposits. Just about 6 per cent actually is held in the form of US Treasury Bonds and approximately 3 per cent in US Treasury Bills.

The funds have done quite well. We have maintained our capital value. As I pointed out in my last report to the Senate, whilst a number of countries, which were identified as being best practices countries have had substantial declines in value over the period. Precisely because of our policy, which was to maintain our capital and to protect us for the future, we were not subject to those variations or falls.

The same Kuwait Investment Authority, which managed to save approximately \$65 billion, between the period, March—December 2008, lost \$30.7 billion of the \$65 billion that it had saved. Again, as I pointed out—I think I

Heritage and Stabilisation Fund
[SEN. THE HON. M. BROWNE]

Tuesday, May 05, 2009

last gave an update, the Abu Dhabi Investment Authority lost \$125 billion during the course of last year. The Government of Singapore, which is one of the more conservatively managed sovereign wealth funds, lost \$33 billion in 2008.

We have had a small fund. We have had to make certain that it is invested and invested well. I might point out that by references to countries such as Chile and Kuwait whose reserves and who are positioned in the world as part of the international reserves, certainly international reserves for copper as in the case of Chile or in the case of Kuwait, they account for significant percentage points, in terms of world supply. We account for less than 1 percentage point. If I am not mistaken, we account for three basis points. That is our position in the world hydrocarbon league table.

7.15 p.m.

So, whilst we may have largesse in relation to countries that exist around us, our position has been that we have managed our financial resources and our actual wealth exceedingly well. So, the alternative export of hydrocarbon has worked well for the country, and it has worked well also in terms of diversification.

In fact, last year was a bumper year and we did save approximately about 30 per cent of our total revenues. We did not save all in the Heritage and Stabilisation Fund; approximately \$2 billion went into the Consolidated Fund and just about \$8 billion went into the Heritage and Stabilisation Fund and another \$5 billion went into the Infrastructure Development Fund.

Why did we have that disposition in terms of our resources in the past? That is precisely because we have been working to transform the country and to transform the country's infrastructure and to ensure that we have a better standard of living and, at the same token, that we have resources which will, in a sense, help us when bad times come.

How have we dealt with our current situation? The Government has maintained a commitment to move and to keep the Heritage and Stabilisation Fund well invested and to keep it away from any revenue shortfall, and any revenue shortfall such as it exists will be funded out of our existing savings such as are contained in the various funds which are available to us at this stage of the game.

We have managed conservatively and we have managed our position in the way that we have avoided capital loss and, at the same token, we have attempted to maximize our revenue. Again, maximizing our revenue position has also meant

that we have not exposed ourselves to the risk of loss in the capital markets.

Now, I understand the point which was made by the Auditor General in the last report on the Heritage and Stabilisation Fund indicating that there is more than one way to interpret the legislation with regard to the Heritage and Stabilisation Fund. The Government is aware and it is cognizant of that, and it would make the necessary changes to the legislation as we move forward.

I cannot give an estimate at this time insofar as we have a number of critical priorities in terms of redressing our financial sector reform which is taking up a fair amount of time with respect to the CPC who, at the moment, are quite overloaded with a large number of Bills which are in the process of development for us to bring to Parliament.

I want to give the undertaking that the Government is going to do what is required to ensure that the Heritage and Stabilisation Fund remains well invested, and in a well diversified spread to maintain both the heritage and the stabilization effects, and the Government will manage its revenue position in accordance with its capacities. I also want to make the point that we will bring the legislation as and when we can, but I cannot give you a specific date at this point in time.

With respect to the governance arrangements that are available to the Fund, these governance arrangements have worked well. As I indicated before, the proof of the pudding is in the eating. We have avoided any form of capital loss, and there are several questions which have cropped up. For example, in the face of the financial meltdown, how did we manage to avoid it, especially since most of the sovereign wealth funds, as we speak, have all suffered capital loss. The answer is that we have managed it in a conservative, prudent and sensible fashion moving forward, and we undertake to continue to do so moving forward in the future.

Mr. Vice-President, thank you. [*Desk thumping*]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 7.19 p.m.