

Head 39: Ministry of Public Utilities

A summary of the Ministry of Public Utilities Expenditure, Divisions and Projects Financial Scrutiny Unit, Parliament of the Republic of Trinidad and Tobago



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About this Guide

This guide provides a summary of expenditure for the Ministry of Public Utilities for the period 2012-2018. It provides the Members of Parliament and their stakeholders with an overview of the Ministry's responsibilities. The primary purpose of this guide is to consolidate the information contained within the various Budget Documents pertaining to the Ministry of Public Utilities, and provide readers with an analysis of the same. This guide is based primarily on the Draft Estimates of Recurrent Expenditure, the Estimates of Development Programme, the Public Sector Investment Programme and the Auditor General's Report on the Public Accounts on the Republic of Trinidad and Tobago for the fiscal year 2016.

Head 39: Ministry of Public Utilities

Ministry's Overview¹

The Ministry of Public Utilities has been in existence since the commencement of the public service. Over time it has consistently adapted to the evolution of country and to changes in its portfolio. This Ministry is charged with the management of policy development, the utility sector and provides strategic oversight of agencies in this sector in respect of the management of their operations. The utility sector is comprised of a complement of three state enterprises, four statutory bodies and two departments of government which are responsible for:

- delivery of water;
- electricity; postal;
- meteorological and telecommunication services;
- the management of wastewater and solid waste removal services;
- the provision of regulatory services for the water, wastewater and electricity sector; and
- the provision of janitorial and security services for the nation schools and government entities.

The Ministry's main strategic objectives are:

- to provide effective and efficient leadership and governance to the utility sector;
- ensure that the utility sector is more than customer-oriented and technologically enable to provide efficient, cost-effective and quality service to the national community;

¹Standing Finance Committee Hansard of Ministry of Public Utilities 17 October 2017, Accessed August 28, 2017<u>http://www.ttparliament.org/documents/2427.pdf</u> Accessed August 28, 2017

- to collaborate with the state enterprises and statutory bodies comprised the sector; and
- to ensure that they practice prudent financial management with the view to becoming financially viable.

Mission²

To facilitate the effective delivery of efficient, affordable and quality public utilities services through a committed, resourceful team of professionals in close collaboration with all stakeholders.

Vision³

To become an organization dedicated to excellence in the delivery of public utilities for the sustainability of our country and an improved quality of life of its citizenry.

The Ministry of Public Utilities is assigned the following areas of responsibility as published in the Trinidad and Tobago Gazette:⁴

| Electrical Inspectorate | Electricity | Meteorological Services |
|-------------------------|----------------------------|-------------------------|
| Postal Services | Public Utilities | Recycling |
| > Telephones | Waste Management | Waste Water Management |
| > Water | Water Resources Management | |

Minister of Public Utilities: Senator the Honourable Robert Le Hunte

Permanent Secretary (Ag.): Mrs. Vashti Shrikrisen Singh-Jitman

² Ministry of Public Utilities website: accessed on October 06 2017: <u>http://www.mpu.gov.tt/home/</u>

³ Ministry of Public Utilities website: accessed on October 06 2017: <u>http://www.mpu.gov.tt/home/</u>

⁴ Trinidad and Tobago Gazette: accessed on August 29, 2017: <u>http://www.news.gov.tt/archive/E-Gazette/Gazette/Sazette/Gazette/Sa</u>

Statutory Boards and Other Bodies

Regulated Industries Commission - RIC succeeded the Public Utilities Commission (PUC) and is a consumer-oriented entity with strong regulatory powers and responsibilities. The RIC has been established to ensure that good quality and efficient utility services are provided at fair and reasonable costs in Trinidad and Tobago.⁵

Water and Sewage Authority - Water and Sewerage Authority (WASA) was established by an Act of Parliament in 1965 to manage the water and sewerage sector of Trinidad and Tobago. An essential component of this mandate is the delivery of a safe, reliable and efficient water supply to satisfy the demand of all sectors of the economy.⁶

Water Resources Agency - The Government of Trinidad and Tobago (GOTT) recognizing the need for the development and control of the country's water resources entered into an arrangement with a Canadian firm to train persons in the collection and analysis of basic hydrological and hydro meteorological data between the period July 1966 and late 1970. The persons who were trained formed the first staff of Water Resources Survey, which later became known as the Water Resources Agency and was appended to the Water and Sewerage Authority in March 1976. The Agency's data collection system comprises a monitoring network of gauges which measures and reports rainfall, stream flow, groundwater, evaporation and water quality parameters at strategically located sites throughout Trinidad and Tobago.⁷

⁵ Regulated Industries Commission, accessed on October 6th, 2017: <u>http://www.ric.org.tt/</u>

⁶Water and Sewerage Authority, accessed on October 6th, 2017: <u>http://www.wasa.gov.tt/</u> ⁷Water Resources Agency, accessed on September 26th, 2017: <u>http://www.wasa.gov.tt/WASA_WRA.html</u>

Trinidad and Tobago Solid Waste Management Company Ltd - The Trinidad and Tobago Solid Waste Management Company Limited (SWMCOL) is a wholly-owned state enterprise and is responsible for the design and implementation of solid and hazardous waste management systems and structures, and landfill management of three landfills - Beetham, Fores Park and Guanapo.⁸

Trinidad and Tobago Postal Corporation - The national operator in the Postal Sector in Trinidad and Tobago is the Trinidad and Tobago Postal Corporation (TTPost). Post is an industry that impacts on the daily lives of people all over the world. Even in the digital age, the Postal Sector remains the most accessible means of communication and message delivery. TTPost is responsible for the delivery of Government's Universal Service Obligation (USO) to provide high quality postal services, accessible throughout Trinidad and Tobago, at affordable prices. Maintaining a network of distribution and retail outlets, TTPost ensures the acceptance, handling, conveyance and delivery of core postal services to the national community.⁹

Trinidad and Tobago Electricity Commission - The provision of a reliable electricity supply, to both commercial and residential customers, is essential to the fulfilment of Government's expressed intent to transform Trinidad and Tobago into a developed nation. The Ministry of Public Utilities' mandate is to deliver a modern, technological enabled Electricity Sector that supports the nation's expanding digital economy, built environment and industrial infrastructure. Electricity and related service are delivered to the national community through the state-owned entity, the Trinidad and Tobago Electricity Commission (T&TEC) and the Electrical Inspectorate Division, an internal branch of the Ministry of Public Utilities. ¹⁰

⁸Trinidad and Tobago Solid Waste Management Company Ltd, accessed on September 28th, 2017: <u>http://tntyp.com/Trinidad/SWMCOL/profile</u> ⁹Ministry of Public Utilities, accessed on September 26th, 2017: <u>http://www.mpu.gov.tt/home/node/37</u>

¹⁰ Ministry of Public Utilities, accessed on September 26, 2017:<u>http://www.mpu.gov.tt/home/node/35</u>

Wholly Owned Enterprises

National Maintenance Training and Security Company Limited (MTS) - The National Maintenance Training and Security Company Limited is a fully owned state enterprise which was registered in 1979. At this time it was known as the Secondary Schools Maintenance Training and Security Company Limited (MTS), and enjoyed a relationship with an American company (which had a seven percent (7%) shareholding at the time) who provided management services through hired consultants. The then Government of Trinidad and Tobago had embarked on the construction of nine (9) secondary schools and a decision was taken to provide adequate maintenance and security services for these facilities. Out of this need, MTS commenced operations and the company's name was changed to the National Maintenance Training and Security Company Limited. It also had its Memorandum of Association amended to provide services to customers other than government or government agencies in line with the government's thrust for all state enterprises to be financially viable and self-sufficient.¹¹

Majority Owned Enterprises

Telecommunications Services of Trinidad and Tobago Limited (TSTT) - TSTT is the country's largest provider of communications solutions to the residential and commercial markets and its leading edge products are designed around its IP-based core infrastructure and marketed under its BLINK and Bmobile brands. TSTT is the industry leader deploying both wireless and fiber optic networks to deliver voice, data and multimedia capabilities making it also one of the most advanced solutions provider in the country.¹²

¹¹National Maintenance Training and Security Company Limited (MTS), accessed on September 26th, 2017:<u>http://www.mtsco.com/new/index.php/company-overview</u>

¹² Telecommunications Services of Trinidad and Tobago Limited (TSTT), accessed on September 26th, 2017:<u>http://www.tstt.co.tt/overview</u>

Key Statement from 2016 Standing Finance Committee Debate

During the Standing Finance Committee debate of 2016, the following statement was made in relation to the emphasis of the Ministry of Service Commissions for fiscal year 2016/2017¹³:

".....Having regard to the importance of the utilities of the national community, the Ministry has embarked upon a programme with enhanced monitoring and evaluation of the agencies to ensure that the efficient provisions of services with timely implementations of projects within budget."

¹³ Minister of Public Utilities, Standing Finance Committee Hansard of Ministry of Public Utilities 17Oct16, Accessed August 28, 2017

Where the Ministry spends its money

2017 - 2018 Estimates of Expenditure

The budget allocation for the Ministry of Public Utilities is comprised of:

- The Draft Estimates of Recurrent Expenditure in the sum of **\$ 2,830,314,742.00**;
- The Draft Estimates of Development Programme in the sum of **\$713,649,000**
 - Consolidated Fund in the sum of **\$141,200,000; and**
 - Infrastructure Development Fund in the sum of **\$572,449,000**

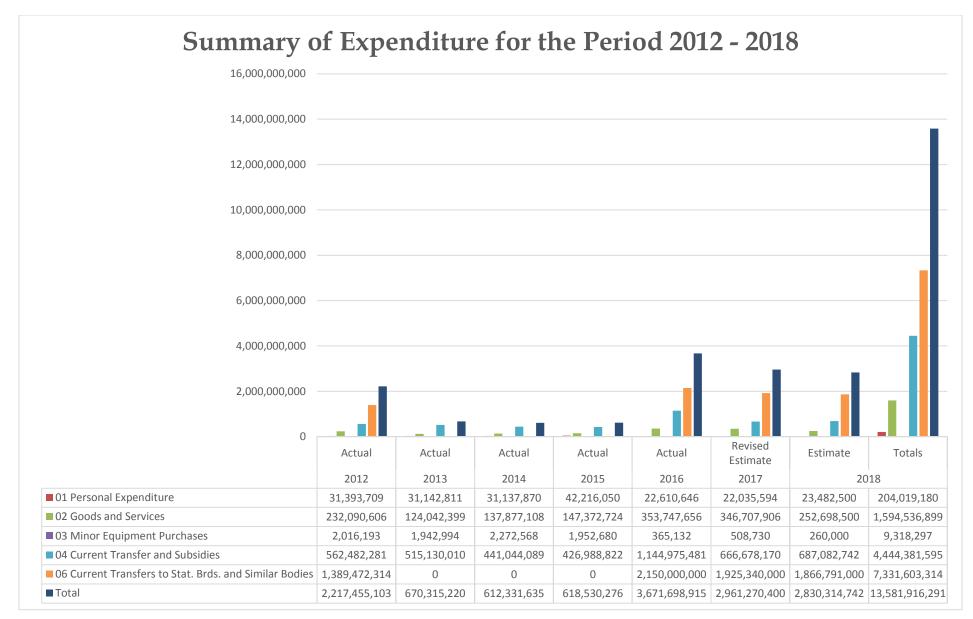
The Estimates of Recurrent Expenditure include:

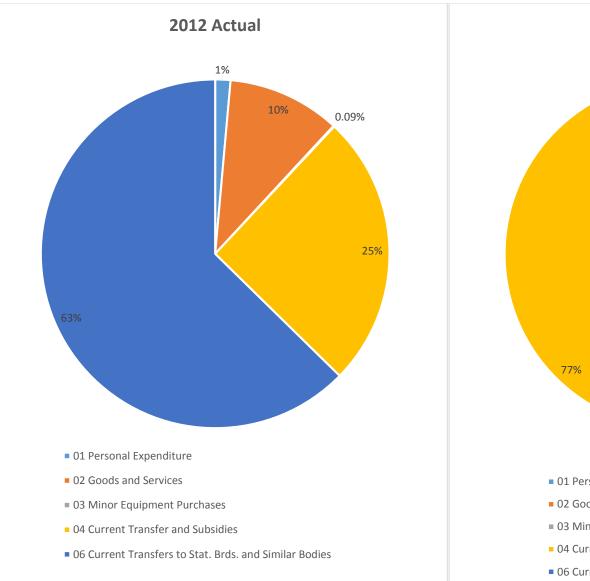
- 01 Personnel Expenditure -,**\$23,482,500.00;**
- 02 Goods and Services **\$252,698,500.00.00;**
- 03 Minor Equipment Purchases **\$260,000.00;**
- 04 Current Transfers and Subsidies \$687,082,742.00; and
- 06 Current Transfers to Statutory Boards and Similar Bodies \$1,866,791,000.00.

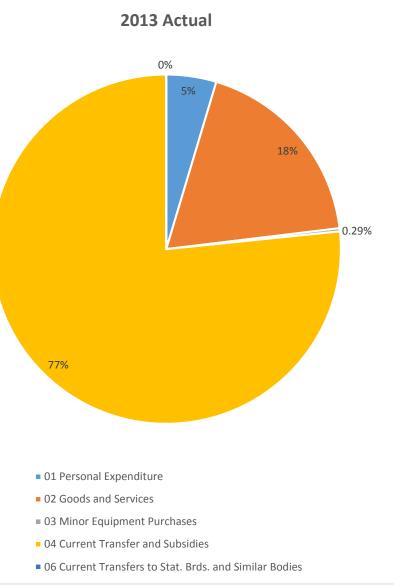
The Ministry of Public Utilities':

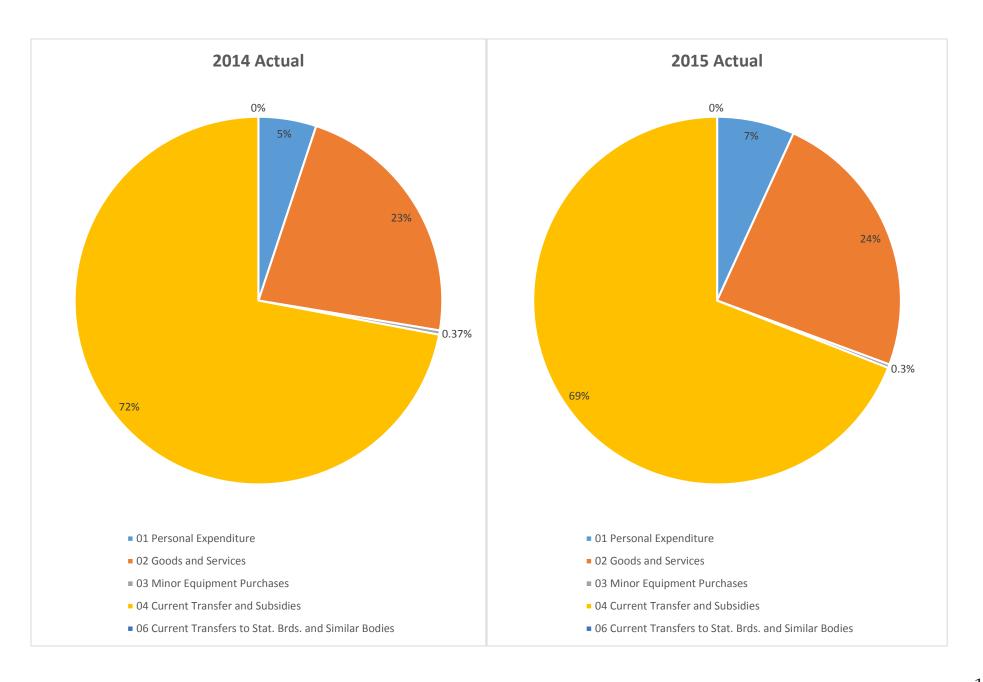
- Recurrent Expenditure as a percentage of the total recurrent expenditure budget is **5.4**%;
- Consolidated Fund allocation as a percentage of the Total Consolidated Fund allocation is **5.8**%; and
- Infrastructure Development Fund as a percentage of the total Infrastructure Development Fund is **21**%.

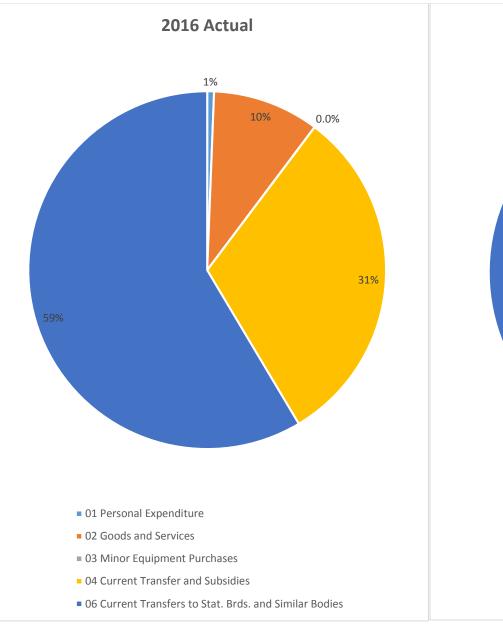
Summary of Recurrent Expenditure for the period 2012-2018

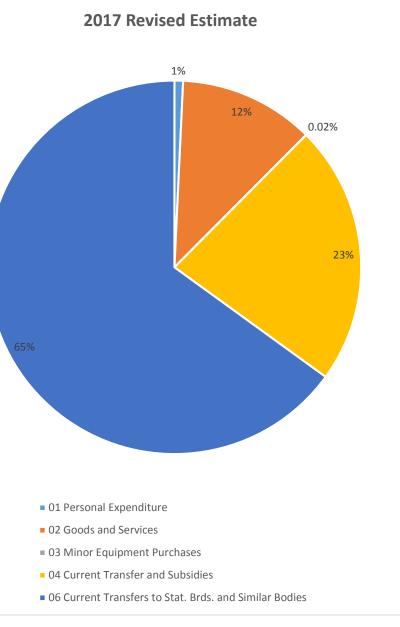


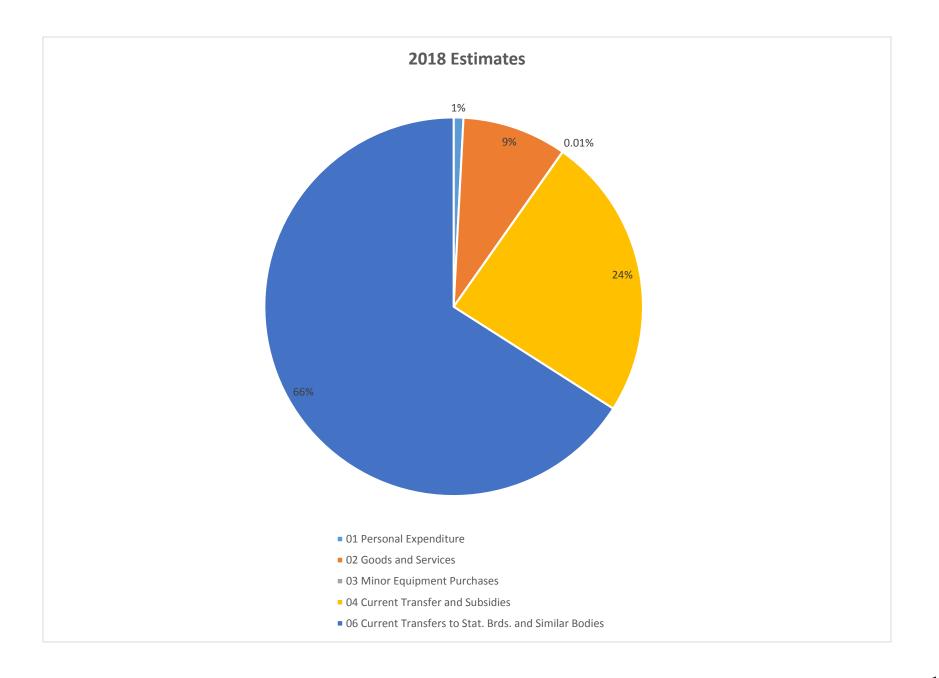






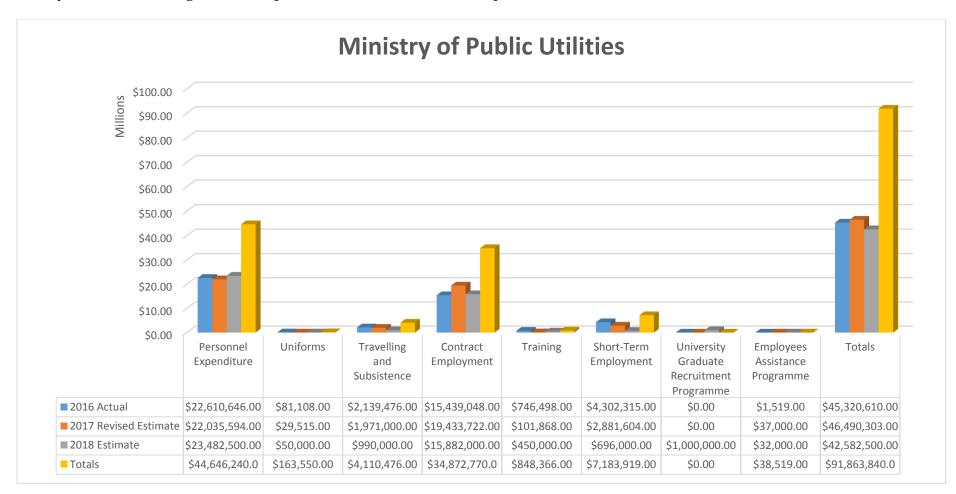






Staff and Pay¹⁴

The allocation to staff expenditure for the year 2018 was \$42,582,500, which represents a decrease of approximately 8.4% from the last fiscal year 2017. The diagram below provides a breakdown of all expenditure related to staff from 2016 – 2018.



¹⁴ Draft Estimates for Details of Estimates of Recurrent Expenditure for the Financial Year 2018 <u>http://www.finance.gov.tt/wp-content/uploads/2017/10/Numbered-Draft-Estimates-Recurrent-Expenditure-2018.pdf</u>

Analysis of Summary of Expenditure

Recurrent Expenditure refers to the payments for expenses which are incurred during the day-to-day operations of the Ministry for Personnel Expenditure, Goods and Services, Minor Equipment Purchases and Current Transfers and Subsidies. Recurrent Expenditure for Fiscal Year 2017/2018 is **\$2,961,270,400**.

- Recurrent Expenditure for Fiscal Year 2016/2017 was **\$2,961,270,400**. Comparing this figure with Fiscal Year 2017/2018, there is a decrease of **\$1,309,230,500** or **4.42%**.
- The largest portion of the allocation has consistently gone to Sub-Head 06 Current Transfers to Statutory Boards and Similar Bodies. This figure has been fluctuating over the period 2012-2018, accounting for approximately 66% of total funding for the Ministry for fiscal year 2017/2018 for the day to day operations of the Ministry.
- Minor Equipment Purchases received the lowest portion of the total allocation for the Ministry over the period 2012 to 2017.
- Current Transfers and Subsidies received the second largest portion of the allocation and has been fluctuating over the period 2012 2017. Comparing 2016/2017 to 2017/2018, there was an increase in the allocation by **3%**.
- The total allocation has been fluctuating over the seven (7) year period from a low of **\$2,217,455,103** in the fiscal year 2012 to a high of **\$2,830,314,742** in fiscal year 2017.

Summary of Development Programme Expenditure for the period 2012 - 2018

Development Programme is capital expenditure aimed at improving and enhancing development in different areas of Trinidad and Tobago which includes; human resources, economic and social development.

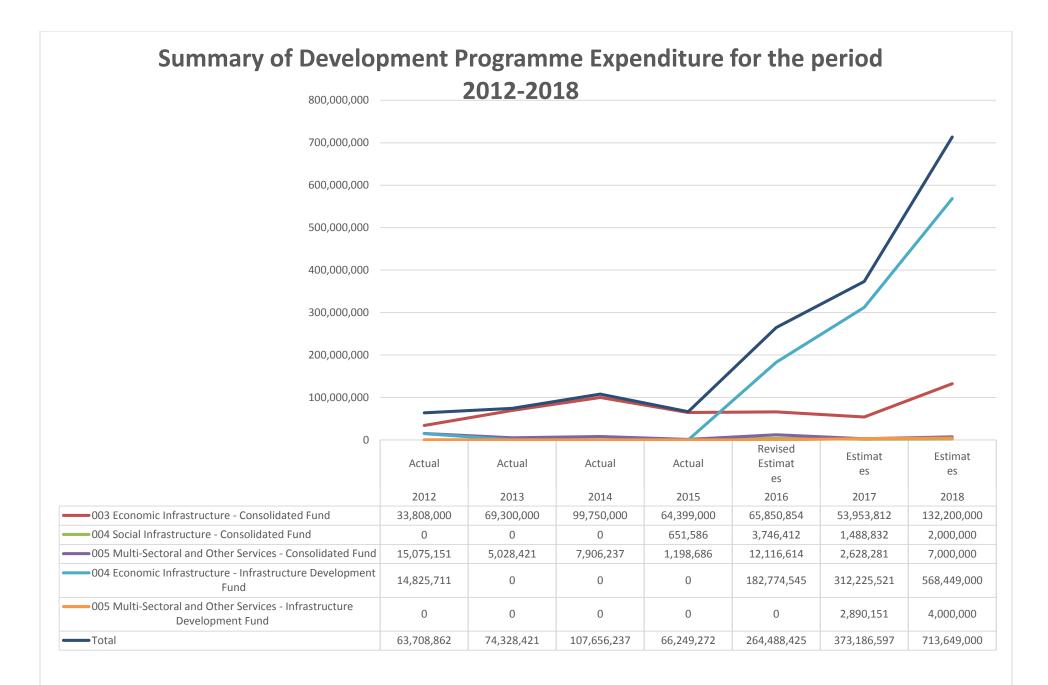
The Public Sector Investment Programme (PSIP), which represents the capital expenditure component of the National Budget, is the instrument used by Government to effect its vision and policies. It is a budgeting and strategic planning tool made up of projects and programmes, designed to realise the goals set out in the Government's overarching policy.

The PSIP budget document provides a detailed description of the programmes and projects and includes a review of the implementation of projects and programmes in the previous financial year and highlights the major projects and programmes to be implemented in the upcoming financial year.

- The Public Sector Investment Programme is intended to achieve:
 - the country's social and economic development goals; and
 - enhance the quality of life of all citizens.

The estimates for the development programme are presented in two parts as follows:

- Funds appropriated by Parliament and disbursed directly from the Consolidated Fund; and
- Funds disbursed from the Infrastructure Development Fund.



<u>The Ministry's total allocation as a percentage of the National Budget for the period 2012 to 2018</u>

| Year ^[1] | Total Allocation ^[2] | National Budget ^[3] | Percentage of National Budget |
|---------------------|---------------------------------|--------------------------------|----------------------------------|
| 2012 | \$ 2,266,338,254 | \$ 55,718,271,573.00 | 4.06% |
| 2013 | \$ 746,586,635 | \$ 59,174,226,196.00 | 1.26% |
| 2014 | \$ 719,987,872 | \$ 65,020,886,424.00 | 1.10% |
| 2015 | \$ 684,779,548 | \$ 61,966,922,675.00 | 1.11% |
| 2016 | \$ 3,753,412,795 | \$ 56,573,913,053.00 | 6.63% |
| 2017 | \$ 3,019,341,325 | \$ 55,598,436,912.00 | 5.33% |
| 2018 | \$ 2,971,514,742 | \$ 54,955,041,591.00 | 5.40% |

• Total allocation for the Ministry as a percentage of the National Budget illustrated a increase in the allocation to the Ministry of Public Utilities by **0.07**% between the period 2016/2017 and 2017/2018.

^[1] For the Fiscal Years 2012-2016, actual figures were used to calculate the Ministry's total allocation. However, revised estimates and estimates were used to determine the Ministry's total allocation for the Fiscal Years 2017 and 2018.

^[2] Total Allocation for the Ministry of Public Utilities= Recurrent Expenditure + Consolidated Fund

^[3] The National Budget= Total Recurrent Expenditure + Total Development Programme -Consolidated Fund

Auditor General Report Findings for the Fiscal Year 2016¹⁵

Ref: Auditor General's Report pgs. 38, 64

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Expenditure Control

A difference of \$936,329.12 was noted between the Appropriation Account figure of \$2,412,789.00 representing commitments and the audited figure of \$3,349,047.58. This is contrary to Financial Regulation 66 (2) (i) which states: "In pursuance of his obligations under subregulation (1), an accounting officer shall keep a departmental vote book which shall clearly show at all times in respect of each head, sub-head and item- (i) outstanding commitments; …"

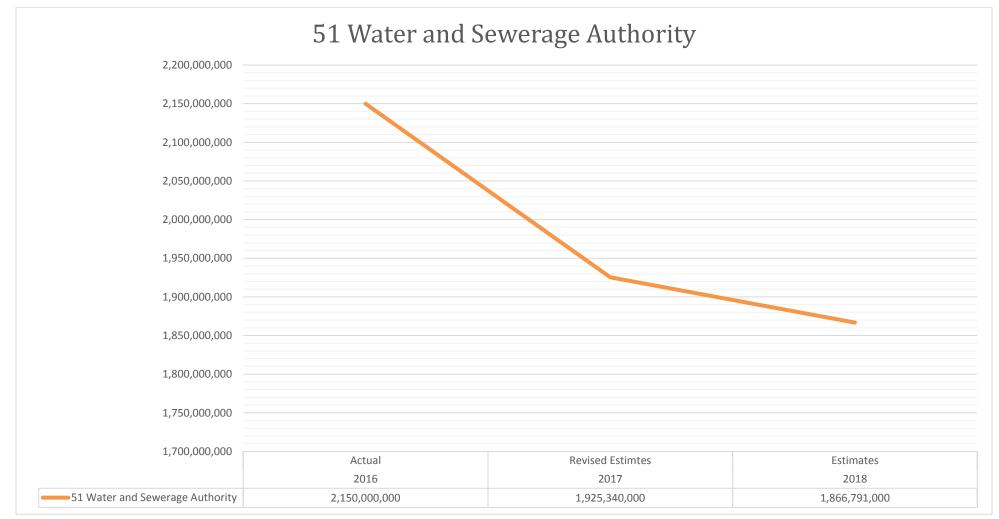
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Infrastructure Development Fund

4.26 A difference of \$14,397,218.24 was noted between Parts A and B of the Expenditure Statement with respect to disbursements made under Infrastructure Development Fund at the Ministry.

¹⁵ Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year ended September 27, 2016, pg 38,64 http://138.128.179.50/sites/default/files/Auditor%20General%27s%20Report%20on%20the%20Public%20Accounts%202016_0.pdf

Unique Expenditures¹⁶



¹⁶ Estimates of Development Programme 2018: <u>http://www.finance.gov.tt/wp-content/uploads/2017/10/Numbered-Draft-Estimates-Development-Programme-2018.pdf</u>

Noteworthy Development Programme Estimates in 2017-2018

The table below lists the projects that have been noted due to uncharacteristic variances in estimates for funding:¹⁷

| Project/Programme | 2017 Estimate | 2017 Revised Estimate | 2018 Estimate |
|--|---------------|-----------------------|---------------|
| IDF-003-05-A597 Expansion of Generating Capacity in Tobago | \$40,000,000 | \$40,000,000 | \$94,000,000 |
| IDF-003-16-G006 Water Supply to Labidco and Union Industrial Estate | \$8,000,000 | \$23,665,337 | \$93,000,000 |

¹⁷ Estimates of Development Programme 2018: <u>http://www.finance.gov.tt/wp-content/uploads/2017/10/Numbered-Draft-Estimates-Development-Programme-2018.pdf</u>

Status of New Projects for the Financial Year 2016 - 2017

The following new projects that received funding in the 2016/2017 financial year¹⁸:

| Project -Item | 2017 Estimate | 2017 Revised Estimate | 2018 Estimate |
|--|------------------|--------------------------|------------------|
| CF-003-05-A594 Test Equipment for High Voltage Apparatus and Protection Scheme | \$500,000 | - | \$500,000 |
| CF-003-05-A595 T&TEC Renewable Energy Initiatives | \$700,000 | - | - |
| CF-003-05-A596 Replacement of Aging Transmission Infrastructure | \$1,000,000 | - | \$2,000,000 |
| CF-003-05-A597 Expansion of Generating Capacity in Tobago | \$40,000,000 | \$40,000,000 | \$94,000,000 |
| CF-003-16-A012 Design and Construction of Hololo Reservoir | \$540,000 | \$540,000 | \$96,000 |
| CF-003-16-A014 Design and Construction of Quare Service Reservoir | \$500,000 | \$500,000 | \$947,000 |
| CF-003-16-A016 Design and Construction of Four Roads Service Reservoir | \$1,400,000 | \$1,400,000 | \$1,500,000 |

¹⁸ Estimates of Development Programme 2017, accessed on October 3, 2017: <u>http://www.finance.gov.tt/wp-content/uploads/2017/10/Numbered-Draft-Estimates-Development-Programme-2018.pdf</u>

| CF-003-16-A018 Construction of Calvary hill Booster Station | \$1,000,000 | - | - |
|--|--------------|--------------|--------------|
| CF-003-05-C001 Upgrade of Distribution System Tobago | \$3,000,000 | \$2,000,000 | \$2,700,000 |
| CF-003-16-I006 Replacement of Tank at Tucker valley High Lift Station Adopt and Implement Integrated Water Resources Management | | \$1,000,000 | \$198,000 |
| CF-005-06-A055 Adopt and Implement Integrated Water Resources Management | \$1,000,000 | \$263,401 | - |
| CF-005-06-G003 The Upgrade of Administrative Office New Project Welfare facilities - Phase l Beetham Landfill | \$1,000,000 | - | - |
| IDF-003-16-G002 Construction of Sewer mains – Morne Coco Road, Diego Martin | \$1,000,000 | - | - |
| IDF-003-16-G004 Design and Construction of Trincity Wastemaster Treatment Plant | \$20,000,000 | - | - |
| IDF-003-16-G006 Water Supply to Labidco and Union Industrial Estate | \$8,000,000 | \$23,665,337 | \$93,000,000 |
| IDF-005-16-I010 Tobago Well Development | \$7,000,000 | - | \$7,000,000 |
| CF-005-06-I011 Rehabilitation of Scarborough Wastemaster Treatment Plant | \$5,000,000 | \$1,000,000 | \$3,400,000 |
| IDF-005-06-H001 Construction of a Meteorological Office | \$1,300,000 | \$1,865,841 | - |

| IDF-005-06-G002 The Phased Closure and Rehabilitation Programme of Landfill | \$2,000,000 | - | \$2,000,000 |
|---|-------------|-------------|-------------|
| Sites and the Establishment of a New Sanitary Engineered Landfill | | | |
| IDF-005-06-G004 Fleet Modernization Programme – Phase II | \$2,000,000 | \$1,024,310 | - |

New Projects for the Financial Year 2017 - 2018

The following new projects that received funding in the 2017/2018 financial year¹⁹:

| Description | Project/Programme | 2018 Estimate |
|----------------|--|---------------|
| IDF005-06-G006 | Establishment of an Engineered Sanitary Municipal Solid Waste (MSW) Landfill, Forres Park | \$2,000,000 |
| CF005-17-G005 | Fleet Modernization Programme Phase II | \$3,000,000 |
| CF005-17-G007 | Establishment of a Waste Recycling Management Authority | \$1,000,000 |
| CF005-17-G009 | Upgrade of Information Technology Systems and Infrastructure | \$2,000,000 |

¹⁹ Estimates of Development Programme 2017, accessed on October 3, 2016: <u>http://www.finance.gov.tt/wp-content/uploads/2016/09/Numbered-Draft-Estimates-Development-Programme-2017.pdf</u>

Committee Inquiries Related to the Ministry Of Public Utilities

| Report Status | Ministerial Response | Key Recommendations ²⁰ |
|-------------------------------|----------------------|--|
| Report Presented: 05.05.17 | Outstanding | |
| Report Presented: 12.04.16 | Outstanding | Health and Safety The company has been operating below the Occupational Safety and Health Act (OSHA) standards, including both local and international standards, due to the lack of funding necessary to effectively operate sanitary landfill sites. Though no health and safety issues have arisen among existing workers, there were reports of salvagers on sites, including death, to employees of contractors. However, it was advised that SVVMCOL's employees are all covered with life and health insurance. Recommendation: SWMCOL should liaise with the Ministry of Public Utilities to obtain funding for the improvement of facilities by June 30, 2017. Recommendation: The Permanent Secretary of the Ministry of Public Utilities should seek the support of the Minister to make representation under the mid-term review to get additional funding to ensure proper landfill management by April 30, 2017. |

²⁰ Key Recommendations relate to recommendations that may have a financial impact on the Ministry

General Useful Information:

Regional

- Organisation of Caribbean Utility Regulators: <u>www.oocur.org</u>
- Caribbean Water and Wastewater Association: <u>www.cwwa.net</u>
- American Waterworks Association: <u>www.awwa.org</u>
- American Public Power Association (APPA): <u>www.appanet.org</u>
- Caribbean Electric Utility Corporation: <u>www.carilec.com</u>

International Bodies

- Global Water Partnership: <u>www.gwp.org</u>
- Commonwealth Telecommunications Organisation: <u>www.cto.int</u>