



# **BUDGET STATEMENT FOR THE FINANCIAL YEAR 2012**

## **PROTECTING TOBAGO'S HERITAGE**

- **Embracing Higher Education**
- **Marketing Tobago's Tourism**
- **Monetizing Our Culture and the Arts**
- **Owning Our Land**
- **Strengthening Indigenous Entrepreneurship**
- **Reforming Constitutional Arrangements**

**Presented by:  
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Secretary of Finance and Enterprise Development  
Tuesday 21<sup>st</sup> June 2011**

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# PROTECTING TOBAGO'S HERITAGE

## 1 Introduction

Madam Presiding Officer,  
Honourable Chief Secretary,  
Other Members of the Executive Council,  
Assistant Secretaries,  
Other Members of the House of Assembly,  
Chief Administrator and other Administrators,  
Other Senior Staff of the Tobago House of Assembly,  
Distinguished Ladies and Gentlemen in the public gallery,  
Local and international audiences on radio; television; and the worldwide web,  
Members of the media,

- 1.1 It is again an honour and a pleasant duty for me to represent the Executive Council today, as I present the work programme and consequent budget estimates for the Tobago House of Assembly for the fiscal year beginning October 1<sup>st</sup>, 2011. As this House will certainly appreciate, an undertaking of this kind requires the support of many individuals. And while expressions of gratitude are due to the Secretaries, Assistant Secretaries and the staff in the various Divisions for their own contributions, I would like to recognize the special contributions of various civil society groups to this exercise. By this I mean the farmers and fisherfolk; the business community, large and small; the young people, and particularly secondary school students; faith-based organizations; the labour unions; and our own local CEPEP and URP workers, whose interests we have been specifically asked to continue to protect in these budget estimates.
- 1.2 We have listened to their views; and we have listened well. And even though we may not have always agreed on every policy proposal, I am happy to say that these discussions were immensely helpful in formulating the policies and programmes that drive the estimates for fiscal 2012. For

this, I thank them very much.

- 1.3 In this regard, I also wish to offer special thanks to the staff of the Division of Planning and of the Division of Finance and Enterprise Development - especially those in the Office of the Secretary and the staff of the Budget Department. They survived the many late nights; the numerous drafts of the documents; and responded to every new request from Secretaries and Assistant Secretaries with promptness and professional generosity. On behalf of you, Madam Presiding Officer, and all the Members of this House, I thank them for their service to the Assembly and, by extension, to Tobago and Tobagonians.

## **2 The Year in Review**

### ***Macroeconomic and Related Developments***

Madam Presiding Officer,

- 2.1 Permit me to begin the technical part of my presentation today with a brief overview of the global, regional and national economic contexts within which we in Tobago have operated in the past year or so. In 2010, global economic growth continued to be uneven. While rapid economic growth continued in China, India and Brazil, there was continuing evidence of financial market turbulence, fiscal imbalances and labour market sluggishness in the United States and parts of Western Europe, all of which contributed to lack-lustre post-recession growth in the European Union and the OECD countries. More recently, political turmoil in the Middle East and North Africa and natural disasters in New Zealand, Australia and Japan have negatively affected the medium-term growth prospects for these economies and, consequently, for the global economy.
- 2.2 Regionally, the Caribbean lagged behind other major developing regions. The tourism sector, while boosted by increased arrivals from the United States and Canada, has been negatively affected by the economic and financial difficulties of some European countries and the imposition by the United Kingdom of its Air Passenger Duty that evidently discriminates against the Caribbean region. In general, high internal and external debt burdens have significantly reduced the fiscal headroom of almost all

Caribbean economies and their ability to apply fiscal stimuli to their individual economies. Indeed, some countries faced difficulties with their financial market credit ratings, while others had to seek assistance from international agencies, such as the International Monetary Fund.

- 2.3 With respect to Trinidad and Tobago as a whole, data available from the Central Bank show a decline in real GDP of 3.5 per cent in 2009, followed, in 2010, by a miniscule increase of 0.1 per cent, reflecting general weakness in domestic demand. For the year to date, while business sentiment seems to be improving, there is no evidence yet of strong growth in private consumption that represents the bulk of the nation's GDP; and the Central Bank has revised downwards its prediction for real GDP growth in 2011 to between one and two per cent. This forecast is based, in part, on the assessment that Central Government fiscal operations will, as in 2010, fail to yield the stimulus envisaged in the national budget, at least for the first half of 2011.

Madam Presiding Officer,

- 2.4 Bank credit usually represents a good indicator of the pace and direction of the economy. The Central Bank reports that total bank credit outstanding in the consolidated banking sector and credit outstanding by business firms declined steadily over 2010 and by December were 2.2 per cent and 6.2 per cent lower, year on year, respectively. The Central Bank also reports of indications that consumer spending may now be on the rise, after a slow recovery which began in October 2010; and that continued into 2011. Real estate mortgage loans outstanding were 7.7 per cent higher in February 2011 than a year earlier. This, in part, explains the guarded optimism of the Central Bank, with respect to the growth prospects for Trinidad and Tobago over the next few months.
- 2.5 Notably, Central Government operations in 2010 registered a small overall deficit of 0.2 per cent of GDP against the 5.4 per cent predicted in the national budget. The significantly lower budget deficit reflected higher revenues, as well as under-spending by the Central Government, particularly within the public sector investment programme. As for the external sector, the overall balance of payments outturn resulted in an increase in reserves of US\$435 million, reflecting a ten per cent increase in

exports and a five per cent reduction in imports over the corresponding period in the previous year. The Central Bank predicts increased demand by recovering CARICOM countries for imports of goods made in Trinidad and Tobago. In turn, increased exports and progressively expanding manufacturing activity are expected to spur consumer spending further.

- 2.6 Regarding the labour market, there were, up to the time of the preparation of the final draft of this statement, no official data available for the second half of 2010. However, depending on the presumed pick-up in demand, all things being equal, the associated increased demand for labour may have reduced the rate of unemployment to below the five per cent achieved in the second quarter of 2010. As for price movements, headline inflation accelerated over the course of 2010. Core inflation, however, was confined to approximately four per cent for much of the year. The outstanding feature of inflation in 2010 was the behaviour of food prices. Rising food prices internationally, combined with a series of domestic supply shocks, pushed food price inflation to 39 per cent in August 2010. The rate fell to 30 per cent in December; but, by that time, core inflation had risen to 4.7 per cent. Food price inflation has since fallen to 20 per cent in March 2011; and core inflation has returned to below 4 per cent.

Madam Presiding Officer,

- 2.7 With particular reference to Tobago, the local economy continues to be dominated by activities in the tourism sector and those undertaken directly by the Tobago House of Assembly. Let me look first at the tourism sector.
- 2.8 International tourism in Tobago has witnessed a decline in arrivals since 2008 when there were 56,517 visitors. That number fell to 34,391 in 2010. Monthly data for January to April of this year indicate that the decline continues, with international arrivals declining in every month, compared to 2010. Cruise ship arrivals, moving against the overall trend, surged to 70,134 visitors in 2009, but slipped to 61,596 in 2010. Early data for January to April of 2011 indicate a continued decline in both the number of passengers and ship visits, totalling 30,827 passengers and 22 ship visits for the first four months of this year, compared to 40,234 passengers and 35 ship visits over the same period in 2010. Arrivals by yachts continue to be

a minor segment of the sector, but one with excellent potential for growth.

- 2.9 Domestic tourism has grown in importance in recent years. Data on domestic tourism are, however, not readily available. As a rough proxy, it has become necessary to use domestic arrivals by sea and air, as an indicator of domestic tourism, while understanding that the available data do not specifically identify leisure domestic travel. In this regard, it is noted that total domestic passenger traffic was steady at approximately 800,000 per year over the period 2008 to 2010. Arrivals via the air-bridge grew from 316,917 in 2009 to 321,675 in 2010. Arrivals declined for the first two months of 2011, compared to the first two months of 2010, but grew by 5 per cent and 22 per cent in March and April, compared with the same period in 2010, possibly a reaction to the temporary withdrawal of one fast ferry from the sea-bridge. Reflecting the general picture of weak domestic and international tourism, there was, during the first quarter, a slight decline in the net occupancy rates for hotels and guest houses from 40.6 per cent in 2010 to 36.6 per cent in 2011, the largest decline month to month having occurred in February, when the rate fell to 33 per cent from 43 per cent a year earlier.

Madam Presiding Officer,

- 2.10 Because the tourism sector is so important to the economy of Tobago, these data are cause for concern. In acknowledgement of the situation, the Divisions of Finance and Enterprise Development and Tourism and Transportation have collaborated to commission an in-depth study, and develop a simulation model of the tourism sector of Tobago, to help assess its performance and understand its linkages to other sectors of the economy. Following the example of Barbados and other major tourism-dependent economies, this simulation model is to be used for econometric simulation exercises and for help in the evaluation of a wide variety of policies that affect or can be applied to the tourism sector. The tourism study and model, which will be completed shortly, will provide a key analytical platform for the development, with all stakeholders, of a comprehensive plan to adjust the tourism sector to face the challenges of a changing global economy.

Madam Presiding Officer,

- 2.11 Bearing in mind the weak performance of the tourism sector, the Tobago economy was sustained in fiscal 2010 by the fiscal activism of the Tobago House of Assembly. As will be indicated presently, spending by the Assembly in fiscal 2010 amounted to \$1.7 billion; and was responsible for the small, but positive, rate of economic growth observed on the island. In the light of the developments in the tourism sector, without the actions of the Tobago House of Assembly, economic activity on this island in fiscal 2010 would have ground to a halt and thousands of workers would have been sent home. Based on the preliminary results of a study commissioned by the Division of Finance and Enterprise Development, Gross Domestic Product in Tobago grew in 2010 by 0.5 per cent, in a situation where the national economy virtually stagnated with growth of 0.1 per cent.
- 2.12 With respect to labour market developments, the latest data for Tobago show an unemployment rate of 5.3 per cent for the second quarter 2010. It is a matter of concern that the highest rate of unemployment was among the age group 15 to 19 years, where it was 28.6 per cent for both sexes, 25 per cent for females and 33.3 per cent for males. Some 51.5 per cent of persons with jobs were employed in the public sector.
- 2.13 Current data on inflation in Tobago are not now available from the Central Statistical Office of Trinidad and Tobago. We have written to the Minister concerned, since this situation that has emerged since last year is contrary to the understandings between the Assembly and the CSO, for whom office accommodation is provided in Tobago, free of charge by the Assembly.

Madam Presiding Officer,

- 2.14 I wish to close this examination of the economy of Tobago, with a brief comment on the social context against which these economic events take place. The year 2010 saw total crime reported in Tobago fall to 1,440, a decline of 8.9 per cent over 2009, continuing a reduction in reported crimes on the island amounting to 28 per cent since 2006, when such crimes reached their highest mark in two decades. The number of homicides fell from 15 in 2009 to 10 in 2010. There has, unfortunately, been an increase in rape and other sexual offences; larceny, dwelling house break-ins; and

detection rates continue to be low.

Madam Presiding Officer,

- 2.15 In summary, over the past twelve months or so the world economy appeared to be on a “*variable geometry*” track towards recovery from recession. While growth in the more mature economies was sluggish, the emerging economies fared much better. As price takers on the global economic stage, Trinidad and Tobago’s performance was weak, although Tobago performed slightly better than Trinidad, in terms of the rate of economic growth. Indeed, despite the evident difficulties in the tourism sector, Tobago, as a whole, was able to weather the economic storm only because of the fiscal interventions of this Administration and the deliberate efforts to sustain and expand Assembly spending on the island.

### ***Financial and Budgetary Developments***

Madam Presiding Officer,

- 2.16 I would like to turn now to the financial and budgetary operations of the Assembly over the past year.
- 2.17 As we are all aware, the main operations of the Assembly are funded by appropriations from Parliament. In the year ended 30<sup>th</sup> September 2010, the Assembly received a total of \$1,627.4 million directly from the Ministry of Finance, to fund recurrent and development programme expenses, while the sum of \$81.5 million was collected in Tobago on behalf of the Consolidated Fund and offset against the total appropriation, therefore bringing the total receipts from the Central Government to \$1,708.9 million.
- 2.18 Total recurrent expenditures in fiscal 2010 amounted to \$1,173.1 million. Three Divisions - - Infrastructure and Public Utilities; Education Youth Affairs and Sports; and Health and Social Services - - together accounted for expenditures of \$808 million or 68.9 per cent of the total recurrent expenditures undertaken by the Tobago House of Assembly in fiscal 2010. The data also indicate that the largest single item of expenditure by the Assembly involves payments to its employees, the people of Tobago. In this context, this House needs to be reminded that Personnel Expenditures in 2010, though already a significant proportion of the total recurrent

expenditures, officially excludes payments for short-term and contract employment that together amounted to \$132.8 million; an almost \$90 million of transfers to the Tobago Regional Health Authority for meeting its own personnel expenses; and approximately \$51 million spent on wages within URP and CEPEP together.

Madam Presiding Officer,

- 2.19 With respect to capital or development programme expenditures undertaken by the Assembly and funded by the Assembly's Parliamentary Allocation, these amounted to \$347.5 million in fiscal 2010. Expenditures on economic infrastructure and on social infrastructure together accounted for some \$315.9 million or 90.9 per cent of all development programme funds spent from the Parliamentary Allocation.

Madam Presiding Officer,

- 2.20 As is the practice of this Assembly, and as indicated in the monthly budget reports that I regularly submit to this House, if, regardless of the reason, there are financial balances at the end of any financial year, these balances are placed in what is called the Assembly's Contingencies Account. An amount of \$232.3 million was collected as so-called unspent balances for the financial year ended 30 September 2009 and placed in the Contingencies Account for 2010; and used to help finance not only urgent and unforeseen projects and programmes, but also those projects and programmes that may have been underfunded in their allocations from Parliament.

- 2.21 Of the many important project and programme initiatives financed in fiscal 2010 by the Contingencies Account are:

- The Buccoo Integrated Facility - - \$29.6 million;
- The Unemployment Relief Programme - - \$22.3 million;
- Housing Projects - - \$3.6 million;
- The Community-Based Environmental Protection and Enhancement Programme - - \$17.3 million;
- The Parlatuvier Jetty - - \$2.4 million;
- The Cove Eco-Industrial and Business Park - - \$19.8 million;

- The Shaw Park Cultural Complex - - \$9.9 million;
- The Purchase of Land at Gardenside Street - - \$5.0 million;
- The Buccoo Community Centre - - \$4.2 million;
- The Gas Plant Processing Scholarships - - \$0.8 million;
- The Tobago Cold Storage and Warehouse Facility- - \$2.6 million;
- and
- The Northside Regional Sports Complex - - \$2.4 million.

Madam Presiding Officer,

- 2.22 What this indicates quite clearly is that this Administration does not hoard financial resources in its bank accounts. Where emergencies arise or where projects and programmes are underfunded by the Central Government, this Administration will not shirk from its responsibility to intervene wherever and whenever we can. Without such intervention, the Buccoo Integrated Facility would not have been built; the housing projects would not have been financed; and URP and CEPEP would have had to close down for several months of the year. That explains why, in fiscal 2010, \$253.3 million of Contingencies Account resources were released by the Division of Finance and Enterprise Development, following on the instructions of the Executive Council, in support of such interventions in the various Divisions

Madam Presiding Officer,

- 2.23 Turning to our annual financial statement, as a corporate body, the Assembly seeks to prepare accurate financial statements in a timely manner and submit them, as required, to the Auditor General. To date, the financial statement for the year ended September 2009 has been prepared and submitted to the Auditor General, while efforts are well under way to complete the financial statement for the year ended 30<sup>th</sup> September 2010. This too, when completed, will be submitted, as all the others have been over the past ten years, to the Auditor General. Let me add that, despite the delay that is due to staffing and related issues, the Assembly remains among the few governmental bodies in Trinidad and Tobago that establish and endeavour to adhere to rigorous reporting standards, as far as financial statements are concerned. In this regard, I should also add that, consistent with generally accepted international accounting norms, the Assembly is

endeavouring to move towards accrual accounting, away from the current cash basis of accounting.

- 2.24 In a related matter, let me take this opportunity to report that, in keeping with international best practices, the Assembly has established a Fixed Asset Register, as part of its fixed asset management system. A Policy Manual has been prepared to offer guidance to the system of tracking and identifying tangible fixed assets for the purpose of financial accounting and preventive maintenance. The system is fully in place, with quarterly updates being performed by the respective Divisions.

Madam Presiding Officer,

- 2.25 This House is well aware of the efforts of this Administration to ensure that the financial resources put at our disposal are not subject to abuse or to unlawful practices. I have just noted that all our financial statements are, for the main part, up-to-date; and that these statements have been submitted to the Auditor General. While we are pleased with our efforts to satisfy the statutory requirements in this regard, we are also especially pleased to announce to this House that we have started the process of conducting independent audits across the Assembly, especially where large sums of money are involved. These audits reflect this Administration's commitment to identifying potential financial shortcomings and not giving them a chance to blossom. I want to assure this House that this Administration will always be guided by the advice and recommendations of the independent auditors. Employees of the Assembly whose hands are clean have absolutely nothing about which to concern themselves; but where there is hard and reliable evidence of malfeasance, fraud or other financial improprieties, we will act, as we are required to, in accordance with the Audit and Exchequer Act and the current Financial Regulations.

***Operational Programme Developments***

Madam Presiding Officer,

- 2.26 Beyond issues related to finance, we cannot ignore the fact that the purpose of this, or any, THA Administration is to deliver programmes, projects and services to the people of Tobago. The expenditure figures that I have just quoted have meaning only because they reflect the delivery of programmes,

projects and services to all the people. Madam Presiding Officer, this point needs to be emphasized because if you were to listen to some observers, nothing is happening to Tobago. Interestingly enough, that kind of criticism frequently comes from people who are themselves the beneficiaries, sometimes more than others, of the very projects and programmes of the Tobago House of Assembly that they claim is doing nothing for them. So, Madam Presiding Officer, permit me to help set the record straight.

Madam Presiding Officer,

2.27 The past year witnessed the following actions in terms of projects and programmes that have brought benefit directly or indirectly to all Tobagonians. I refer to:

- support to various religious organizations, that assist in maintaining the social and moral fabric of our society;
- support for the steel band movement, through the acquisition of land for the Buccaneers Steel Orchestra;
- the provision of financial assistance to 228 new students, to enable them to pursue their studies at university, bringing the level of assistance in the past ten years to over 1400 students at a cost of \$80 million;
- streamlining the activities of the Fish Processing Company of Tobago Limited (FIPCOT); the Tobago Cassava Products Limited (TCPL); the Tobago Cold Storage and Warehouse Facility (TCOSWAF); the Milford Road Esplanade; and of the Assembly's other commercial entities - - all in support of economic diversification and local enterprise;
- the launch of the Enterprise Assistance Fund Grant Programme that provides business grant funding to Tobagonians of up to \$25,000;
- the disbursement of \$1.9 million of loans through the Enterprise Assistance Fund to Tobago small businesses;
- the upgrade and expansion of the 211 system to increase its capacity to assist Tobagonians, as it did in the Tomas emergency;

- the launch of the Tobago House Ownership Savings Programme for Young Adults between the ages of 18 and 35;
- the provision of full financial support for the construction of the Riverdale Lodge and Resort in Argyle;
- the certification of guest houses under the Inspection Certification Programme, in order to maintain an international standard of the island's room stock;
- the \$26.5 million stimulus package to support the tourism sector;
- the continuation of the Small Property Assistance Programme to assist with property upgrade and development;
- the training of over 600 teachers in the use of Information and Communication Technologies;
- the provision of training to young Tobagonians in areas such as study skills, computer literacy and youth employability;
- the extension and refurbishment of two Early Childhood Care And Education Centres at Mt. St. George and Les Coteaux at a cost of \$2.8 million
- the conduct of the Community Learning and Skills Service Programme for the training of 700 persons;
- a school feeding programme that provided over 2,753,636 meals in fiscal 2010 to over 13,150 primary and secondary school children at a cost of \$25.2 million;
- the Male Mentorship Programme, designed to provide access to training and development for men in communities throughout Tobago;
- the training of over 100 youth leaders, in conjunction with the Tobago Youth Council, to develop the youth arm of village councils;
- the introduction of the Speyside All-round Heritage Project, geared towards having a year-round heritage programme for communities not normally involved in the annual Heritage Festival;

- payments to over 115 root crop farmers and fisherfolk from the Assembly's Disaster Relief Fund, as a result of damage caused by Hurricane Tomas;
- some 2,514 surgeries performed at the Scarborough Hospital; 33,320 patients treated at Accident and Emergency; and 24,237 patients served at our outpatient clinics;
- the provision of \$2.7 million of assistance as aid to necessitous patients;
- establishment of the Alcohol and Drug Prevention Programme;
- an improved response time of the Emergency Health Services - - to 14 minutes, in comparison with response times nationally and internationally of 31 minutes and 20 minutes respectively;
- the provision of \$0.3 million to the Sylphil Home;
- Home Improvement Grants and Home Improvement Subsidies to 1,000 persons, at a total cost of \$6 million;
- the distribution of 151 new housing units;
- the distribution of seventy-five deeds and state grants to the residents of the Charlotteville, Speyside, Buccoo and Milford Court housing developments, some of whom have been waiting for over fifty years; and
- the provision of Home Construction Grants to assist Tobagonians with legal and other fees that are required to obtain mortgage financing for home construction.

Madam Presiding Officer,

2.28 With specific reference to the capital investment programme, several projects were completed in the past twelve months. These include:

- The Buccoo Integrated Facility, at a total cost of \$112 million;
- The Buccoo Community Centre, at a total cost of \$6.1 million;
- The Mt. Grace Pavilion, at a total cost of \$5.9 million;
- The Pembroke Heritage Park, at a total cost of \$3.5 million;
- The Patience Hill Outreach Centre, at a total cost of \$5.0 million;

- The Lambeau Recreational Facility, at a total cost of \$2.0 million;
- The Sidewalk at Mt. Marie, at a total cost of \$2.0 million;
- The Sidewalk at Signal Hill, at a total cost of \$1.3 million;
- The housing settlements at Roxborough, Blenheim, Castara and Adventure in Plymouth, at a total cost of close to \$150 million;
- The Black Rock Pan Theatre, at a total cost of \$5.0 million;
- The Black Rock Recreation Ground, at a total cost of \$3.5 million;
- The Jubilee Park, at a total cost of \$2.5 million;
- The Glen Road Community Centre, at a total cost of \$1.1 million;
- The Delaford Fishing Facility, at a total cost of \$2.7 million;
- The Mt. Irvine Fishing Facility, at a total cost of \$1.8 million;
- The Studley Park Fishing Facility, at a total cost of \$3.0 million;
- The Scarborough Health Centre, at a total cost of \$24 million;
- The Patience Hill Hard Court, at a total cost of \$3.5 million;
- The Bloody Bay Recreation Ground, at a total cost of \$3.0 million;
- The Bloody Bay Beach Facility at a total cost of \$6.7 million;
- The Mary's Hill/Whim Recreational Ground, at a total cost of \$2.0 million; and
- The Scarborough Secondary School Extension, at a total cost of \$2.3 million.

2.29 Among major project activities undertaken in the past year, some of which projects are on-going and all of which have brought benefit to Tobagonians, are:

- the \$38 million Special Tobago Infrastructure programme that is creating some 500 new jobs in East Tobago; and treats with the infrastructure challenges that continue to pose a threat to the citizens in the East during severe weather conditions;
- Improvement to Beaches and Landing Facilities- - \$2.0 million;
- Improvement to the Botanic Gardens - - \$1.0 million;
- Agriculture Access Roads - - \$3.0 million;

***Drainage and Irrigation***

- Page Gully - - \$3.5 million;
- Union Branch Trace - - \$1.3 million;
- Canaan/Bon Accord Connector Drain - - \$5.0 million;
- Fort King George Heritage Park - - \$6.6 million;
- Development of the Cove Eco-Industrial and Business Park - - \$19.2 million;
- Major Improvement Works on Secondary Roads- - \$31.0 million;
- Roxborough/Bloody Bay Road Retaining Wall- - \$2.2 million;
- The Mt. St. George/Castara Road - - \$3.5 million;
- The Road Resurfacing Programme - - \$4.9 million;
- The Orange Hill Road - - \$2.0 million;
- The Windward Road Special Development - - \$4.9 million;
- Improvement/ Refurbishment/ Extension to Primary Schools - - \$3.3 million;
- The Scarborough Library - - \$7.2 million;
- Development of the Caribbean Union College, Tobago - - \$3.0 million;
- Construction of new Health Centres - - \$10.7 million;
- The HIV/AIDS and Substance Abuse Programme- - \$4.2 million;
- The Shaw Park Cultural Complex - - \$20.9 million;
- The Shaw Park Sporting Complex - - \$2.1 million;
- The Financial Complex - - \$14.8 million.
- Construction of Pavilions and Sporting Facilities- - \$2.3 million;
- Construction of the Parlatuvier Community Centre \$1.9 million;  
and
- Construction of the John Dial Community Centre- - \$2.8 million.

Madam Presiding Officer,

2.30 I would like to take this opportunity to update this House on the status of three projects that have, admittedly, represented some serious challenges

for this Administration. Mistakes in project planning were obviously made on all these projects; and we take full responsibility for all such mistakes. However, we make no apology for thinking big; and for wanting to provide Tobagonians with world-class facilities, whether they are at work or at play.

2.31 With respect to the Library, after the disengagement of the previous contractor, the completion of this project is being arranged through the Central Tender's Board. The tenders closed last Thursday; a contract award will be made in about three weeks time; and we expect the completion works to resume in a month or so thereafter, with an expected completion date at about the end of the year. With respect to the Shaw Park Cultural Complex, this project is now 60 per cent complete. The very intricate and difficult steelworks on the roof of the building have begun; and we are hopeful that the contractor, Yorke Structures Limited, a firm with strong Tobago roots, will be able to adhere to the promised completion date of around the first quarter of 2012. With respect to the Financial Complex, work is continuing at quite a pace. As this House will recall, the Assembly was forced to disengage the team of architects, engineers and several others initially associated with the project; and adopt a design-build approach to the Financial Complex, with the contract awarded to Heron Lewis Construction Ltd. We expect that this structure will be ready for occupancy by the end of this calendar year. I am proud to say that, on completion, this will be a world-class edifice, meeting world-class standards of ergonomics in the workplace; of communication; and of service to the public.

2.32 Madam Presiding Officer, what this means is that by the end of the first quarter of next year, we would have seen the completion of three flagship projects, valued at close to \$500 million and financed in Tobago by the Tobago House of Assembly's own efforts. I trust that all Tobagonians will join in celebration when first a brand new Financial Complex, then a brand new Scarborough Library and subsequently a brand new 5,000-seat Shaw Park Cultural Complex are delivered to the people of Tobago, starting later this year. So too should Tobagonians celebrate when the Scarborough Hospital is handed over to the Assembly and the people of Tobago later this

year, as promised.

Madam Presiding Officer,

- 2.33 As I conclude this review of operational and other activities of the Assembly over the past twelve months, permit me to address an on-going structural matter that bears importantly on the broad workings of the local economy and the prospects looking ahead. I refer specifically to the question of economic diversification. Madam Presiding Officer, we continue our efforts towards the diversification of the Tobago economy and the inclusion of the Tobago people in this process. As you will recall, our strategic diversification initiatives are aimed at creating new sustainable businesses outside of the tourism sector. The purpose is to ensure that the Tobago economy becomes more robust and able to withstand an increasingly volatile world tourism industry.

Madam Presiding Officer,

- 2.34 Despite the urgency of our efforts, policy initiatives geared towards economic diversification and structural change do not bring immediate results because, besides the inevitable implementation lags, there are always unforeseen obstacles and hurdles along the way. The economic history of today's economic power houses, such as China, India, Malaysia, Singapore and Brazil, bear testimony to the fact that, despite the best efforts, structural change is a slow process, certainly not for the impatient or the easily discouraged.
- 2.35 It is because this Administration takes the long view that we have established Tobago Cassava Products Limited (TCPL) and the Fish Processing Company of Tobago (FIPCOT), the purpose being quite simple - to provide new opportunities for Tobago entrepreneurs and others who may now be spectating, while others enjoy the longer-term benefits of the Tobago economic playing field. Why buy cassava and its by-products from Trinidad and St. Vincent when we can produce our own, add value, consume what we wish and sell the rest to the world? But instead of lending support and encouraging Tobagonians to step up into the modern world, there have been deliberate efforts to frustrate the initiative. I am pleased to remind this House, as I did recently, that the initiative

continues, with scores of cassava farmers engaged contractually by the Assembly, with guaranteed prices for their produce to be bought by TCPL, which, in collaboration with the Marketing Department of the Division of Agriculture, Marine Affairs, Marketing and the Environment, will engage in adding value and in the downstream processing of a variety of cassava products.

- 2.36 As for FIPCOT, I am pleased to report to this House that after a year of turbulence, there has been an amicable parting of the ways between FIPCOT and nine of the eleven persons from Castara who began this journey with the Assembly and on whom over several hundred thousand dollars were spent on their training. The *Capital of Paradise 1* has now returned to sea with a new Tobago-born captain and a crew consisting entirely of citizens of Trinidad and Tobago, involving two of the original persons from Castara and other residents of Tobago. I am pleased to report that the *Capital of Paradise I*, on its trial run lasting just about a week, landed some 9000 pounds of fish to our shores, and of this amount, half was exported and the remainder sold on the local Tobago market.
- 2.37 And, Madam Presiding Officer, the same reports of steady progress can be made with respect to the Milford Road Esplanade and to the Tobago Cold Storage and Warehouse Facility, situated at Shaw Park; and which was bought from NIPDEC by this Administration. Similarly, after its initial teething problems, the Esplanade is now serving its function as a business place for Tobagonians; and TCOSWAF, recently renovated at a cost of \$2 million, is now able to provide cold storage facilities to Tobago businesses, including fishermen and fish processors; and is now fully compliant with international HACCP standards.
- 2.38 I am also pleased to report that work at the Cove Eco-Industrial and Business Park - - our flagship diversification project - - is progressing well towards completion; and it is expected that the final phase of the project will be handed over to the Assembly by the contractor in August of this year and that two factory shells and the business incubator will be completed early in the new year. The completion of these initial facilities will represent an important milestone, as it allows entrepreneurs to expand their operational capacity at reasonable cost, in a designed manufacturing

space with proper built-in supporting infrastructure.

- 2.39 Administratively, and in support of our push towards economic diversification, we are well advanced in the restructuring of the operations of the Business Development Unit. In March, new recruits joined the organization, thereby revamping the HR assets and skills capacity of the Unit. This will be reflected in the quality and range of services that the Unit will make available to clients. Of particular note and, indeed, as a direct result of the BDU's restructuring, is the completely revamped *Business Readiness and Business Support Programme*, which is being rolled out to new and existing, meso and micro, small and medium businesses in targeted sectors, including furniture manufacturing, agri-business; agro-processing, as well as many businesses within the service and retail sectors. The Programme will provide the knowledge and skills required to start and successfully operate a business - - from basic pricing to customer service.
- 2.40 The financial services portfolio of the Unit continues to offer loans and, to date, 210 persons and organizations have benefited since 2003 from the over \$16.8 million provided at very reasonable below market rates; and, in special circumstances, even at a zero rate of interest. In addition, the Enterprise Assistance Fund Grant Programme has been implemented and was officially launched on May 31<sup>st</sup> of this year. The introduction of the grant is a tangible manifestation of our commitment to ensuring that Tobagonians have access to funds for their viable business ideas and as applicable to their current financial circumstances. To date, 75 applications have been received for grants and 9 have either been approved or disbursed. Most importantly, the applications represent interest from all sectors and support the economic diversification that is being aggressively promoted by this THA Administration.
- 2.41 In addition to providing financial support, there has been increased activity in business training and business consulting. We have recognized that our SMEs need non-financial "hand-holding", so to speak, for guidance in business planning, for specialized expertise in such areas as export promotion and marketing and, most importantly, as motivation and encouragement during difficult economic times. The programmes take

many forms; and are done with both public and private stakeholders; and are delivered through a myriad of channels, so that the message and benefits reach all Tobago entrepreneurs.

Madam Presiding Officer,

- 2.42 We recognize fully the challenges to achieving sustained economic development in Tobago that are exacerbated by the inherent volatility of the tourism sector. It is clear that the road ahead will mean out-of-the-box thinking and moving out of our comfort zones. That is to say, we must venture into new territory, towards which we have traditionally held conservative views. These include specific growth areas in ICT, renewable energy and light manufacturing, while at the same time ensuring that we stay true to our guiding principle for Tobago - - *“clean, green, safe and serene”*.
- 2.43 In this regard, I am extremely pleased to report that the THA Venture Capital Equity Fund Limited was created and registered in November 2010, pursuant to the Venture Capital Act. Through this company, the THA has provided yet another financial instrument to Tobago entrepreneurs. The funding here will focus on early-stage, high-potential growth companies; and the company will provide funds on a very selective basis in cash-for-equity transactions. The Board Members have been appointed and are in the process of finalizing their operational framework and staffing requirements. As initiator of the project, the THA has committed an initial sum of \$25 million to start the company’s operations; and it is expected that the first investment will take place before year end.
- 2.44 Madam Presiding Officer, please allow me at this juncture and in this context to make special mention of Mr Kenneth Cyril Valley, my colleague and friend, a former Minister of Trade and Industry, who has left us for a far better place. He generously shared his academic and expert practical business knowledge with the THA on venture capital; and worked together with us in bringing this project this far, this quickly - - just as he did with respect to the Cove Eco-Industrial and Business Park.

Madam Presiding Officer,

- 2.45 By now you would have correctly concluded, that I have taken more time

than usual in reviewing the performance of the Assembly over the past year. But, I have done so with good reason. As you can understand, this was deliberate and necessary, because, if you listen to the naysayers, nothing is happening in Tobago; no effort is made by the THA to mitigate the effects on Tobago of the global economic slowdown; and Tobago remains mired in an economic and development tailspin. But nothing is further from the truth. I simply wish to point out that, while within the Caribbean region, certain economies have stalled and thousands of workers in both the public and private sectors have been sent home and have now joined the bread line, in Tobago, despite the very real and legitimate capacity utilization issues in the tourism sector, the economy, as a whole, has continued to grow, albeit at a slower pace than hitherto. No project was halted by the Assembly; and the system of social and economic safety nets has been maintained, despite the decision of the Central Government to starve the Assembly of funds for CEPEP. And most of all, in contrast to the weak economic performance in most of the Caribbean region, the Assembly provided strong counter-cyclical fiscal support to this island, with levels of public sector spending that have been maintained into the current fiscal year. Madam Presiding Officer, the challenge for Tobago, having endured the worst of the global economic slowdown, is where we go from here.

### **3 Protecting Tobago's Heritage**

Madam Presiding Officer,

- 3.1 In my budget statement to this august chamber, exactly one year ago, I sounded an early warning about the prospects for relations between the Central Government and the Tobago House of Assembly, following the general election of 24<sup>th</sup> May 2010. While my remarks were viewed then with concern by some people, events over the past year have proven that my concerns were right on target.

Madam Presiding Officer,

- 3.2 Tobagonians are, as we all know, a people of long memories; stubbornly fierce nationalistic pride; and a quiet resilience that has confused many an adversary who mistook our silence for acquiescence and even stupidity. I

am confident that these qualities will help us overcome whatever new obstacles are now being put in our way.

Madam Presiding Officer,

3.3 Beyond economics and beyond finance, what we have seen over the past year is a deliberate calculated effort by the UNC-led Central Government coalition, of which the Minority in this House is a part, to disrespect, denigrate and destroy the people of Tobago, their culture and their institutions. The aim is to emasculate Tobago and colonize our homeland, in exchange for lavish cocktail receptions at public expense; photo opportunities at every turn; hampers for every occasion; and vacuous statements of support on the one hand, while they endeavour to destroy the ethos by which the people of this island have conducted their affairs for generations.

3.4 The instances of disrespect and disregard have been as scandalous as they have been numerous. We will all recall:

- the refusal of the Central Government to honour the Tobago House of Assembly nominations to State Boards and Committees;
- the deafening silence of the two Parliamentarians, as Ministers of Government continue to undermine the authority of the Tobago House of Assembly;
- the threat by the People's Partnership Minister of Labour to URP workers who enquired about election promises for higher wages and better working conditions;
- the People's Partnership Government decision to stop accepting applications for the On-the-Job Training (OJT) Programme and other training programmes, therefore frustrating hundreds of Tobago youths who are desirous of improving themselves;
- the delay in providing for the refurbishment of the Vanguard Hotel, thereby placing the island's tourism sector at considerable further risk;
- the decision to cancel the OPVs which would have patrolled and protected the waters of Tobago against attacks on Tobago fishermen from foreign vessels;

- the refusal by the Minister of Finance to respond to the Assembly's enquiries about the funding for CEPEP workers;
- the delays of the Minister of Trade and Industry in meeting with the Secretary of Finance and Enterprise Development to facilitate the introduction of special tax incentives at the Cove Eco-Industrial and Business Park;
- the attempt to hijack and dismiss the discussions among Tobagonians about changes to the Constitution and to the THA Act, assisted in all this by a Minority Leader in Tobago who had agreed to the very process that he and the Cabinet are now attempting to derail;
- the attempt by the Minister of Arts and Multiculturalism to gypsy his way into matters over which he has no control, wanting to impose a second Carnival in Tobago and, in the process, callously and with a total lack of sensitivity, disrespecting ever church and church-goer on this island;
- the attempt to take credit for the construction of the swimming pool at Courland on land they do not own, even though the YMCA itself acknowledges the substantial contribution of \$6 million by the THA to the construction of the facility;
- the announcement by the Prime Minister about her plans for health tourism in Tobago, probably in response to foreign expressions of interest, but without even understanding that, in accordance with our THA Act, such an initiative cannot proceed without the concurrence of the Tobago House of Assembly;
- and, need I mention, the ultimate insult, coming to Tobago, as the Prime Minister and her Cabinet recently did; opening, on Tobago territory, a tertiary education facility; and inviting the Chief Secretary to speak, only after hundreds of protestors indicated their disgust at her initial refusal to do so.

3.5 Madam Presiding Officer, beyond disrespect and disregard, there has been dishonesty and deceit. We recall:

- the misrepresentations regarding the planned sod-turning for an integrated campus in Tobago, when, in fact, no decision had been made on the matter;
- the deception regarding the old Property Tax and the new Property Tax that cannot now see the light of day;
- the recent outright misrepresentations of the Prime Minister and the Minister of Works and Transport regarding the number of PTSC buses in Tobago, done simply to make Tobago look bad; and never corrected by either one when confronted with the facts;
- the decision of the Government to betray their election promise to pay Tobagonians the Old Age Pension of \$3,000 at age 60;
- the continuous repetition of the patently false statements that the fiscal 2011 Parliamentary Allocation to the Assembly, made in September 2010, was the largest ever allocated to Tobago;
- the delay in the start of construction of police stations at Roxborough and Old Grange – in total disregard for their Sixth Schedule responsibilities;
- the refusal to fund a new gas station at Roxborough;
- the inadequate funding for URP;
- the absence of any funding at all for CEPEP workers in Tobago;
- and the well-orchestrated fabrication that money for CEPEP was sent to *Tobago (by whom and to whom, we are not told)*; and subsequently returned to Trinidad (*by whom and to whom, we are also yet to be told*).

3.6 What is disheartening is that, in all this, the Central Government was actively supported in its disrespect and disregard and in its dishonesty and deceit by the Minority Leader of this House and the two Parliamentary representatives from Tobago East and Tobago West. As cases in point, we refer this House and all Tobagonians to:

- the refusal by the Minority in this House to support a motion to protect and preserve the autonomy of the Tobago House of Assembly;

- the Minority's decision to defend Minister Herbert Volney after he attacked Chief Justice Ivor Archie, an eminent Tobagonian;
- the description by the representative for Tobago West of the multi-million dollar Buccoo Integrated Facility as a "**goat pen**";
- the description of Tobagonians by the Tobago East MP as "**children of Soweto**";
- the ridicule, by the said Parliamentarians, of the Tobago House of Assembly and the people of Tobago during the 2011 budget debate in Parliament, joining others from Trinidad in mocking the people of Tobago, rather than making a case for increased budgetary resources for the island;
- the refusal of the Minority to support a motion asking the Central Government to respond to the plight of Tobago fisherfolk; and
- the crown jewel of all, the Minority Leader's encouragement to the Prime Minister to, and I quote, "*do it again*", as she disrespected Tobago and Tobagonians on her May visit to Tobago.

Madam Presiding Officer,

- 3.7 Confronted by the deliberate effort of the People's Partnership to marginalize this Administration, to disrespect the institution of the Tobago House of Assembly; and to deprive Tobagonians of their space in their own island, there are essentially two options available to us. We can join with the Central Government in continuing the disregard for our people and our distinct Tobago culture of which the Prime Minister and her Cabinet know so little. We can continue, as some already have done, to sell out for trinkets, hampers and transient nothings. Or, as Tobagonians, regardless of our political stripes, with one voice, we can come together to consolidate the gains that the Assembly and the people of Tobago have made over the past thirty years; protect our heritage; and engage in the relentless pursuit of greater economic, social and political welfare. This is the spirit that emboldened the likes of James Biggart, A.P.T James, Arthur Robinson, Winston Murray, Hochoy Charles and others who, in their time, and despite their politics, sought to transcend such politics for the larger vision that is called Tobago.

- 3.8 That is why, today, we can be thrust into the furnace of humiliation, as the Central Government did to Tobago at the opening of the MIC Training Centre - - a project that is undoubtedly good for Tobago and that was conceived by the previous PNM Central Government and the Division of Education, Youth Affairs and Sport here in Tobago. But we survived the furnace and are better for it. The lesson from all this is quite simple: **Tobagonians cannot be bought, bullied or bribed.**
- 3.9 This is why, Madam Presiding Officer, we have entitled this budget statement, *Protecting Tobago's Heritage* - - because we see at this time the overt and visible signs displayed by a Central Government whose only objective is to convert Tobago into its own likeness; and make Tobagonians their economic, political and social servants in what they envision as a new and permanent dispensation; and which Tobagonians see only as the new colonialism.
- 3.10 Therefore, as we prepare the ground today and plan ahead in the light of all the warning signals of the imperial designs of the Central Government, six issues emerge as most pressing and of extreme importance. They involve a greater embrace by Tobagonians of higher education; marketing Tobago's tourism; monetizing our culture and the arts; land ownership for Tobagonians; strengthening indigenous entrepreneurship; and reforming constitutional arrangements.

Madam Presiding Officer,

- 3.11 One of the finest traditions of Tobago and Tobagonians is the value we attach to education. Many of the leaders of today, in all walks of life, saw and used education as a passport to economic and financial success. And those who, for whatever reason, may have been unable to secure primary, secondary or tertiary education took every step to ensure that their children's education was superior to their own. And so, with this in mind, this Administration spent \$1.2 billion on primary and secondary education and \$80 million on tertiary education, in the past ten years.
- 3.12 But we need to do more - - much more. Therefore, faced with the thinly disguised efforts to infiltrate and undermine the people of Tobago, it is clear that, to protect our heritage, more must be done to ensure a level of

literacy and technicity that will facilitate Tobago's active participation in the modern technologically advanced world. Thus, we would have to ensure further support for literacy; for training; and for advanced studies. In all this, there must be special support for the Tobago House of Assembly's *Higher Education Complex*, as proposed by this Administration, to respond, not in an omnibus fashion, as other institutions of higher learning generally try to do, but to the specific and selective needs of Tobago. It will take highly skilled and educated Tobagonians - - in many diverse fields - - to manage an autonomous Tobago in the twenty-first century; and the time to begin to differentiate ourselves is now.

Madam Presiding Officer,

- 3.13 In order to ensure that Tobago has all the necessary human capital to manage all its affairs, with as little reliance as possible on others, even our already generous programme of education and training needs to be expanded and enriched. This Administration, thus, plans to launch in the next year, a *Young Professionals Programme*, to expose our best graduates in all fields to the finest institutions and practices anywhere in the world, to fine-tune their craft, working alongside world-class practitioners, so that, as our future leaders, they may return to Tobago to provide world-class service to the people of this island. We intend to take example from the excellence already achieved in the area of sports and lend support to Tobagonians in all other disciplines, with the generous financial assistance of the Tobago House of Assembly.

Madam Presiding Officer,

- 3.14 As regards the second issue, let me say at the outset that, much as we may wish to shift the economic balance more rapidly away from the tourism sector, because of the obvious dangers of concentration, that is not immediately possible. It is clear that, for the foreseeable future, tourism will play a major part in this island's economy. But we need to revisit past practices and become more focussed.
- 3.15 In approaching possible institutional changes within the tourism sector in Tobago, an important consideration has to do with the legal authority of the present Assembly to undertake certain actions that may well provide

benefits to the tourism sector, equal to or even better than that which obtains in other Caribbean islands. For instance, Section 29 (4) of the Tobago House of Assembly Act prohibits the Assembly from instituting any change to direct or indirect taxation in Tobago. The law is very clear on this. The THA cannot change the tax laws of Trinidad and Tobago; and our legal opinion is that it would be even *ultra vires* for the Tobago House of Assembly to offer loan guarantees and bear the credit and other financial risks that such action would imply.

3.16 What this suggests is that, pending the resolution of the constitutional and related matters that are currently under discussion, and much in the spirit of cooperation that the Chief Secretary has continuously espoused, there is urgent need for consultation and collaboration between the Tobago House of Assembly and the Central Government in determining ways to address the taxation and other issues related to the tourism sector in Tobago and over which the Assembly does not have direct control. Indeed, this Administration sees this issue as critical; and renews its call for consultation between the two levels of government, prior to the presentation of the national budget later this year.

3.17 The Assembly would wish to engage the Central Government in discussions that could facilitate:

- the offer of loan guarantees by the Central Government to special tourism sector entities, depending on their circumstances;
- the removal of the 10 per cent hotel tax in Tobago;
- enhanced tax credits for renovations to the tourism plant and for new structures;
- the removal of the VAT on certified purchases by the tourism sector;
- the introduction of special incentives to property owners for the development of Scarborough;
- the creation of duty free shopping at the Esplanade in Scarborough and at Charlotteville;
- the grant of special enhanced fuel concessions to carriers engaged in airlift to Tobago;

- new and enhanced security arrangements at all our ports;
- improvement in the coordination of air bridge and sea bridge services (with schedules available at least two months in advance) and implementation of maintenance schedules of equipment to coincide with periods of low or non-peak demand; and
- special arrangements for Caribbean Airlines flights to Tobago from new North American gateways.

Madam Presiding Officer,

- 3.18 Beyond the structural and legal issues that require the direct input and collaboration of the Central Government, one area in which the profile of Tobago's tourism sector can be enhanced by the Tobago House of Assembly, independent of the actions of the Central Government, is the area of marketing. We, therefore, propose to undertake an audit of the Assembly's approach to marketing. Old practices cannot continue simply because they were undertaken in the past. Existing strategies have to be re-examined in a total cost-benefit framework, to determine their continuation or their termination. And, in support of whatever conclusions are arrived at, the necessary funding must be provided to market Tobago in Trinidad; in the region; and in the rest of the world. In this regard, the new possibilities that have emerged for travel from Eastern Europe to Tobago need also to be exploited, as in our earlier arrangements with Lauda Air that were, to a large extent, handicapped by visa restrictions. Similarly, aggressive airlift arrangements, stressing the diaspora market, need to be explored for travel to Tobago from markets such as in Abuja, Accra, Delhi, Johannesburg, Lagos, Mumbai and Nairobi.

Madam Presiding Officer,

- 3.19 Thirdly, as Tobago surveys and assesses its current circumstances within the broader political entity called Trinidad and Tobago, or, further afield, as part of the Caribbean family, one thing is clear - - it has to be recognized that the culture of Tobago is distinct and needs to be protected from the larger whole. I need to make it clear that this is not what the professional political scientists call xenophobia. It is a natural expression of our will and our determination, as a virtually homogenous minority within Trinidad

and Tobago, to survive; and to protect ourselves against actions within and without that could destroy that which is genuinely Tobagonian and about which we are justly proud.

3.20 We, therefore, need to take second and third looks at current efforts to protect Tobago's heritage. For instance, there is need to expand and promote the Tobago Heritage Festival, to transform it into a larger event, showcasing our rich traditions to ourselves and our children in the first instance; and then to the world at large. We need to expand and adjust the vision of J. D. Elder to the demands of the twenty-first century, in such a way that the activities associated with the Heritage Festival contribute positively and substantially to economic activity and Gross Domestic Product on this island. In this regard, I am proud to report that this Administration has begun to work in this direction; and is helping to finance work currently being undertaken by Dr Vanus James, a Tobagonian, in conjunction with the World Intellectual Property Organization, a specialized agency of the United Nations, on this very type of initiative.

3.21 Allied to this, Madam Presiding Officer, we need to encourage Tobagonians to monetize what we already have; and which others would like to capitalize upon. In this regard, it is well beyond high time that the harvest festivals all across Tobago be reshaped and refashioned in such a way that we combine a respect for their deep religious traditions with the exploitation of their vast touristic and commercial possibilities. Similarly, we need to exploit the rich possibilities that now exist at the now completed Buccoo Integrated Facility, such that goat and crab racing be respected and recognized as Tobago's unique contribution to the world of sports; and become a domestic economic growth pole linked to the broader tourism sector.

Madam Presiding Officer,

3.22 I wish now to turn to the fourth issue, the question of land. As all Tobagonians are aware, over the past several years, this Administration has been at the forefront of effects to protect Tobago's land. That policy of this PNM Administration explains why Tobagonians today own Courland Estate; Adventure Estate; Pigeon Point; Friendship Estate; Adelphi Estate;

Lure Estate; Cove Estate; and part of Shirvan Estate. And that is what positively differentiates Tobago from every other Caribbean tourist destination. These estates, amounting to several hundred acres of land and valued at a historical total cost in the amount of \$750 million, are now the property of the people of Tobago.

Madam Presiding Officer,

- 3.23 That is why we recently intervened when the Culloden Estate came on the market. Culloden represents the former work place of our ancestors who toiled there as slaves. Today, we the descendants of those slaves are required to do everything in our power to respect and honour the legacy of our ancestors in Culloden, Golden Lane, Mt. Thomas, and elsewhere in Tobago. As I speak, we hope that the present legal challenges related to the transaction will be resolved to our satisfaction.
- 3.24 In this regard, let me say that many of us in this Administration have borne the brunt of harsh criticism for trying to protect the interests of the people of Culloden and environs, with the purchase of the Estate. The critics objected to our activism and to our efforts to put mechanisms in place to prevent the possibility of the sale of Tobago to outside interests, while respecting the norms of the international economy with respect to foreign direct investment. We are guided by the principle that, wherever possible, small countries such as Trinidad and Tobago and small islands within such small countries need to ensure a sensible balance between the dictates of the market and the preservation of economic space for local residents. And that is exactly what the Tobago House of Assembly is doing.
- 3.25 Moving forward, and as we observe the actions of non-Tobago interests both within and outside Trinidad and Tobago - - actions that are aimed at crowding out Tobagonians from our historical and cultural space on this island, the effort to protect our land looms large in significance. And, because the Assembly does not wish to own land for the sake of holding land, but instead to empower Tobagonians, the process of land distribution to deserving Tobagonians will continue and will be intensified. Moreover, because very few Tobagonians, if any, can afford to purchase any of the remaining estates that may come on the market, the Assembly must position itself to intervene financially, if and when required.

Madam Presiding Officer,

- 3.26 Fifthly, it is widely acknowledged that Micro and Small Enterprises (MSEs) play a vital role in the development of economies and these, along with meso enterprises, continue to be an important focus for the Administration in its continuing development thrust. In a small economy such as Tobago, the development of an indigenous economy, by creating distinctive local economic centres of comparative advantage and businesses, is of strategic importance to this Administration.
- 3.27 In order for economies to grow and prosper, enterprises must be created. It is in their continuous growth and innovation that they are able to survive, enhance their productivity and create more jobs. The role played by MSEs in Tobago is critical, not only because they are an important engine of economic growth, but mainly because they make significant contributions to employment. It is through their flexibility, potential for employment creation, adaptability and response to consumers' needs that these enterprises play a major role in development at a local level and in the enhancement of their communities. They can be considered to be the bedrock of the new Tobago's economy.
- 3.28 The MSE sector has tremendous potential as a mechanism to spur growth, through job generation, equitable distribution of income and dispersal of economic activities. There is comparative ease in establishing MSEs in Tobago, as they are more flexible; require less capital; and can potentially exploit niche markets that are not viable or available to the larger operations in Tobago or Trinidad. This is why we will endeavour to press the Minister of Trade and Industry to initiate the legal process of designating Cove as a Special Development Area.
- 3.29 Madam Presiding Officer, this Administration will remain relentless in its pursuit of the economic diversification in Tobago and the development of an indigenous Tobago entrepreneurial class. We also fully accept our role as an entrepreneur in Tobago and as a provider of the stimuli and sustenance for new businesses especially in the meso, micro and small business arenas.
- 3.30 Sixth and finally, Madam Presiding Officer, regardless of the initiatives undertaken in other areas, one issue that will dominate Tobago's economic

and social prospects over the next while will be the progress made with respect to the combined challenges related to the reform of the THA Act and the Constitution. We are all well aware of the process agreed to in this House by all parties and the progress that has been made, to date, especially with respect to the very rich and democratic public consultations that have taken place. But, Madam Presiding Officer, we are also aware of the efforts of the Central Government to hijack and dilute the process; and to impose a solution on Tobago, aided and abetted by those who at one time portrayed themselves as defenders of Tobago.

- 3.31 The manner in which the constitutional issue is resolved will determine whether we will be masters and mistresses in our own land; whether we become the servants of a ruling class in Trinidad, whether we own and control the exploitation and use of our natural resources; whether we define Tobago, in the widest possible political and economic sense; whether, for political and electoral purposes, persons from Trinidad can be implanted in Tobago and call themselves Tobagonians, after a period of three months; whether national immigration policies will be used to dilute the social and cultural fabric and heritage of Tobago; whether Tobago will receive an equitable share of the national budget; indeed, whether we in Tobago will be able to shape our own destiny. Madam Presiding Officer, I would humbly submit that, without a resolution of these constitutional matters by Tobagonians and for Tobagonians, we on this island will be condemned to becoming hewers of wood and drawers of water, to the benefit of those who now wish to re-colonize us. I wish to give the assurance that this Administration will resist such re-colonization efforts at every turn, in an out of the courts.

Madam Presiding Officer,

- 3.32 To conclude this part of my presentation, let me say that what this all means is that, having observed the posture and attitude of the Central Government and mindful of their now well established practices of mistakes, misprints and misrepresentation on the one hand and disregard, deception and disrespect on the other hand, Tobago needs to prepare itself for a struggle that goes beyond economics and finance. We are in the throes of a struggle to protect our culture and our heritage from outsiders

and from those in Tobago who have decided to collaborate with them. It is against this background, Madam Presiding Officer, that we have shaped the 2011 estimates. The proposed estimates do not represent a request for concessional resources from an unequal partner or an island-ward or some other subservient and subordinate body, but an expression of the rights of Tobagonians, framed in the context of the ruling of the Dispute Resolution Commission to which we are all bound.

#### **4 The Fiscal 2012 Expenditure and Revenue Estimates**

##### ***The Recurrent Expenditure Estimates***

Madam Presiding Officer,

4.1 In line with the policy and programme priorities that I have only just articulated, the recurrent estimates for fiscal 2012 are as follows:

1. Personnel Expenditures - - \$652.6 million;
2. Goods and Services - - \$741.8 million;
3. Minor Equipment Purchases - - \$46.2 million; and
4. Transfers and Subsidies - - \$663.6 million,

making for a total of \$2.1 billion.

4.2 The main highlights of the recurrent expenditure estimates are as follows:

- the almost \$844 million to be paid in wages and benefits to Assembly employees;
- provision for the payment of increased salaries and increments, in accordance with all negotiated collective agreements;
- increased assistance to sporting, cultural, not-for-profit and non-governmental organizations;
- the introduction of a Young Professionals Programme;
- the provisional establishment of a Tobago Estate Police Service, pending a decision by Cabinet on the Assembly Police;
- emergency expenditure provisions of \$33.0 million, including \$13 million for extraordinary emergency expenditures;

- support in the form of operational transfers to the Assembly's business ventures aimed at diversifying the Tobago economy;
- an expansion of the services of the Business Development Unit;
- regularization of micro-enterprise booth tenancies at Buccoo;
- distribution of business spaces at mini-malls, at Calder Hall, Plymouth, Argyle and Signal Hill, where construction will soon start;
- an enhanced Tourism Rolling Plan, with increased resources for marketing, totalling \$80 million;
- increased road signage, to assist both residents and visitors;
- increased financial support, in the form of very substantial increases in prize money for goat racing at Mt. Pleasant and Buccoo;
- expansion of life guard service to the Buccoo Reef and the Nylon Pool;
- continued sponsorship of Tobago tourism and goat racing at Santa Rosa Park;
- \$229.9 million for primary, secondary and vocational education;
- \$10.6 million in basic education grants;
- a more than doubling of early childhood care expenses to \$2.5 million,
- a school feeding programme of \$30.3 million, providing some 14,650 meals on a daily basis to primary and secondary school children;
- a doubling of support for all the festivals, including Carnival and the Tobago Heritage Festival, to \$38.0 million;
- the introduction in the Division of Community Development and Culture of the Alternative Industry Development Programme; the Fashion Industry Development Initiative; the Performing Arts Training Programme; the Community School for the Arts; and The Film and Video Workshop;

- establishment of an Emergency Food Assistance Programme to fill gaps in the national TT Card Programme;
- establishment of a Senior Citizens Desk;
- funding of over \$330 million to the TRHA, to provide for expanded services at the newly commissioned hospital;
- grants to necessitous patients amounting to \$4 million;
- material and supplies purchases for road maintenance, amounting to \$30 million; and
- an enhanced Agricultural Incentive Programme; increased fuel rebates and boat subsidies; and, for the first time, assistance of close to \$100,000 to be granted to the Tobago Agricultural Society.

### ***Development Programme Estimates***

Madam Presiding Officer,

4.3 Turning to the fiscal 2012 development programme, the estimates are as follows:

1. Productive Sectors - - \$2.7 million;
2. Economic Infrastructure - - \$594.0 million;
3. Social Infrastructure - - \$800.1 million; and
4. Multi-sectoral and Other Services- - \$270.2 million,  
for a total of \$1,666.9 million.

4.4 Madam Presiding Officer, the development programme consists of over 500 projects of varying sizes and costs. I will, therefore, highlight only the main projects for the next fiscal year, as follows:

- completion of the Financial Complex;
- completion of the Scarborough Library;
- completion of the Shaw Park Cultural Complex, where the Tobago Heritage Festival, 2012 will be celebrated;
- construction of new sporting pavilions at Mt. Pleasant and Mason Hall;
- restoration works on the Administration Building;
- the offer of \$10 million of assistance to Tobago university students;

- a provision of \$30 million for the Tobago Heritage Land Trust;
- expansion of the Enterprise Assistance Fund Grant Programme, with \$5 million worth of support for between 200 and 400 new Tobago entrepreneurs;
- support for the Eco-Industrial Development Company of Tobago and the development of the Cove Eco-Industrial and Business Park;
- establishment of administrative and processing facilities for the Fish Processing Company of Tobago and Tobago Cassava Products Ltd;
- further refurbishment of the Tobago Cold Storage and Warehouse Facility;
- extension of the King's Bay Beach Facility;
- construction of a life guard station at Pigeon Point Heritage Park;
- renovation and upgrade work at several beach facilities, including Bloody Bay, Store Bay and Mount Irvine;
- restoration work at Fort King George, with the construction of Barrack restoration of the Guard Hut and the completion of the Commissariat Stores;
- continuation and expansion of the Scarborough Beautification Project and the general upgrade and renewal of Scarborough, in collaboration with private land owners;
- construction of three Early Childhood Care and Education Centres in Roxborough, Smithfield and Whim;
- extension and improvement to the Roxborough Composite School; and the Signal Hill Senior Comprehensive School;
- construction of a Youth Empowerment Centre at Betsy's Hope, at an estimated cost of \$10 million;
- construction of the Bacolet Aquatic Complex;
- upgrading of the Canaan/Bon Accord Recreation Ground;
- construction of the Bacolet Aquatic and Sporting Complex;
- construction of another community swimming pool, this time in Kendall;

- completion of the Northside Regional Recreation Complex at Moriah;
- start of construction on the Castara, Lowlands and Courland Recreation Grounds;
- completion of sanitary facilities on recreation grounds throughout the island;
- completion of the lighting of playing fields;
- construction of Scarborough R.C. Primary School;
- upgrading of Canaan/Bon Accord Community Centre;
- construction of the Betsy's Hope Community Centre;
- upgrading of community centres at Speyside, Belle Garden and Carnbee/Mt.Pleasant;
- construction of a Community Development and Culture Head Office;
- construction of the Canaan/Bon Accord Connector Drain;
- paving of water courses in Scarborough;
- the coastal Zone Protection Programme;
- major improvement works on secondary roads, at an estimated cost of \$40 million;
- repairs to L'Anse Fourmi/Charlotteville Road;
- an expanded Road Resurfacing Programme throughout the villages of Tobago, at an estimated cost of \$12 million;
- the Store Bay Local Road Extension;
- rehabilitation of Claude Noel Highway;
- the Windward Road Special Development Programme, at an estimated cost of \$20 million;
- construction of the Gardenside Street Car Park;
- the installation of traffic lights at key intersections in southwest Tobago;
- construction of the Market and Plaza in Roxborough;
- construction of microenterprise centres at Signal Hill, Calder Hall; Charlotteville, Argyle and Plymouth;

- agriculture access roads;
- improvement to beaches and landing facilities;
- construction of fishing facilities at Pigeon Point;
- construction of the jetty at Charlotteville;
- construction of the Scarborough Market;
- establishment of facilities on Little Tobago;
- purchase and installation of equipment and machinery at the Hospital, at an estimated cost of \$5 million;
- completion of construction of the new health centres;
- creation of the Tobago Elderly Housing and Rehabilitative Centre;
- commissioning and decommissioning of the new hospital, at an estimated cost of \$108.9 million;
- upgrade of Local Health facilities at Signal Hill;
- re-establishment of the Roxborough Health Facility;
- upgrades to public cemeteries, including the completion of a utility building at the Goodwood cemetery; and the construction of others at Buccoo and Parlatuvier;
- computerization of the patient records system;
- purchase of a vehicle and equipment to service the schools of Tobago for early screening of diseases; and
- start-up of the second phase of the Adventure Housing Development, consisting of 150 town houses; 12 single family units; 12 service lots; 15 duplex housing units; an 18 bed senior assisted living facility; and 4 apartment complexes, each consisting of 48 apartment units and providing housing for 800 Tobagonians.

Madam Presiding Officer,

- 4.5 The development programmes projects that I have just highlighted reflect the firm conviction that the development momentum that begun when this Administration took office in 2001 must continue. I need not point to the well-known, but not sufficiently publicized, fact that, because of this Administration's efforts, Tobago now has 9 secondary schools; 38 primary

schools; 18 health centres; 29 community centres; 27 hard courts; 18 public tennis courts; 4 lighted playing fields, with 11 more scheduled for completion; and the best roads in all of the Caribbean. I need not mention that this Administration has spent about \$80 million over the past ten years sending Tobagonians to tertiary educational institutions here in Tobago, elsewhere in the region and further afield. We have trained over 1,400 nurses, doctors, lawyers, engineers, teachers and graduates in every single field of endeavour. The development programme that I have presented in this year's budget estimates recognizes that, while much has already been done, there is much more to be done, in order to protect Tobago's rich heritage and to continue to lay the foundations for our own autonomous development within the nation state of Trinidad and Tobago and managed by Tobagonians, without interference by a Central Government that seeks to disrespect Tobago at every turn.

### **Other Expenditure Estimates**

Madam Presiding Officer,

- 4.6 I wish now to turn to some off-budget expenditure items that are not usually provided for in the main estimates, but which affect people in Tobago; and thus deserve our close attention. I refer specifically to two social safety net programmes, CEPEP and URP, from which citizens of this country, who are resident in Tobago, have benefitted over the years, through the Tobago House of Assembly.

Madam Presiding Officer,

- 4.7 Part of the calculated plan by the current Central Government to usurp the role of the Tobago House of Assembly in Tobago involves the treatment of URP and CEPEP workers in Tobago. You will recall the promises made on the election campaign regarding increases in wages and benefits for CEPEP and URP workers. That promise, just as the other promise to start an old age pension of \$3,000 at age 60, was made without any genuine intention to deliver. That explains the recent mission to Tobago by the Acting General Manager of the CEPEP company in Trinidad. That effort, inspired by the Prime Minister and her Cabinet, was all about power and putting those uppity Tobagonians in their place; and had nothing to do with

the welfare of CEPEP workers. The intention was, and still remains, to destroy CEPEP in Tobago; and install their own Central Government controlled CEPEP in Tobago, managed from Trinidad, with employees brought in from Trinidad and made three-month Tobagonians, aided in their efforts by a few collaborators in Tobago.

- 4.8 In fact, having fired thousands of URP and CEPEP workers in Trinidad, the Central Government had hoped that they would have forced the Assembly to do in Tobago the same as was done in Trinidad, allowing them to move in as the saviours of Tobagonians. I am happy to say, however, that because of this PNM Administration, not a single URP or CEPEP worker was sent home in Tobago over the past year. Thus, consistent with our position that all social safety nets should be retained in the next year, we have prepared a funding request of \$36.0 million for CEPEP in fiscal 2012. In this regard, I wish to remind the Prime Minister, her Cabinet and particularly the representatives for Tobago East and West, that Tobagonians too are citizens of this country and must share in the budgetary resources of this country, through their duly elected Tobago House of Assembly. I wish to caution that if the Central Government, in its continuing disregard and disrespect for Tobago and Tobagonians, chooses to do otherwise, this Administration will use every resource at its disposal, including the courts, to secure for this island, that which is morally and legally ours.

Madam Presiding Officer,

- 4.9 The situation with the URP is no different. The election promises of better wages and working conditions for URP workers were not honoured; and, just as in the CEPEP situation, the intention was to starve Tobagonians of URP funds. Thus, instead of the \$83.1 million requested for this fiscal year in the light of the election promises, only \$17 million of URP funds were actually allocated to Tobago. In this particular context, we will all recall the threats by the People's Partnership Minister of Labour to URP workers who had the audacity to enquire about the Partnership's election promises of higher wages and better working conditions. We will also recall that, in order to avoid the situation of having to send home URP workers, this Administration had to scale back on other important activities, in order to

ensure some level of income support for URP workers. Thus, as we move to the next fiscal year, the estimates for URP in Tobago stand at \$88.3 million, consistent with election promises made and with the legitimate expectations of the people of Tobago.

Madam Presiding Officer,

- 4.10 The financing issues that have recently arisen with regard to URP and especially to CEPEP point to a larger issue having to do with financing major development projects in Tobago. This Administration would argue that, rather than illegally intervening in CEPEP in Tobago, where they have no authority the Central Government should collaborate with the Assembly to facilitate borrowing for the capital projects of the Assembly as provided for in Section 51 (b) of the THA Act, and which it has so far failed to do. An effort of this kind by the Central Government would provide for the immediate and full financing of the Administration Building for the Division of Education, Youth Affairs and Sport; the yachting marina, the Bacolet Aquatic and Sporting Complex; a cruise ship port; and the envisaged port facilities at Cove and at Courland Bay in Plymouth.

*Revenue Estimates*

Madam Presiding Officer,

- 4.11 I would now like to turn to the revenue estimates, in support of the proposed expenditures. For the next fiscal year, bearing in mind the current tax collection regime, the estimates of revenues collected by the Assembly are as follows:

1. Taxes on Income and Profits	--	\$67.9 million;
2. Taxes on Property	--	\$19.8 million;
3. Taxes on Goods and Services	--	\$43.5 million;
4. Taxes on International Trade	--	\$2.5 million;
5. Other Taxes	--	\$4.5 million;
<b>Total Tax Revenue</b>	<b>--</b>	<b>\$138.1 million;</b>
6. Property Income Taxes	--	\$0.3 million;
7. Other Non-tax Revenue	--	\$1.4 million;
<b>Total Non-Tax Revenue</b>	<b>--</b>	<b>\$1.7 million;</b>



## 5 Conclusion

Madam Presiding Officer,

- 5.1 I would like to conclude my remarks today by reminding the Members of this Assembly and, indeed, all Tobagonians and the rest of the national community of the cross-roads at which Tobago now finds itself. Like in the colonial past, Tobago has become prized property to be fought over and claimed. But while everybody wishes to fight *over* Tobago, only Tobagonians can fight *for* Tobago.
- 5.2 The risk is that, over the next several months, there is likely to be an intensification by the Central Government of its efforts to disrespect, intimidate and wear down the people of Tobago, through obfuscation, manipulation and emasculation; and when these methods do not work, through a reversion to the well-rehearsed strategies of delivering hampers; kissing babies; and, where necessary, resorting to outright falsehoods and fabrications. However, we cannot be daunted by all this; and, to paraphrase Gandhi, whatever they do, they will never get our obedience. We, in Tobago, must be at the frontline of our own defence. That is why, together, we must embrace higher education; strengthen the marketing of our tourism product; monetize, for our benefit, our culture and our arts; own Tobago's land; strengthen indigenous entrepreneurship; and put in place the legal and constitutional arrangements agreed to by Tobagonians, for Tobagonians, to ensure that we become the shapers of our own destiny.

Madam Presiding Officer,

- 5.3 In all this, we need, however, to be practical and remain law-abiding. Despite what we endeavour to do in Tobago on our own accord and consistent with the THA Act, we are well aware that some of the major policy and institutional issues that are now extremely important to Tobago and that bear on issues related to taxation policy, commercial policy, industrial policy, differential taxation rates, infant industry incentives and the like - - all of which are critical to the future development of Tobago - - cannot be put in place without consultation and collaboration between the Assembly and the Central Government. The election of May 24<sup>th</sup> 2010 is over; and this is the time to govern. This requires a level of maturity that

sets aside issues of politics, rank and personality that can divide us, in order to serve the people of Tobago and, indeed, the people of Trinidad and Tobago. On behalf of this Administration, I, therefore, urge the Prime Minister and her Cabinet to come to terms with the fact that there is a different political party in governance in Tobago, just as we in Tobago have recognised the change in Trinidad. As a first step, the Central Government's disrespect for this island, its people, its institutions, its culture and its traditions must stop.

- 5.4 In the same spirit, I call on all Tobagonians, including the Minority Leader, to set aside, if only for the time being, whatever political differences that may exist between us; to take the high road of magnanimity and statesmanship; to join in a unanimous call for an end to the disrespect of Tobago; and so permit us to speak with one Tobago voice, in support of these budget estimates that provide a foundation on which Tobago's heritage can be preserved, enriched and protected for future generations.

Madam Presiding Officer,

- 5.5 I thank you; and I beg to move.