



2018-2019

Head 35: Ministry of Tourism

A summary of the Ministry of Tourism's 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 Tourism for the period 2013-2019. It provides Members of Parliament and 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 Tourism, and provide readers with an analysis of 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 of the Republic of Trinidad and Tobago for the fiscal year 2017.

Head 35: Ministry of Tourism

Ministry Overview¹

Mission

To fully develop Trinidad and Tobago's tourism industry by the sustainable development and aggressive promotion of an innovative, differentiated, high value, internationally competitive visitor experience, supported by strong recognition, public and private sector partnership and a positive cultural transformation.

Main Objective

The Ministry's main objective is to position tourism as a key contributor in the country's economic sector – contributing significantly to the nation's Gross Domestic Product, through:

1. Job creation;
2. Increased revenue;
3. Uniquely differentiated, internationally competitive & fully functional physical infrastructure; and
4. Modern and competitive institutions and supported by the people of Trinidad and Tobago.

Minister of Tourism: The Honourable Randall Mitchell, MP

Permanent Secretary: Mr. Richard Madray

¹ Accessed from the Ministry of Tourism website on September 3, 2018, <http://www.tourism.gov.tt/Profile/Ministry-of-Tourism>

The Ministry of Tourism was established on 10th November, 2003 and serves as a catalyst to help make Trinidad and Tobago a premier tourist destination. The Ministry uses tools like conducting research, monitoring and evaluating trends and partnering with stakeholders towards building awareness of the tourism industry.

The Tourism Development Company that previously formed the arm of the Ministry, was dissolved in August 2017 based on Cabinet's decision. This entity is expected to be replaced by the Tourism Destination Marketing and Product Development Company with distinct organisational structures (one in Trinidad and the other in Tobago) and will be responsible for tourism destination marketing and product development.²

The Ministry's goals are:

- To ensure that the tourism sector is a developmental priority – driven by a strong and effective public/private sector partnership;
- To develop the local tourism industry to realise its full potential;
- To transform Trinidad and Tobago into an exciting location for tourism investment;
- To ensure that the country has the supporting infrastructure necessary for substantial growth;
- To position Port-of-Spain as the meetings and convention capital of the Southern Caribbean and the culture capital of the region;
- To define and enhance Trinidad and Tobago's brand reputation by upgrading accommodations to the highest international standards;
- To position Trinidad and Tobago as providing the warmest welcomed and highest level of international quality service in the Caribbean; and
- To market Trinidad and Tobago as a recognised tourism destination in every principal source market.

² Accessed from the Government of Trinidad and Tobago News website on September 14, 2017, <http://www.news.gov.tt/content/minister-cudjoe-meets-cwu#.Wbq78vOGMdU>

In order to fulfil the diverse responsibilities that fall under the remit of the Ministry of Tourism, there are three (3) established Divisions:

RESEARCH AND PLANNING

The Division is involved in research and data collection to facilitate the planning and policy formulation process. Also, facilitates and executes a number of Public Sector Investment Programme (PSIP) projects, and has a monitoring and control function as it relates to the PSIP.

TOURISM ADVISORY

Formulates policy and guidelines for sustainable tourism development via research and collaboration with other Ministries/agencies, industry stakeholders and international developmental organisations.

CORPORATE COMMUNICATIONS

Crafts advertising and publicity campaigns to promote the work of the Ministry and to foster a better understanding of tourism within the local population, and builds both internal communications and relationships with other local tourism stakeholders.

Key Statement from 2017 Standing Finance Committee Debate

During the Standing Finance Committee debate of 2017, the following statement was made in relation to the emphasis of the Ministry of Tourism for fiscal year 2016/2017³:

“The development of the tourism sector is critical to the diversification, expansion and sustainable growth of our national economy.

The Ministry of Tourism is responsible for the general tourism policy development, facilitating growth in the tourism sector, promoting awareness, building stakeholder relationships, and for monitoring and evaluating the country’s performance. As you are well aware, the Tobago House of Assembly has responsibility for the development of tourism in Tobago. In fiscal 2016, the Government undertook an evaluation exercise with an aim to improve our strategy and performance in the sector. This exercise resulted in the Cabinet’s decision to reengineer the institutional arrangement towards more effective management of the sector.

To this end, a new tourism entity, Tourism Trinidad Destination Management Company, also known as Tourism Trinidad Limited was established, and in fiscal 2018 this entity will be operationalized. The entity is mandated to develop and market Trinidad’s tourism offering, lead and facilitate marketing and promotion of the destination, lead in attracting tourism investment in Trinidad, promote tourism business development, promote education awareness and cooperation in advancing the economic expansion through tourism, and encourage a tourism friendly approach through well-defined and coordinated marketing strategies, inclusive of all social media and all other technology-based platforms.”

- Minister of Tourism

³ Minister of Tourism, Standing Finance Committee Hansard of Ministry of Tourism 17 Oct 17, Accessed September 21, 2018.

Where the Ministry spends its money

2018-2019 Estimates of Expenditure

The budget allocation of **\$94,000,000** for the Ministry of Tourism is comprised of:

- The Draft Estimates of Recurrent Expenditure in the sum of **\$ 55,000,000**;
- The Draft Estimates of Development Programme in the sum of **\$39,000,000.00**
 - Consolidated Fund in the sum of **\$25,000,000.00**; and
 - Infrastructure Development Fund⁴ in the sum of **\$14,000,000.00**.

The Estimates of Recurrent Expenditure include:

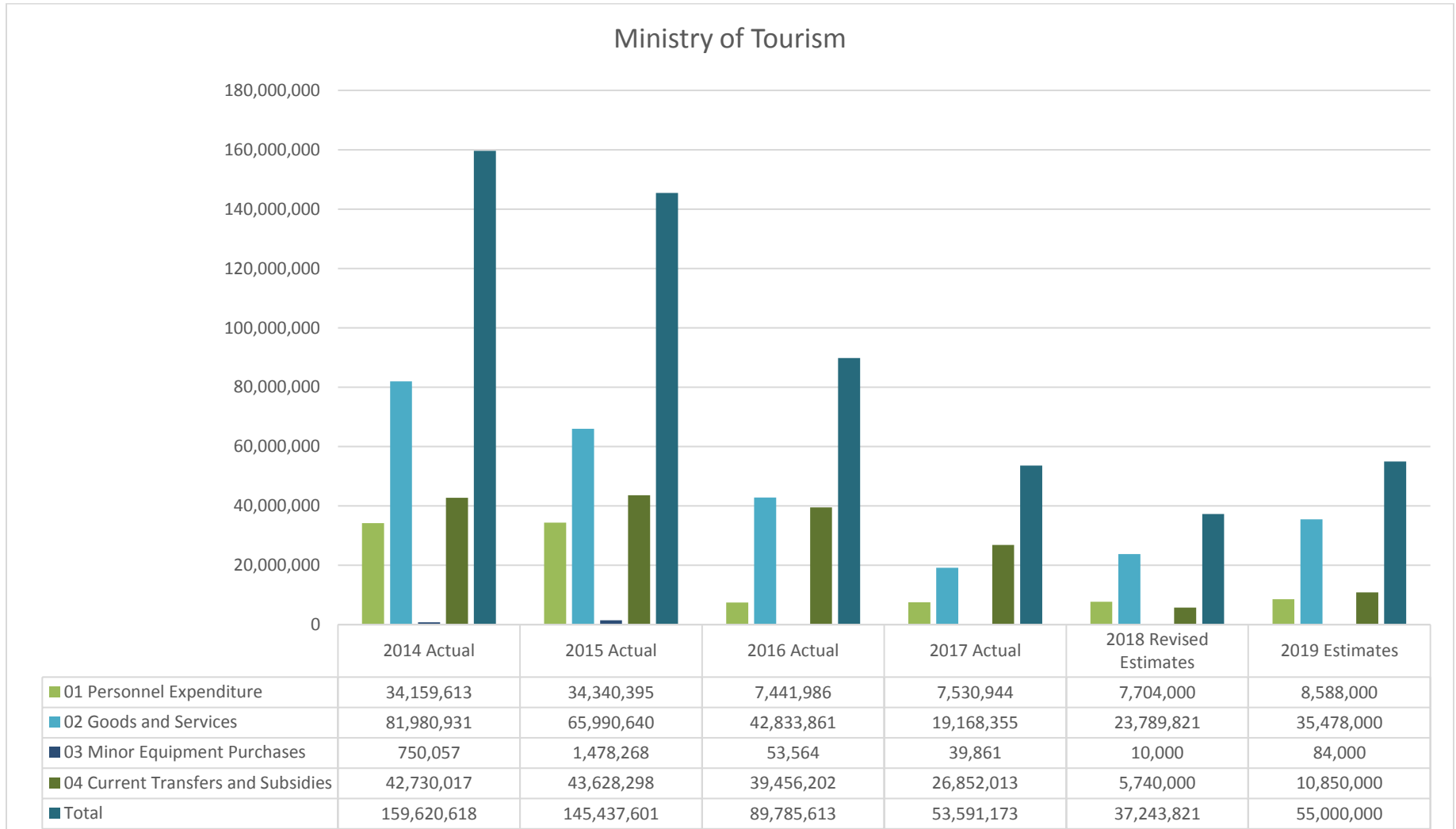
- 01 Personnel Expenditure - **\$8,588,000**;
- 02 Goods and Services - **\$35,478,000**;
- 03 Minor Equipment Purchases **\$84,000**; and
- 04 Current Transfers and Subsidies **\$10,850,000**

The Ministry of Tourism's:

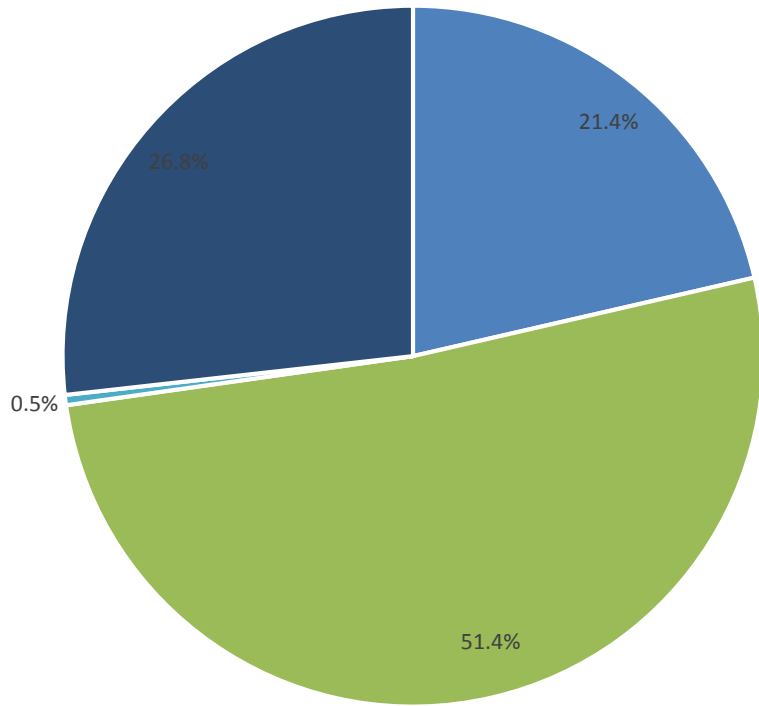
- Recurrent Expenditure as a percentage of the total Recurrent Expenditure budget is **0.1%**; and
- Consolidated Fund allocation as a percentage of the total Consolidated Fund allocation is **1.04%**.
- Infrastructure Development Fund allocation as a percentage of the total Infrastructure Development Fund is **0.5%**.

⁴ Head 18 –Ministry of Finance, Sub-Head 04 – Current Transfers and Subsidies, Sub-Item 11- Infrastructure Development Fund (IDF) (Infrastructure Development Fund allocation is part of the Ministry of Finance allocation for the financial year. *Therefore, the total recurrent expenditure for the Ministry of Rural Development and Local Government does not include the IDF funding.*

Summary of Recurrent Expenditure for the period 2014-2019

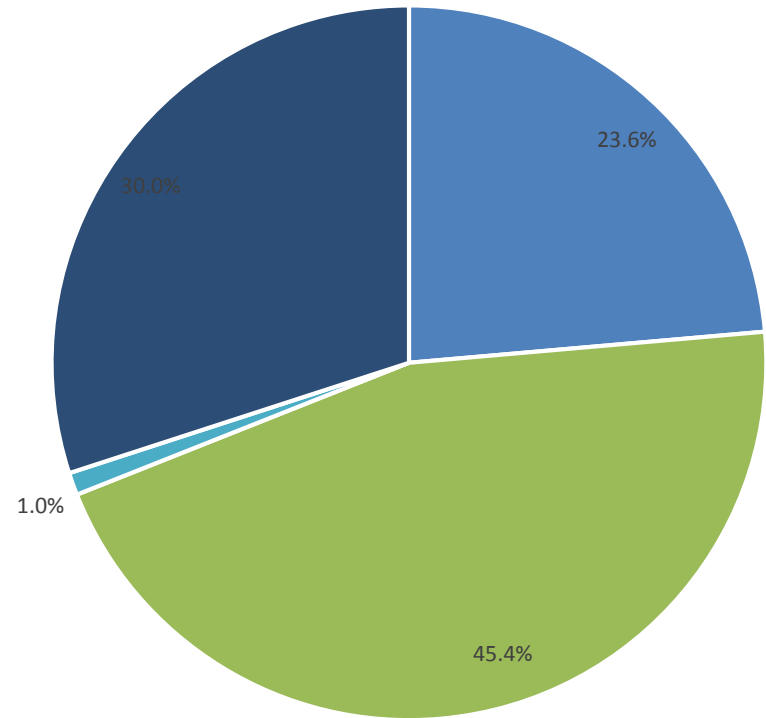


2014 Actual



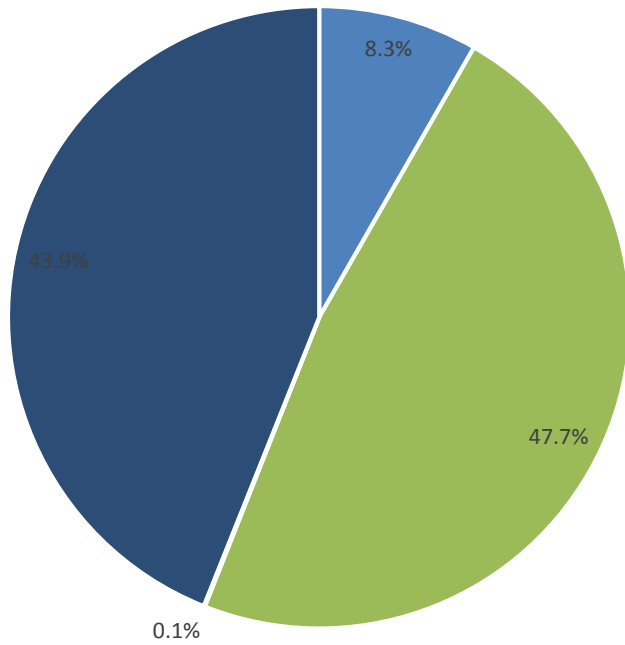
- 01 Personnel Expenditure
- 02 Goods and Services
- 03 Minor Equipment Purchases
- 04 Current Transfers and Subsidies

2015 Actual



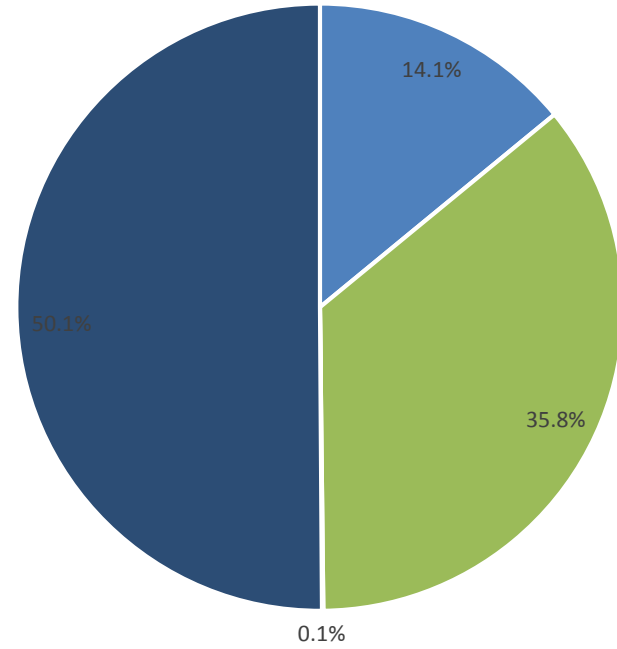
- 01 Personnel Expenditure
- 02 Goods and Services
- 03 Minor Equipment Purchases
- 04 Current Transfers and Subsidies

2016 Actual



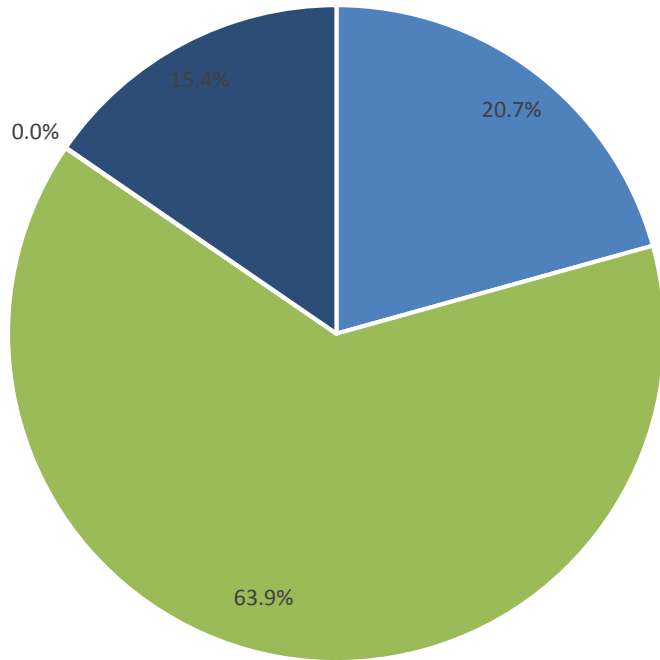
- 01 Personnel Expenditure
- 02 Goods and Services
- 03 Minor Equipment Purchases
- 04 Current Transfers and Subsidies

2017 Actual



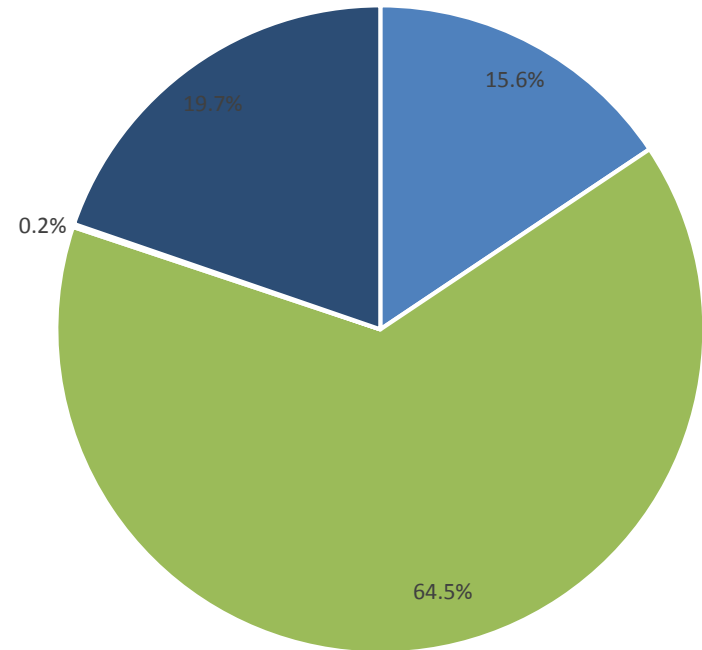
- 01 Personnel Expenditure
- 02 Goods and Services
- 03 Minor Equipment Purchases
- 04 Current Transfers and Subsidies

2018 Revised Estimates



- 01 Personnel Expenditure
- 02 Goods and Services
- 03 Minor Equipment Purchases
- 04 Current Transfers and Subsidies

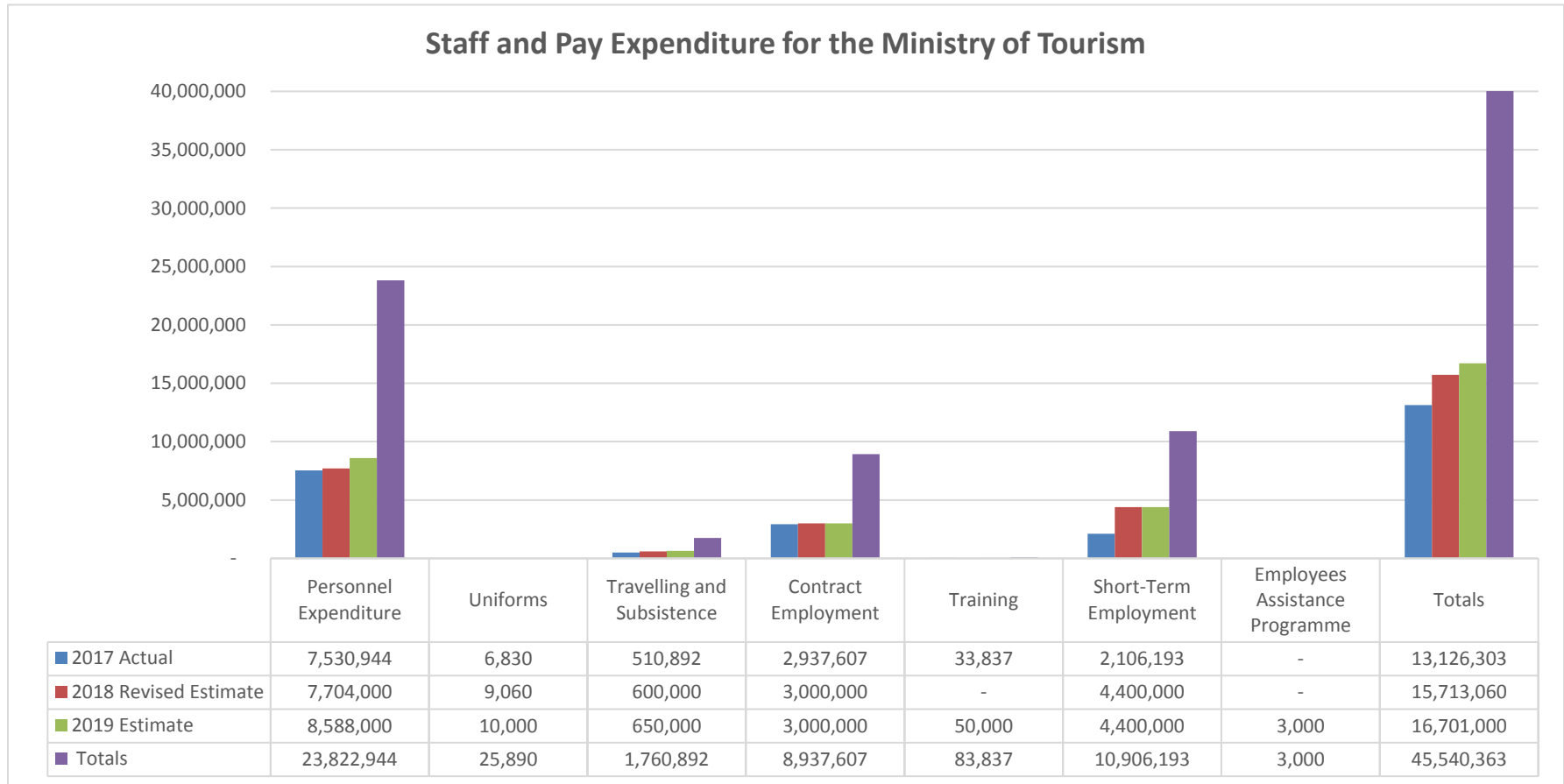
2019 Estimates



- 01 Personnel Expenditure
- 02 Goods and Services
- 03 Minor Equipment Purchases
- 04 Current Transfers and Subsidies

Staff and Pay⁵

The allocation of staff expenditure for the fiscal year 2019 is **\$16,701,000.00** which represents an increase of approximately **6.2%** from the last fiscal year 2018. The following chart provides a breakdown of all expenditure related to staff from 2017-2019.



⁵ Draft Estimates for Details of Estimates of Recurrent Expenditure for the Financial Year 2019, accessed on October 2, 2018: <https://www.finance.gov.tt/wp-content/uploads/2018/10/Numbered-Draft-Estimates-Recurrent-Expenditure-2019.pdf>

Analysis and 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 2018/2019 is **\$55,000,000**.

- Recurrent Expenditure (**Revised**) for Fiscal Year 2017/2018 was **\$37,243,821**. Comparing this figure with Fiscal Year 2018/2019, there is an increase of **\$17,756,179** or **48%**
- The largest portion of the allocation has consistently gone to **Sub-Head 02 Goods and Services**. This figure has been fluctuating over the period 2014-2019, accounting for approximately **65%** of total funding for the Ministry for fiscal year 2018/2019 with the Ministry receiving **\$35,478,000** for its day to day operations.
- Minor Equipment Purchases received the lowest portion of the total allocation for the Ministry over the period 2014 to 2019.
- Current Transfers and Subsidies received the second largest portion of the allocation. Comparing 2017/2018 to 2018/2019, there was an increase in the allocation by **0.89%**.
- The actual/estimated expenditure for the four (4) Sub-Heads has been fluctuating over the six (6) year period, from a low of **\$37,243,821** in 2018 to a high of **\$159,620,618** in 2014.

Summary of Development Programme Expenditure for the period 2014-2019

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.

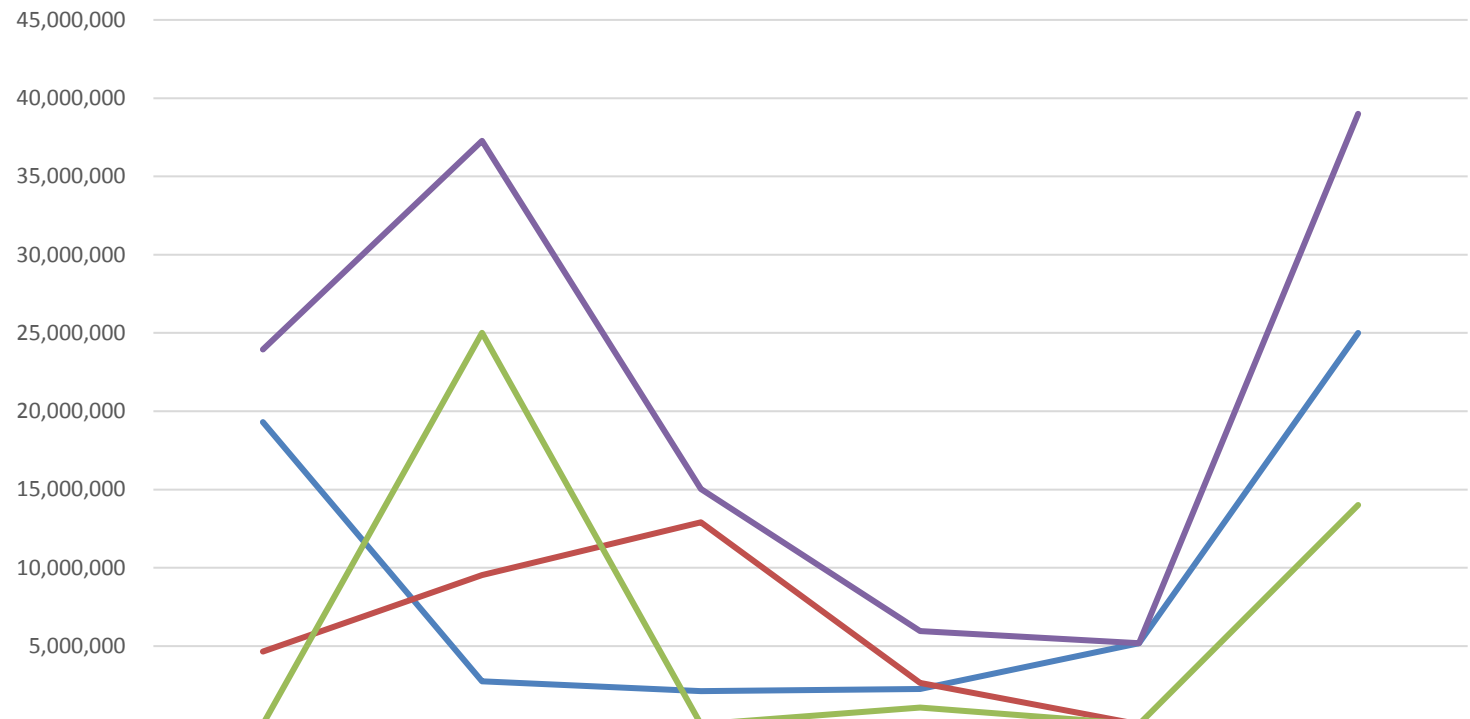
The PSIP budget document provides a detailed description of the programmes and projects and includes a review of the implementation of projects and programmes in the previous financial year and highlights the major projects and programmes to be implemented in the upcoming financial year.

- 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 allocation of **\$39,000,000** for development programmes and projects for fiscal year 2018/2019 are presented in two parts as follows:

- Funds appropriated by the Paliament and disbursed directly from the Consolidated Fund **64%**; and
- Funds disbursed from the Infrastructure Development Fund **36%**.

Summary of Development of Programme for the period 2014-2019



| | Actual 2014 | Actual 2015 | Actual 2016 | Actual 2017 | Revised Estimates 2018 | Estimates 2019 |
|--|-------------|-------------|-------------|-------------|------------------------|----------------|
| — Economic Infrastructure- Consolidated Fund | 19,303,415 | 2,748,239 | 2,118,876 | 2,247,195 | 5,180,000 | 25,000,000 |
| — Multi-Sectoral and Other Services- Consolidated Fund | 4,649,398 | 9,527,149 | 12,904,105 | 2,648,108 | - | - |
| — Social Infrastructure- Infrastructure Development Fund | - | 25,007,460 | - | 1,067,021 | - | 14,000,000 |
| — Total | 23,952,813 | 37,282,848 | 15,022,981 | 5,962,324 | 5,180,000 | 39,000,000 |

The Ministry's total allocation as a percentage of the National Budget for the period 2014 to 2019.

| Year ⁶ | Total Allocation ⁷ | National Budget ⁸ | Percentage of National Budget |
|-------------------|-------------------------------|------------------------------|-------------------------------|
| 2014 | \$ 183,573,431.00 | \$ 65,020,886,424.00 | 0.3% |
| 2015 | \$ 171,156,989.00 | \$ 61,966,922,675.00 | 0.3% |
| 2016 | \$ 104,808,594.00 | \$ 56,573,913,053.00 | 0.2% |
| 2017 | \$ 58,486,476.00 | \$ 54,883,153,410.00 | 0.1% |
| 2018 | \$ 42,423,821.00 | \$ 54,330,404,592.00 | 0.8% |
| 2019 | \$ 80,000,000.00 | \$ 55,582,977,415.00 | 0.1% |

- Total allocation for the Ministry as a percentage of the National Budget illustrated a decrease in allocation to the Ministry of Tourism of **0.7%** between the period 2017/2018 and 2018/2019.

⁶ For the Fiscal Years 2014-2017, actual figures were used to calculate the Ministry's total allocation. However, estimates were used to determine the Ministry's total allocation for the Fiscal Years 2018 and 2019.

⁷ Total Allocation for the Ministry of Tourism= Recurrent Expenditure + Consolidated Fund

⁸ The National Budget= Total Recurrent Expenditure + Total Development Programme Consolidated Fund

Auditor General Report Findings for the Fiscal year 2017

Ref: Auditor General's Report⁹

35- MINISTRY OF TOURISM

Requests for Information

1.50 Section 10 (1) (a) of the Act entitles the Auditor General: "to call upon any officer for any explanations and information which the Auditor General may require in order to enable him to discharge his duties." Apart from queries during the audit, specific requests for information were sent to Ministries and Departments via the following Auditor General's Circular Memoranda:

| Information Requested | Deadline for submission | Non-submission by the Ministry |
|---|--------------------------------|---------------------------------------|
| Letters of Representation | 30th March, 2018 | Not submitted |
| Information Request - Loans and Debt, Financing Information Request - General | | Not submitted |
| Managing Conflict of Interest | 15th January, 2018 | Not submitted |
| Payments of MP's | 15th January, 2018 | Not submitted |
| Entity Profile | 19th January, 2018 | Not submitted |

⁹ Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year ended September 30, 2017:
<http://138.128.179.50/sites/default/files/Auditor%20Generals%20Report%20on%20the%20Public%20Accounts%202017.pdf>

Expenditure on ICT

5.16 Expenditure was not separately classified in the Estimates of Expenditure or the accounting votes to facilitate the determination of actual expenditure on the acquisition of IT hardware and software. The expenditure figures presented in Table 5.4 were collated from the survey responses received.

Table 5.4: Expenditure on IT from 2013 to 2017

| Ministries or Department | 5 Year Expenditure |
|---------------------------------|---------------------------|
| Ministry of Tourism | 72,897.02 |

Table 5.1: Ministries and Departments using Different Applications to perform Similar Functions

| Functions | Ministries and Departments |
|-------------------------------------|-----------------------------------|
| Accounting, Library Inventory | Ministry of Tourism |

Noteworthy Development Programme Estimates in 2017-2019

The table below lists the projects that have been noted due to uncharacteristic variances in estimates for funding: ¹⁰

| Sub-Item Description | Project | 2017 Actual | 2018 Estimates | 2018 Revised Estimates | 2019 Estimates |
|----------------------|---|-------------|----------------|------------------------|----------------|
| 003-11-D019 | Tourism Sites and Attractions Upgrade | \$1,906,406 | \$9,000,000 | \$3,200,000 | \$8,000,000 |
| 003-011-D030 | Development of the National Tourism Policy (2018) | - | \$900,000 | \$300,000 | \$2,000,000 |

¹⁰ Estimates of Development Programme 2019, accessed on October 2, 2018: <https://www.finance.gov.tt/wp-content/uploads/2018/10/Numbered-Draft-Estimates-Of-Development-Programme-New-2019.pdf>

Status of New Projects for the Financial Year 2016-2017

The following new projects received funding in the 2016/2017 financial year¹¹:

| Sub-Item Description | Project -Item | 2017 Actual | 2018 Revised Estimates | 2019 Estimates |
|-------------------------|---|-------------|------------------------------|-------------------|
| 003-11-D028 | Establishment of Trinidad and Tobago Tourism Regulatory and Licensing Authority | \$50,000 | \$360,000 | \$500,000 |
| 005-03-E053 | Visitor Relationship Management System (VRMS) | \$100,000 | - | - |
| 005-03-E055 | Refurbishment of the TDC Cruise Ship Office and Quayside | \$300,000 | - | - |

¹¹ Estimates of Development Programme 2019, accessed on October 2, 2018: <https://www.finance.gov.tt/wp-content/uploads/2018/10/Numbered-Draft-Estimates-Of-Development-Programme-New-2019.pdf>

Status of New Projects for the Financial Year 2017-2018

The following new projects received funding in the 2017/2018 financial year¹²:

| Sub-Item Description | Project -Item | 2017 Actual | 2018 Revised Estimates | 2019 Estimates |
|-------------------------|---|-------------|------------------------------|-------------------|
| 003-11-D029 | Consultancy for the Development of a Strategic Tourism Incentive Plan | - | 200,000 | 500,000 |
| 003-11-D030 | Development of the National Tourism Policy (2018) | - | 300,000 | 2,000,000 |
| 003-11-D031 | Caribbean Small Tourism Enterprises Project (STEP) | - | 600,000 | 540,000 |
| 003-11-D032 | Tourism Agency- Trinidad | - | - | - |

¹² Estimates of Development Programme 2019, accessed on October 2, 2018: <https://www.finance.gov.tt/wp-content/uploads/2018/10/Numbered-Draft-Estimates-Of-Development-Programme-New-2019.pdf>

New Projects for the Financial Year 2018-2019

The following new projects that received funding in the 2018/2019 financial year¹³:

| Sub-Item Description | Project | 2018 Estimates |
|----------------------|--|----------------|
| 003-11-D056 | IT Infrastructure Upgrade | \$460,000 |
| 003-11-D057 | Operationalization of Trinidad Tourism Limited (TTL) | \$10,000,000 |
| 003-11-D058 | Maracas Beach Facility Management Project | \$2,000,000 |
| 003-11-D059 | Development of a Tourism Education and Awareness Program for Destination Trinidad and Tobago | \$500,000 |
| 003-11-D060 | Development of a Theatre District | \$500,000 |

¹³ Estimates of Development Programme 2019 accessed on October 2, 2018:<https://www.finance.gov.tt/wp-content/uploads/2018/10/Numbered-Draft-Estimates-Of-Development-Programme-New-2019.pdf>

Committee Inquires Related to the Ministry of Tourism

| Inquiry | Report Status | Ministerial Response | Key Recommendations ¹⁴ |
|---|---------------------------------------|---|---|
| <p>1. <u>Second Report of the Public Accounts Committee (PAC) for the First Session, Eleventh Parliament on the Examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year 2014 with regard to the Ministry of Tourism</u></p> | <p>Report Presented: 03.02.17</p> | <p><u>Report Laid: 21.04.2017</u></p> | <ul style="list-style-type: none"> • The Permanent Secretary for the Ministry of Tourism should request the required training for the staff responsible to make them aware of proper procedure to be followed in accordance with the financial regulations. Training should also be sourced to strengthen the performance of the Internal Audit. UDECOTT can assist with providing an alternative to the fireproof safe which was requested by the Ministry so that OSHA is observed and the safety of the Ministry's important documents are also taken into consideration. The Commissioner of Police should also place more emphasis on solving this issue which has been ongoing for more than a year so that there can be justice for every missing cheque and people can be held responsible and to ensure that there are consequences for the execution of fraud. • A request for training should be made by the Permanent Secretary to the Treasury in order to |

¹⁴ Key Recommendations relate to recommendations that may have a financial impact on the Ministry

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| | | | <p>strengthen the Internal Audit Unit of the Ministry. The Public Service Commission can also ensure that the Ministry's Internal Audit Unit is provided with persons trained properly in areas such as risk management and forensic accounting so that the Internal Audit function can be executed with creditability.</p> <ul style="list-style-type: none">• The Treasury should provide the required training for the Accounting Officers (AO) so they can perform their duties in accordance with the Financial Instructions/Regulations. Checks should be in place to ensure that all financial regulations are properly followed. Purposeful non-adherence to the regulations should be punishable by law, making each AO legally responsible for any discrepancy observed. Sanctions should be implemented when violations of identifiable rules occur signifying that responsibility and accountability are meant something.• Promotional packages should be developed to attract tourists to Trinidad and Tobago including cruises and carnival packages. The Ministry of Tourism can partner with tourism companies around the globe to make Trinidad and Tobago more visible to patrons considering travel to a Caribbean country. A revision of the Ministry's promotion strategies needs to be done to increase |
|--|--|--|--|

| | | | |
|--|---|------------------------------------|---|
| | | | <p>the attractiveness of the country as a destination and all the sights and entertainment it has to offer, given Trinidad and Tobago's rich diversity. Officials from the Ministry of Tourism and the Ministry of National Security also should introduce innovative ways in which tourists can be guaranteed a safe experience in Trinidad and Tobago. The tourism authorities must appreciate that the issue is not just increase in arrivals but increase in spending per capita for arrivals and that means events, destinations and activities.</p> |
| <p>2. <u>First Report of the JSC on Land and Physical Infrastructure - Inquiry into Land Tenure Issues in Trinidad and Tobago</u></p> | <p>H.O.R 26.05.2017 SENATE 01.06.2017</p> | - | <ul style="list-style-type: none"> the Ministry of Tourism and the Regional Corporation collaborate with the Merikins Society to develop a Community Heritage Programme |
| <p>3. <u>Third Report of the Public Administration and Appropriations Committee, Second Session, Eleventh Parliament, on an Examination of the System of Inventory Control within the Public Service</u></p> | <p>Report Presented: 05.05.17</p> | <p>Response Laid: 28.06.17</p> | <ul style="list-style-type: none"> The Ministry should liaise with the Service Commissions Department and the Ministry of Public Administration and Communications to determine the most effective method to fill the vacancies throughout the Ministry. |

General Useful Information

- Ministry of Tourism, JAMAICA: <http://www.mot.gov.jm/>
- Antigua & Barbuda Tourism Authority, ANTIGUA & BARBUDA: <http://www.antiguanice.com/v2/client.php?id=775>
- Tourism Fiji, FIJI: <http://www.fiji.travel/>
- Ministry of Tourism, REPUBLIC OF INDONESIA: <http://www.indonesia.travel/en>

