



Ministerial Statement

The Hon. Trevor G. Moniz JP, MP

Minister of Public Works

Addressing the Debt - the Ministry of Public Works

Friday May 31st 2013

Mr. Speaker, I rise before this Honourable House this morning to update the general public as well as my Honourable Colleagues in relation to three areas within my Ministry that seem to be catching the public's attention of late. In particular, I will speak to the methods our team is currently undertaking to address the outstanding financial arrears in my Ministry, the Malabar/Kitchener Close Condominium Association's water situation, as well as the Heritage Wharf construction project - in that order.

Mr. Speaker, when I assumed responsibility for the Ministry of Public Works, one of the first things I did was to request a report from the Chief Financial Officer regarding the Ministry's current financial position - which included all of the outstanding monies owed to the Government from domestic and commercial water customers, the water truckers, to refuse collection as examples.

Notwithstanding, I had some inclination that customers were not paying their bills, but I was quite stunned when I learned these arrears rose as high as \$5,917,343.00 as of April 2012. I was just as perturbed as to why this debt was allowed to grow this large over the years without some action being taken to mitigate further losses, which by default placed the Government in an even worse financial situation.

Mr. Speaker, one of my colleagues once said in another place that in all other jurisdictions around the world, the Government is usually the first considered by the taxpayer, as they are quite aware of the repercussions otherwise. However, in Bermuda this seems to be the exact opposite where the Government appears to be last on the list. With that said I am hopeful that my colleague who is responsible for Finance will consider steps to change this paradigm in the not too distant future, as this attitude is simply unacceptable and this debt is unsustainable.

With those brief comments **Mr. Speaker**, I would like to advise that within my Ministry, the Finance team has been focused on creating and implementing a sustainable debt collection process and strategy that includes revisions to the current procedures. A clerk has also been dedicated to focus primarily on collection, disconnection notices, calls to customers to encourage them to address their arrears, referrals to the debt collection section within the Accountant General's Department, to the commencement of court proceedings as a last resort.

Mr. Speaker, this aggressive approach by the Finance team over the past few months seems to be achieving its objective as customers are coming in on a regular basis to either pay off their arrears in total, or agree payment plans that will also permit them to function while paying down their debt.

Although I am not completely satisfied with the rate at which the arrears are coming down, I am pleased to advise that the receivables for the Ministry of Public Works stood at \$5,096,874 as of April 30th 2013. One area in particular, the water receivables, indicates that the debt now stands at \$2,080,469 - down by \$318,202 or 13% since January 2013. The initial focus was on the Water Truckers, with 80% of them now current.

Since we have made significant progress with the Water Truckers and appear to have this in hand, the collections team is now focusing their efforts on the domestic and commercial customers. This process involves providing selected customers who are over 90 days in arrears with a termination notice and 30 days to pay in the first instance. Should there be no effort on behalf of the customer, these same customers will have their water turned off. Once the customer brings their account current - their service will be restored.

Mr. Speaker, the Refuse receivable stands at \$3,016,404 as of April 1st 2013. As previously mentioned, the focus was on the water arrears – so unfortunately, there has been no significant change over the last 6 months. Notwithstanding, the Finance team will expand their focus to include refuse collection as of June 10th 2013 when it is anticipated a part time collector, who is very familiar with the industry, will come on board for this very purpose. The goal by September of 2013 is to have the debt reduced by an additional 25%.

Mr. Speaker, as I conclude, I would like to thank the Finance team for their efforts to date. I would also like to encourage all those customers that owe money to the Ministry of Public Works, to make every effort to reach out to our team to

either pay what is owed on their accounts, or agree a payment plan moving forward.

Thank you **Mr. Speaker!**