Mission Statement

To contribute to the economic growth and social development of Jamaica by securing resources and providing effective policies, planning standards and regulation for the:

- delivery of affordable housing solutions to improve living standards;
- provision of safe and sustainable transport systems for the movement of people and goods;
- provision of access to reliable potable water to meet domestic and commercial demands; and
- development of sustainable physical infrastructure through the achievement of effective and timely architectural, engineering and technical works.

Vision

Highly developed, sustainable transport and water systems and housing and works infrastructure for the Jamaican Society.

Ministry of Housing, Transport, Water and Works

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# Table of Contents

- Statement of Responsibility .......................................................... 1
- Corporate Profile
  - Profile of the Ministry ................................................................ 2
  - Organizational Structure ............................................................. 3
  - Operations of the Ministry ............................................................ 4
  - Committees in Operation ............................................................... 5
- Strategic Objectives ........................................................................... 7
- Portfolio Subjects .............................................................................. 8
- Message from the Minister ................................................................. 9
- Message from the Minister of State .................................................. 11
- Message from the Minister of State .................................................. 12
- The Permanent Secretary’s Report .................................................... 13
- Portfolio Entities ............................................................................... 19
- Performance Highlights .................................................................... 20
  - The Housing Sector ..................................................................... 20
  - The Transport Sector ................................................................... 23
  - The Water Sector .......................................................................... 33
  - Works & Infrastructure .................................................................. 36
- Audit Committee’s Report ................................................................. 39
- Financial Report ................................................................................. 40
Statement of Responsibility

It is my ultimate responsibility, as Permanent Secretary in the Ministry of Housing, Transport, Water and Works, to ensure the preparation of the Annual Report and to guarantee the information set out in the document.

It is also my responsibility to set in place the appropriate performance management and internal control systems from which the information has been derived.

I am satisfied that the information set out in this report is, in all material aspects, accurate and complete.

Alwin L. Hales Ph.D.
Permanent Secretary
Ministry of Housing, Transport, Water and Works
Kingston, Jamaica
November 28, 2007
Profile of the Ministry

The Ministry of Housing, Transport, Water and Works was formed on March 31, 2006 when the former Ministries of Water and Housing and Transport and Works were merged. The formation of the ‘new’ Ministry was consequent on the Cabinet established by the newly appointed Prime Minister the Most Honourable Portia Simpson-Miller (O.N., PM).

The former Ministry of Transport and Works was created in January 1998 and included functions and programmes drawn from the former Ministries of Local Government and Works, and Public Utilities and Transport, while the former Ministry of Water and Housing was formed in 2000, when the Housing portfolio split from the Ministry of Environment and Housing and merged with the Ministry of Water.

The Ministry is composed of a core that retains policy responsibility and twenty-eight (28) reporting public sector entities. These entities are responsible for implementing the various components of the Ministry’s mandate, which include the construction and maintenance of roads, bridges, sea and river defences, the administration of commercial aviation and commercial marine activity, the development of affordable housing solutions, as well as the provision of an adequate supply of potable water for domestic and commercial purposes island-wide.
The functions of the Ministry of Housing, Transport, Water and Works are guided politically by the Hon. Robert Pickersgill, and State Ministers, the Hon. Dr Fenton Ferguson who has responsibility for the Water Portfolio, and the Hon. Richard Azan with portfolio responsibility for Works and Infrastructure.

The day-to-day operations of the Ministry are under the stewardship of Permanent Secretary Dr. Alwin Hales, who is supported by the Director General, Mrs. Genefa Hibbert, who was Permanent Secretary in the former Ministry of Water and Housing.
Operations of the Ministry

The Ministry has a combined staff complement of over seven hundred and twenty-five employees, four hundred and seventy-five for the Water and Housing portfolio, and two hundred and fifty for the Transport and Works portfolio. The number includes staff at the Island Traffic Authority, the Rapid Response Unit, the Urban/Rural Upgrading Programme and the Rural Water Programme.

There are a number of Committees charged with overseeing the operations of the Ministry. In this financial year, 2006/2007, chief among them was the Human Resource Executive Management Committee. This Committee, which was established as a result of the Delegation of Function for Human Resources under the Public Service Regulations (1961) to the Permanent Secretary, is a grouping of the Ministry’s top leadership that meets regularly to consider matters of critical importance to the running of the Ministry. The members are:

Permanent Secretary – Dr. Alwin Hales
Director General – Mrs. Genefa Hibbert
Principal Finance Officer – Mr. Altius Williams
Senior Director, Policy, Planning & Evaluation – Mrs. Elsa May Binns
Chief Technical Director – Mr. Desmond Munroe
Senior Director, Human Resource Management & Administration – Mrs. Barbara Cadogan
Senior Legal Officers – Mrs. Yvonne Barnett Russell & Mr. Dave Domville
Director, Island Traffic Authority – Mr. Winston Rattray
Committees in Operation

SENIOR STAFF MEETING
The Senior Staff Meeting is held monthly and provides a forum in which senior staff members of the Ministry report on departmental/unit activities, consider other issues of importance to staff and review recommendations for changes.

PROCUREMENT COMMITTEE
The Ministry’s Procurement Committee is mandated to ensure compliance with relevant policies, guidelines and procedures related to procurement, to effect objective evaluation processes with respect to quotations, tenders and requests for proposal, facilitate responses to contractor inquires, maintain proper records of committee meetings, including records of the procurement, and ensure compliance with reporting obligations.

AUDIT COMMITTEE
The Audit Committee is responsible for assessing the adequacy and scope of the arrangements for the internal and external audit of the Ministry. This Committee also examines reports of the internal and external auditors, considers special reports submitted by the Chief Internal Auditor in accordance with Instruction 14.2.6, is responsible for the co-ordination, relationship and scope of internal and external audit work, and any other value for money or non-financial studies by other Consultants. Additionally, the Audit Committee reviews and recommends for approval, or otherwise, the Ministry’s major accounting policies, principles and practices, ensures the independence and objectivity of auditors and reviews with management any areas of disagreement between management and the auditors. The Committee also determines whether action has been taken in respect of the recommendations contained in such reports, and reviews the Chief Internal Auditor’s Strategic and Operational Plans.
REWARDS AND RECOGNITION COMMITTEE
The Rewards and Recognition Committee is responsible for identifying and interviewing eligible candidates for special awards. It also determines the recognition and reward options to be granted at Performance levels 1, 2 and 3. This Committee is responsible for creating profiles of candidates who meet the work related community involvement criteria and ensuring that awards are conferred at the earliest possible time.

POLICY COMMITTEE
The Policy Committee is broadly responsible for the assessment of the Government’s national strategic programmes to determine policy gaps within the transport and road infrastructure sector. It is responsible for undertaking policy prioritization using the criteria of practicability, effectiveness, impact, cost, timeliness, linkages, comprehensiveness, and ownership. The Committee formulates policies and provides the necessary support to ensure the sustainability of the National Transport Policy. Subsequent to formulation of these policies the Policy Committee monitors and evaluates them.

PERFORMANCE MANAGEMENT REVIEW MEETINGS
The Ministry’s performance management review meetings take place on a quarterly basis and provide the platform for the portfolio entities and directorates of the Ministry to present evidence of their performance, by way of noting specific achievements as against targets outlined in strategic plans.

SOCIAL COMMITTEE
The Ministry’s Social Committee is responsible for planning the social events of the Ministry. These include an annual Christmas function, holiday get-togethers, fun days, games evenings, recognition of retirees and other staff welfare matters.
The strategic objectives of the Ministry of Housing, Transport, Water and Works are to:

- Ensure the provision of a linked, modern, sustainable transport infrastructure that fully supports economic and social development.
- Ensure that quality, coordinated, integrated and efficient transport services are provided that meet the needs of transporters and passengers.
- Ensure that adequate regulations are in place and are followed so that the transport of people and goods meet national and international safety and environmental standards.
- Ensure that technical works and services are conducted to specified standards and procedures so that work is done safely and efficiently and to a uniformly high quality.
- Recruit and retain highly developed and motivated staff that can formulate, monitor and evaluate policy and plans and provide advice on transport and works issues, utilizing efficient management information systems.
- Protect our water sources to prevent depletion and ensure sustainable safe water.
- Improve water supply and sewerage to major economic centres.
- Improve water supply and sanitation to rural areas.
- Facilitate private investment in the water sector.
- Enhance Jamaica’s agricultural development by commissioning new irrigation schemes and maintaining existing ones.
- Facilitate private investment in the housing sector.
- Undertake community participation.
- Ensure security of tenure.
- Undertake mortgage provision.
- Enact legislation to support Government’s policy priorities.
- Effectively monitor public sector agencies/companies.
Portfolio Subjects

The subjects below fall within the MHTWW’s portfolio:

- Air Traffic Telecommunication
- Air Transport
- Airports
- Civil Aviation
- Domestic Water Supply
- Driver, Vehicle Testing and Certification
- Education and Training of Seafarers
- Explosives and Other Dangerous Substances
- Flood Water Control
- Land Acquisition/Housing
- Land Reclamation
- Licensing Authorities
- Main Roads
- National Urban Upgrading
- Port Security
- Public Passenger Transport
- Rail Transport
- Rent Control (Restriction)
- Road Safety
- Sandy Gully Drainage System
- Sea Defence and River Training
- Seaports
- Shelter Solutions
- Surface and Underground Water Resources
Access to modern infrastructure – good housing, efficient road networks, transportation, communication systems, potable water supplies and power-generating facilities – is universally accepted as a critical element in promoting national development.

As the Minister in charge of the portfolio under which these elements of national life reside, I am extremely heartened at the progress made to this point. Indeed, we are ever mindful of the Millennium Development Goals set out by the United Nations as they pertain to the areas covered by this Ministry and we are working assiduously to make them become reality.

Within the transport sector, much has happened to ensure efficiency, convenience and safety. More specifically, air transport is expanding by leaps and bounds. The privatised Sangster International Airport is making a distinctive difference in air travel, what with the commencement of Phase 2 of the Airport’s development programme.

This includes an extensive addition of new structures taking in a ground transportation hall and parking lots. In the case of the Norman Manley Airport, there was an 8.7% growth in passenger movements and this was in part attributable to the additional seats on a new carrier to the island, Delta Airlines out of the USA.

In marine transport, the Port Authority of Jamaica (PAJ) continues to make positive contributions to the Jamaican economy. During the period under review, through the PAJ’s instrumentality, Jamaica was once again named the ‘Best Cruise Destination’ at the World Travel Awards. Phase 5 of the expansion work at the Kingston Container Terminal is also well underway and will add much needed capacity to the entity.
Housing also saw solid growth during the period under review. In keeping with the Government’s mandate of ‘access to affordable, safe and legal housing solutions by 2025’, concerted efforts were made during the period to fulfil this vision. The government focused on the following:

(a) an improved legislative framework  
(b) joint venture partnerships  
(c) security of tenure  
(d) provision of social housing and  
(e) streamlined rent services.

The island’s road network although still requiring improvement, received quite a lot of attention during the 2006/2007 financial year. Of significance was the opening of the Portmore Toll Road. A billion dollar contract was also signed for maintenance of road corridors all over the island and several bridges were either constructed or rehabilitated as well.

It is perhaps one of the unfortunate facts of life that needs always seem to outstrip resources; nowhere is this more evident than in the portfolio responsibilities of this Ministry. Notwithstanding that, however, the hard working staff of the Ministry and its allied agencies has performed yeoman service in addressing at least some of the challenges. For this I congratulate them and look forward to a continuation of that kind of contribution which can only work in favour of our collective national development.

Hon. Robert Pickersgill, M.P.  
MINISTER OF TRANSPORT AND WORKS
The tagline from one of the Agencies for which this Ministry has responsibility says, "Water is Life". Truer words have never been spoken.

With the acquisition of the water portfolio in March 2006, a new paradigm was embraced. I took up the mantle of providing the leadership and the formulation of policy directives for this most important sector during the period under review.

Several Projects were pursued by this Ministry all of which brought positive spin-offs to the lives of people on whom they impacted. The National Water Commission, which is responsible for the operation and maintenance of the country’s potable water, wastewater systems and wells islandwide, was responsible for a number of these.

One such was the Kingston Metropolitan Water Supply Project which aimed to improve the operational reliability of system facilities in South East St. Catherine and to meet the rapidly increasing demand of some 425,000 persons.

Another was the Runaway Bay Water Supply (Harmony Hall/Braco) which extends from Trelawny to St. Ann. The aim of this Project is to support hotel developments taking place along this corridor.

The Kingston Water & Sanitation Project is ongoing and will improve water supply facilities in Kingston & St. Andrew.

Another entity assisting water development plans is the Water Resources Authority. Ongoing projects here are the upgrading of the National Hydrometric Network, improvement of the Darliston Water Supply Project and the completion of the assessment of the Cabarita Hydrologic Basin.

Other entities involved in the execution of water projects in the island are the Rural Water Supply Company Ltd; the Rapid Response Unit and the Rural Water Supply Company.

It is a fact, that coverage of the island in terms of provision of potable water to all is not where we would like it to be. We are however constant in our efforts to lift the standards and to get as close to full provision in a timely manner, consistent with the Millennium Development Goals as laid down by the United Nations.

I wish to thank all employees of the Ministry who have pooled their collective hearts and hands in piloting this expanded Ministry through all the teething pains and the pursuit of a workable structure. Ultimately, the Jamaican populace will be grateful beneficiaries.
Message from the Minister of State
With responsibility for Works

It is no secret that infrastructural development is highly critical to any country’s move towards economic and social independence. We, in Jamaica, have been charting a course in elevating the country to first world standards in this respect, courtesy of various projects which have been undertaken.

With the National Works Agency spearheading the infrastructural development thrust, the Ministry, notwithstanding numerous challenges, did much to advance the country’s road network during the period under review.

Among some of the notable projects undertaken were the breaking of ground and signing of contracts for Segment 2A of the North Coast Highway Improvement Project. This is a separate contract which was signed outside of the original Segment Two from Montego Bay to Ocho Rios. This new section is to be a dualised section from Montego Bay to Rose Hall.

Road patching also came in for attention. In June, 2006, contracts for an islandwide road patching programme were signed. This would cover some 488,000 square meters of roadway. This, of course meant that citizens all over the island became the beneficiaries of improved road surfaces on which to travel.

In terms of Bridge activities, two very important ones in St. Elizabeth and Westmoreland were re-opened after being closed for rehabilitation. The Black River Bridge in St. Elizabeth and the Styxx Bridge in Westmoreland were re-opened after undergoing repairs under the Mabey and Johnson and R.A Murray Bridge programmes respectively. This was but part of the overall initiative to rehabilitate some 40 bridges all over the island.

I am thankful to the staff at the National Works Agency and other stakeholder entities such as the Road Maintenance Fund for their efforts in ensuring that our road network remains at an appreciable standard.

May this level of diligence prevail as we continue to serve the people of Jamaica.

Hon. Richard Azan, J.P., M.P.
MINISTER OF STATE
MINISTRY OF HOUSING, TRANSPORT, WATER AND WORKS
In the 2006/2007 financial year the Ministry continued on the path of instituting creative policies and solutions to meet the challenges inherent in executing its portfolio responsibilities. With the changes in administration, the portfolio was broadened to include the functions of the former Water and Housing Ministry, on March 31, 2006. Charged with oversight responsibility for twenty-eight (28) public sector entities, the Ministry had an even more dynamic contribution to make to the nation’s business. This focus includes areas such as development of affordable housing solutions, administration of commercial aviation and commercial marine activity, provision of adequate supply of potable water for domestic and commercial purposes in addition to the construction and maintenance of roads, bridges, sea and river defences.

Many accolades must be heaped upon the shoulders of the staff for their efforts during this period. In the usual professional manner the staff took the changes in stride and buckled down to effect what would seem to onlookers a seamless transition in carrying on the work assigned. Indeed, the portfolio continued its busy performance over 2006/2007, and while too many to document here, a few of the pioneering projects, achievements and continuing programmes which impacted positively on the quality of life of Jamaicans are highlighted below.
**Delta Airlines** - Thursday June 1, 2006 saw the commencement of services to Kingston by Delta Airlines. This service effectively increased the coverage of the island by international lines and opened more opportunities for visitor arrivals to the island.

**Highway 2000** - The Portmore leg of Highway 2000 (Portmore Causeway and Dyke Road) was officially opened on Saturday, July 15, 2006. This activity included the formal commissioning of the Hunt’s Bay Bridge and opening of the Portmore Toll Plaza. Over 600 workers were involved in this major project, which was completed on schedule and within budget.

**Red Stripe’s Assistance to NWC** – On August 23, 2006 the National Water Commission received the final instalment of $25 million from Red Stripe / Diageo as part of a $100 million donation to assist in conducting repairs to over 460 water supply systems severely affected by the impact of Hurricane Ivan in September 2004. Amongst the works undertaken under the partnership is a series of water supply projects in areas of St. Thomas, such as Dumphries Crescent, Spring Piece, Grossette, Unity Hall, Curtis Bottom. These were all completed this year, benefiting the citizens of these and adjoining communities.

**Western Hemisphere Transport Initiative** - Jamaica played host to the Executive Committee of the Western Hemisphere Transport Initiative (WHTI), for its ninth meeting on August 23-24, 2006 at the Jamaica Conference Centre in Kingston. The WHTI provides a forum for cooperation amongst ministries with responsibility for transportation in member countries highlighting issues including security in transportation, infrastructure financing, the environment and transportation, disaster response planning and capacity building.

**Road Safety** – On October 25, 2006, a major Road Safety Initiative was entered into between the Road Safety Unit/MHTWW and Pepsi Cola Ltd., with a view to enhancing the Unit’s ‘Education in School’s’ programme. Under the partnership, Pepsi will provide the RSU with a new instructional video as well as handout materials which will be used for presentations to school children during visits made to schools by Officers of the Unit.
**Water Resources** – In November 2006, the Water Resources Authority (WRA) celebrated its 10th anniversary as a statutory agency with week-long celebrations under the theme ‘Integrated Water Resources Management Driving National Development’. The duty of the Authority is to regulate, allocate, conserve and otherwise manage the water resources of Jamaica. The WRA is Jamaica’s hydrologic agency and is the premier hydrologic agency of the Caribbean.

**Bridging the Gap** – Contracts for the construction of bridges islandwide were signed on Friday, December 8, 2006 under the R. A. Murray Programme. This phase of the programme will be embarked upon through a loan amount of US$44M. The intention is to construct 11 of the bridges that were supplied in the previous phase, and to facilitate an additional nine bridges which are to be designed, fabricated and constructed, making a total of 20 bridges. The contract will also address issues such as the protective works in the vicinity of the bridges.

**Linstead Taxi Stand** – Linstead, St. Catherine, home of the famous Linstead market, was selected for the construction of a new 38-vehicle taxi stand. The stand, which was constructed at a cost of $6.3 million, was opened on December 19, 2006.

**Northern Coastal Highway Improvement Project** - Segment 2 of the Northern Coastal Highway Improvement Project (NCHIP) was opened on Thursday, December 14, 2006.

The project which covers 70km from Greenside to Ocho Rios, was funded jointly by the GOJ and the IDB at a cost of US$146 million.

**Martha Hall Water System** – The State Minister officially commissioned the Martha Hall Water System, St. Mary on January 24, 2007 at the Marlborough Primary School in the parish. The newly upgraded Water System provides a reliable water supply to customers in various communities in the parish. In total, some 150 households are being served by the Martha Hall Water System. The overall cost of the Project was approximately $5M.
JUTC Fleet Upgrade – the ageing fleet of the JUTC was bolstered with the addition of the first tranche of 29 of 50 new buses on March 29, 2007. Steps were also taken to repair others in varying states of disrepair in the continuing effort to secure the comfort of the travelling public. The new buses consist of seven Volvo Mistral (regular premium); three Volvo Mistral with onboard lavatory and nineteen MAN buses. All the buses were handed over in time for the start of the ICC Cricket World Cup.

The Bypass provides a spectacular view of the Caribbean Sea and the Rio Bueno Harbour as a result of its elevation, rising to a maximum of 70 metres above sea level.

A view of the scenic Rio Bueno Bypass

Minister & JUTC Officials & Staff with the new JUTC buses

Rio Bueno Bypass – This road section was officially opened on February 28, 2007 and represents the last main portion of work on Segment 2 of the NCHIP. The original scope of works in respect of Segment 2 of the highway improvements did not include construction of the Rio Bueno Bypass. The original plan was intended to improve the existing road through the town. This idea was abandoned however, when it was recognised that such a move would have an adverse impact on a number of archaeological and historical buildings and sites in Rio Bueno.

Divestment of Government-Owned Housing Units – As part of its efforts to provide housing solutions for Jamiican, the Ministry continued with its plans for the divestment of 4,633 units developed for rental and as cooperatives and condominiums. In total, 283 units consisting of 50 rental units, 41 townhouses/condominiums and 192 upgraded lots were divested in areas such as Arnett Gardens, Duhaney Park, McIntyre Lands, Tivoli Gardens, Longwood, Lacovia and Gazeland.

Celebration of World Water Day - World Water Day was celebrated on March 22, 2007 and in customary fashion the Water Resources Authority, by various activities led the efforts to highlight the importance of water to Jamaica.
**Legislation Programme**

The Ministry had a demanding legislative year with officers tracking several matters. The Chief Parliamentary Counsel (CPC) received drafting instructions for amendments to several Acts, comments were sought from relevant stakeholders, reviews were conducted and the opinion of the Attorney General sought on relevant matters. Regulations and Acts worked on included:

- Carriage by Air Bill
- Motor Vehicles Insurance (Third Party Risks) (Amendment) Bill
- Main Roads (Amendment) Bill
- Shipping (Pollution & Control) Bill (Marine Pollution Act)
- Port Authority of Jamaica Bill
- Jamaica Railway Corporation (Amendment) Bill
- Transport Authority (collection of fees) (validation of fees) (Amendment) Bill
- Road Traffic (Amendment) Bill
- Road Traffic Act amendments
- Transport Services (Economic Regulations) Act
- Rent Restriction Act
- Housing Act
- Mortgage Insurance Act and Regulations
- Water Supply (Sewerage Services) Act
- Repeal of Flood Water Control (Amendment) Act
- Water Resources Authority (Amendment) Act

**Social Ministry**

**First General Staff Meeting** - The newly created Ministry held its first general staff meeting on Tuesday, April 11, 2006 at the Hilton Hotel in New Kingston. The meeting was chaired by the Senior Director, Human Resource Management and Administration and was addressed by the Minister and both State Ministers, whilst the Director General and I fielded questions from the staff. It provided the opportunity for staff to interface with each other and get an understanding of the new Ministry’s role and function.

**HIV/ Aids Workplace policy**

Work continued on the HIV/Aids Workplace Policy. Meetings were held to develop a work plan and budget to begin implementation of the policy within the Ministry.

**Secretaries’ Week**

The Ministry, during the week of April 24-28, 2006, paid homage to the work of its Secretaries and Administrative Staff. On Wednesday, April 26, 2006, a Development Seminar was held at the Ministry, which targeted various aspects of a secretary’s sphere of operations. These included interpersonal skills, work ethics, professionalism, grooming and deportment, conflict resolution, among others. On Friday, April 28, 2006 a luncheon was held at the Jamaica Pegasus Hotel.
The secretaries were feted with fine fare and good renditions of items from fellow staff. The Secretaries were praised for the stellar role they play in the Ministry’s work and encouraged to continue striving for excellence.

**Party Mania at the Ministry**

‘Sizzle’ was the name and the Maxfield Avenue office sizzled with excitement as the social committee hosted a games evening for the staff on June 23, 2006.

**Christmas Shindig**

On December 21, 2006, the staff of the MHTWW withdrew to the grounds of the Constant Spring Golf Club for a night of fun, food and frolic. Entertainment led by the performance of dynamic duo Ity and Fancy Cat, satisfied the cravings of an expanded Ministry. The formal proceedings were ably guided by MC Rosie Murray and then the party animals took to the floor and partied into the new day.

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Sir William Osler is reported to have cautioned “Live neither in the past nor in the future, but let each day’s work absorb your entire energies, and satisfy your widest ambition.” The commitment of the Ministry is to continue building on its achievements, boldly instituting initiatives to positively affect the present situation of our country, thereby ensuring a sound legacy for future generations.
During the fiscal year 2006/2007, the Housing Sector, through the reporting portfolio entities of the Ministry embarked on a number of strategies and programmes in carrying out the mandate that by 2025 all Jamaicans will have access to affordable, safe and legal housing solutions within the framework of the National Shelter Sector Strategy (1987). Over the year, the sector continued to provide the enabling framework within which the vision could be realized by improving the legislative framework, developing the National Housing Policy with a supporting Implementation Plan, increasing the number of beneficiaries of the social housing programme, providing security of tenure through the acquisition and sale of land for housing development, facilitating private sector investment through the Joint Venture and Private Sector Facilitation Programmes, and streamlining the rent services.

Highlights of the performance and major achievements of the housing sector portfolio entities, which include the Jamaica Mortgage Bank (JMB), the National Housing Development Corporation (NHDC) and the Rent Assessment Board, are examined below.

Revised Policy Framework

National Housing Policy & Implementation Plan

In recognition of the need to facilitate better utilization of resources in the public and private sectors, in order to satisfy the demand for housing in Jamaica in a coordinated and economical manner, efforts have been ongoing with regard to the development of a National Housing Policy and Implementation Plan.

The Policy provides guidance for the housing sector and addresses the housing needs of the most vulnerable individuals within the society.

By the close of the 2006/2007 financial year, the process of tendering for a consultancy to take responsibility for the development of an Implementation Plan for the National Housing Policy had commenced, and is expected to see significant advancement forward.

The Joint Venture Policy

The Joint Venture Policy, which sought to facilitate private sector investment in the development of housing solutions, has since January 2006 been the subject of a comprehensive review to address some inadequacies in its provisions. During the 2006/2007 financial year a multi-sectoral committee was established which had eight sittings, where the revised draft policy underwent rigorous scrutiny and a final draft of the Policy was developed. The revised policy now includes guidelines that govern agreements between the Ministry and its Joint Venture partners, and outlines the role of regulatory agencies.

Legal Framework

In keeping with the thrust to improve the legislative framework within which the sector operates, the Ministry sought to have several pieces of Housing related legislation amended.

The Government pursued its commitment to revise the Housing Act to bring it in line with today’s reality and to make it consistent with the vision of providing housing solutions to the most vulnerable individuals within the society.

During the 2006/2007 fiscal year the draft Bill was prepared by the office of the Chief Parliamentary Counsel (CPC), discussed by the technical review committee and the revised proposals were returned to the CPC on March 13, 2007. A new draft Housing (Amendment) Bill was received from the CPC for further review.
The Mortgage Insurance Act and Regulations came into effect in 1960 and, since then, several of its provisions had become obsolete. This fact hindered the Jamaica Mortgage Bank in its efforts to successfully administer the law and compete on a commercial basis with other providers of mortgage insurance. The amendment of the Act will allow the Bank to play a more active role in facilitating the acquisition of housing by the majority of Jamaicans.

At the end of the 2006/2007 financial year the provisions of the Bill were settled with the CPC and the revised Bill was prepared for the Legislation Committee.

In facilitating the provision of adequate legislation governing the rental of properties in Jamaica and to bring about greater efficiency in the processing of related applications and complaints, the Committee established to review the Rent Restriction (Change of Name and Amendment) Bill carried out extensive reviews of a fourth draft of the Bill. Further drafting instructions were subsequently prepared and submitted to the CPC in January 2007. The Ministry took receipt of the fifth Bill, with a view to conducting a reassessment exercise in consultation with members of the Rent Board, Real Estate Board, Tax Administration and Services Department and the Offices of the CPC.

Social Housing Programme / Special Assistance Scheme

In an attempt to provide housing solutions for the poor, the Social Housing Programme was initiated in March 2004. The programme is funded by the National Housing Trust and managed by the Ministry, with beneficiaries being recommended by their Members of Parliament. In January 2006, there was an expansion of the programme to include a Special Assistance Scheme where the Office of the Prime Minister and special interest groups such as Churches and the disabled community could now recommend beneficiaries.

The projection for the 2006/2007 financial year was the disbursement of $150M to provide housing assistance to 15,000 families. At the end of the year a total of $113.9M was expended providing benefit to 8,158 families with each family receiving an average of $13,961.00. Details, along with a comparison with the previous financial year are provided in the adjacent table.

Additionally, the Ministry took steps to divest 795 units which were developed for rental and as cooperatives and condominiums. This projection included the divestment of 202 rental units; 240 townhouses and condominiums; and 353 upgraded lots. The schemes under this programme were Arnett Gardens Phase 4 and 7, Duhaney Park, McIntyre Lands, Tivoli Gardens, Longwood, Lacovia and Gazeland.
**Joint Venture/Private Sector Facilitation**

In respect of joint venture/private sector facilitation partnerships, for the 2006/2007 financial year the Ministry targeted the completion of ten (10) Joint Venture Projects, comprising 1,846 solutions and support for two private sector facilitation projects comprising 1,443 solutions. At the end of the year 1,260 solutions in six of the ten Joint Venture Projects were under construction, while 446 of the 1,443 solutions were completed in two (2) projects under the Private Sector Facilitation Programme.

Under the Operation PRIDE initiative 435 solutions were completed during the financial year. This was a significant shortfall due primarily to limitations in available funding, which totalled $631.6M for the year. Since the start of the programme, 3,569 titles have been transferred, with 689 being transferred to as many purchasers for the 2006/2007 year. Additionally, design plans were completed for two open market schemes: 62 Lady Musgrave Road and Mineral Heights. Work on the Lady Musgrave scheme has been delayed as a result of legal action in respect of the proposed changes to the property caveat.

In September 2006, the NHDC completed and disseminated its Customer Charter, launched its website, completed its product and services booklet, as well as performed company-wide training in Customer Service. The Corporation also attempted to restructure and simplify the approval process by applying Business Process Re-engineering (BPR) to its systematic processing of projects.

The Jamaica Mortgage Bank (JMB) continued to play its pivotal role in the area of housing financing, carrying out its objectives through three (3) main areas of operation namely, Primary Marketing Financing, Secondary Market Financing, and the provision of Mortgage Insurance Services.

For the 2006/2007 fiscal year the targets for the Bank were to commit $2.5B for the construction of 2,910 housing solutions and issue 300 insurance policies providing coverage of $50M. At the end of the financial year the Bank facilitated the provision of affordable shelter by committing $2.207B for the construction of 2,730 housing solutions while 157 policies were issued providing a total insurance coverage value of $92M, as shown below.

<table>
<thead>
<tr>
<th>2006/2007</th>
<th>No. of Housing Solutions</th>
<th>Total Cost (J$)</th>
<th>No. of Insurance Policies</th>
<th>Total Cost (J$)</th>
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<tr>
<td>Targets</td>
<td>2,910</td>
<td>2.5B</td>
<td>300</td>
<td>50M</td>
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<tr>
<td>Achievements</td>
<td>2,730</td>
<td>2.207B</td>
<td>157</td>
<td>92M</td>
</tr>
</tbody>
</table>

The Rent Services Unit was established in 2005 to improve the administrative support to the Rent Assessment Board and to enhance the Board’s effectiveness by ensuring the delivery of high quality services by informing and advocating the rights of landlords and tenants under the Rent Act.

During the period under review, the Unit received 2,418 applications for grants of increase in rent of $1/2 percent and above. Of this amount 174 were granted. The Department also processed 126 applications for exemption from rent control, of which 48 exemptions were granted.

Additionally, 4,462 applications were received via telephone calls, facsimile and in-office reports, in respect of the settling of disputes between landlords and tenants seeking advice on increases in rental, or giving notices to tenants. The Unit resolved 3,455 of these cases through mediation, and also provided information and advice in respect of a further 3,658 telephone enquiries and 755 in-office mediations.
The Minister of Housing, Transport, Water and Works stated at his presentation to the 9th Executive Committee Meeting of the Western Hemisphere Transport Initiative held in Kingston, Jamaica August 23 – 24, 2006, “the empowerment of communities, improvements in health and education, increased social interaction and political participation are some of the desirable outcomes of having adequate transport infrastructure…” This is a clear recognition that there is a symbiotic relationship between development and transportation infrastructure. It is against that background that this sector’s contribution to national development, as spearheaded by seven reporting entities, namely, the Transport Authority, the Jamaica Urban Transit Company, Montego Bay Metro, Jamaica Railway Corporation, Jamaica Ultimate Tyre Company Ltd., Island Traffic Authority and the Road Safety Unit is being undertaken.

The Land Transport Sector

Transportation Regulation
During 2006/2007 the Transport Authority implemented new initiatives, which set the stage for the better regulation and monitoring of the public transportation sector. The Authority reviewed and improved licensing procedures, implemented improvements to infrastructure, ensured the recruitment of suitably qualified individuals for the Inspectorate and implemented sustained operations at critical locations within the Kingston Metropolitan Region and across the major townships island-wide.

The introduction of the state-of-the-art license forms and stickers with tamper-proof features on February 15, 2007 at a cost of approximately US$67,000.00 was one of the most important undertakings of the Authority. These features were designed to reduce the incidents of forgery and tampering of licenses. There has been a 52% increase in the number of licenses issued by the Transport Authority.

With respect to the Authority’s efforts to make improved facilities available to the public, the Linstead Taxi Stand was opened in December 2006 and has resulted in a reduction of traffic congestion in Linstead, while providing better and more secure facilities for commuters. It is estimated that an average of 10,000 commuters use the facilities on a weekly basis, which had a construction cost of J$6.5 million.

The other land transport regulating entity, the Island Traffic Authority (ITA), in keeping with its mandate to ensure safe roadways through the administration of the Road Traffic Act and Regulations, focused on a number of key regulatory activities which included Motor Vehicle Inspection Services (MVIS) the issuing of certificates of fitness, the examination of vehicles during spot check exercises, the conducting of drivers’ licence examinations, and the issuing of certificates of competence.

In furtherance of the Government’s commitment to privatising the ITA, Price Waterhouse Coopers was asked to undertake an assessment of the value of the Authority that would serve as a base for determining the route of divestment of the entity.
As a result of this review and discussions with interested parties, Cabinet will be asked to decide whether the MVIS will be privatized or remain as a unit of the modernized ITA. In the interim, arrangements have been made for the modernization of the ITA and the transformation of the Authority into an Executive Agency, which includes the appointment of a CEO, and the implementation of a new management structure.

**Provision of Public Transportation**

Just at the close of the financial year, in March 2007, the JUTC received an advance of US$3 million through the PetroCaribe Facility, which was used to offset some of the Company’s debts and to purchase much needed spare parts. However, the Company continued to suffer from increases in fuel costs.

On a positive note, the company received 50 new buses, some arriving just prior to the beginning of Cricket World Cup. In addition, 36 buses were refurbished. The programme of refurbishing will continue, provided financing is available. The objective is to bring the fleet up to 520 reliable and dependable buses by the first quarter of fiscal year 2008/2009.

Further, as a consequence of a targeted accident prevention initiative there has been a 40.7% decline in accidents since May 2006.

Additional support for the sector’s main players comes from the Jamaica Ultimate Tyre Company. The period April 1, 2006 to March 31, 2007 saw the Tyre Company fulfilling its primary mandate of carrying all tyre related services for the JUTC, particularly the provision of retreaded tyres.

Overall, the Company produced seven thousand five hundred & twenty six (7,526) tyres, of which three thousand, nine hundred & twenty-one (3,921) tyres were used by the Jamaica Urban Transit Company; this resulted in great savings for the bus company.

Montego Bay Metro offers a dedicated school bus service to three high schools and also operates a municipal service on two routes within the city of Montego Bay and a section of Hanover. During the financial year the Company transported 328,174 adults and 319,620 students.

The Ministry continued its discussions with regard to establishing a partnership to move Jamaica’s railway forward. In February 2005, the Government of Jamaica signed a Memorandum of Understanding with China CAMC Engineering Co. Ltd. (CAMCE), a Government of China company to undertake a feasibility study on the rehabilitation of the railway, execute the project and provide 85% of the necessary financing. In 2006, CAMCE submitted its technical proposal to the Government of Jamaica. The scope of the study covers the corridors, Montego Bay, Spanish Town and Linstead. The estimated cost of the entire railway project is US$310 million.

Income for the charter service increased by 70% over the previous period and a new computer scheduling system (Trapeze) was introduced to facilitate improvement in efficiency, reduce standby hours and overtime.
An evaluation of CAMCE’s technical and financial proposals, as well as a cost benefit analysis of the project is being undertaken by the Development Bank of Jamaica (DBJ).

The DBJ is also to update the relevant studies which were done several years ago to identify the potential for freight between Kingston and Montego Bay and the regulatory framework which would be required to support the privatization of the JRC.

Consideration will also be given to the fact that the Government of Jamaica (GOJ) has invested in highways from Kingston to Williamsfield, Spanish Town to Ocho Rios and Neïril to Montego Bay.

The findings of the various studies are to be submitted to Cabinet which will then have to take a final decision as to whether privatization of the JRC should be pursued.

While those rehabilitation efforts continued, the Corporation continued to fulfil its obligations under the Track User Agreement with WINDALCO, which included adequate repairs and maintenance to permanent way structures, the provision of security of operations in the corridor, and adequate monitoring of track maintenance works being implemented by WINDALCO.
Jamaica’s aviation sector has continued to contribute to the sustained growth and development of the country with concentration on the expansion and modernization of both international airports. The policy of liberalization and privatization by the GoJ has led to the international airports operating under a price-cap system for the benefit of the public. The Government however continues to maintain a watchful eye by way of regulatory control of the sector in effecting communication, safety and security. The next few pages provide details of the achievements of the sector as spearheaded by the Airports Authority of Jamaica, the Jamaica Civil Aviation Authority and Aeronautical Telecommunications Ltd. (Aerotel).

**National Contribution**

Significant strides were made in the nation’s airport sub-sector during 2006 with over 5.1 million passengers and approximately 20.3 million kilograms of freight recorded at both airports. As economic catalysts generating employment and providing for other economic and social development, the international airports continue to engender economic activity valued at an estimated J$51.1 billion, which is equivalent to approximately 14.0% of Jamaica’s GDP.

**Airport Development**

Both international airports have seen significant improvements and are impacting growth in the industry through an increase in passenger and cargo traffic. The importance of a modern and efficient airport system to Jamaica’s economy cannot be overstated, especially in light of the critical role that both tourism and trade continue to play in the country’s economic development. Our international airports are strategic national assets, which form the first and last point of contact with the island for all stopover tourists who spend approximately US$1.2 billion per year on the island, making a contribution of more than 90% to earnings from tourists.

**Sangster International Airport**

The three-phase expansion programme at the Sangster International Airport is at an advanced stage. The entire expansion and upgrading works being undertaken by the international consortium, MBJ Airports Limited, are valued at approximately US$200 Million. Phases 1A and 1B have been completed at a cost of approximately US$61.6 Million.

A significant portion of the Phase 1A works, which commenced during the 1999/2000 financial year, was undertaken by the AAJ prior to the handover to the new operators in April 2003 at a cost of approximately US$21.0 Million. With respect to Phase 2 of the programme, the work is projected to cost approximately US$65.0M and, having commenced in January 2006, is scheduled for completion in July 2008.

The privatization of the Sangster International Airport has provided the necessary capital investment to undertake the expansion programme and to accelerate the deliverables, some of which are already evident. The Airport expansion will further serve to create opportunities for national growth and development.

**Norman Manley International Airport**

The comprehensive twenty-year Capital Development Programme for the Norman Manley International Airport, as detailed in the 2004 Airport Master Plan, is being undertaken in three phases. The preparatory works, to facilitate the major expansion programme, commenced during 2005-06 and were completed in September 2006. In March 2006, the contract for the major Phase 1A works was awarded to Kier Construction Ltd. The 18-month construction of the new terminal building commenced in April 2006.
The Phase 1A programme is valued at US$98.00 Million and has a scheduled completion date of mid-2008. The status of the programme is detailed below.

### Capital Development Programme as at March 31, 2007 (US$M)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Terminal &amp; Landside</td>
<td>84.25</td>
<td>63.75</td>
<td>13.74</td>
<td>30.17</td>
<td>43.91</td>
</tr>
<tr>
<td>Cargo &amp; Support Relocation</td>
<td>4.10</td>
<td>3.19</td>
<td>4.19</td>
<td>0.02</td>
<td>4.21</td>
</tr>
<tr>
<td>Airfield and Support</td>
<td>8.97</td>
<td>0.17</td>
<td>0.72</td>
<td>3.65</td>
<td>4.37</td>
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<tr>
<td>Major Maintenance</td>
<td>0.58</td>
<td>0.00</td>
<td>0.33</td>
<td>0.00</td>
<td>0.33</td>
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<tr>
<td>RESA</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Phase 1A</strong></td>
<td>97.90</td>
<td>67.11</td>
<td>18.98</td>
<td>33.84</td>
<td>52.82</td>
</tr>
</tbody>
</table>

Jamaica's Air Policy

Jamaica’s Air Policy mechanism is robust in its gradual liberalization of the country’s Air Services Agreements. The country has reviewed and revised many of the existing air services agreements, and established new agreements with various countries such as Chile, Brazil, Germany and the United Kingdom. The country has also signed an Open Skies Agreement with the USA to facilitate increased movement of passengers and cargo. Discussions are continuing with other countries to effect similar arrangements. This is expected to provide further opportunities for growth in the industry.

Regulation of the Sector

The Jamaica Civil Aviation Authority (JCAA) is the regulatory agency responsible for providing Air Navigation/ Air Traffic Services, Flight Safety oversight services and Airport and Economic Regulation of the air transport sector. The JCAA, supported by its subsidiary Aerotel, seeks to maintain the highest level of technology in Air Navigation services and has also collaborated regionally through a Regional Aviation Safety Oversight System (RASOS) in accordance with the new thrust by the International Civil Aviation Organisation (ICAO).

The sector continues to be vibrant and seeks to ensure cooperation with tourism and maritime interests in pursuing economic growth.

Reconstruction and Development

The goal is to discharge functions at the highest level of efficiency by strengthening the legislative framework, continuously upgrading the air navigational equipment, offering quality safety oversight service and facilitating continuous improvements to the aviation sector.
During 2006/2007 the JCAA took the necessary preliminary steps towards the upgrading of its Aeronautical Messaging System. This project involves the installation of a new Aeronautical Fixed Telecommunications Network Switch. A contract was signed with a leading manufacturer, Ubitech in December 2006 in the amount of US$807,504. A site survey report was completed in February 2007, with delivery taking place at a later date.

Plans for the construction of two control towers at the Norman Manley International and the Sangster International Airports continued with discussions being held with the Canadian Commercial Corporation, a state-owned agency. The National Contracts Commission is to approve the contractual arrangements for the project.

The JCAA completed an improved licensing system for airline pilots and this system will be implemented in six other Caribbean countries.

Aeronautical Telecommunications Ltd. (AEROTEL) continues to play a vital supportive role by providing engineering and telecommunications services to the aviation sector.

This is in keeping with the ICAO Convention/standards and recommended practices (SARPS).

The high reliability of services is paramount and is directly related to a global positioning of our Flight Information Region (FIR), which is considered as the Western Hub for air traffic services. Any down time of Jamaica’s Navigational aids and Telecommunications facilities directly affects adjacent FIRs. The savings in fuel costs for aircraft flying around airspace as compared to aircraft flying directly through our FIR is an example of such savings.

AEROTEL has successfully extended its core business and diversified its income sources by providing consultancies, system integration, maintenance services and the rental of space on towers. Equipment has been identified for the plan to attract non-aviation customers to lease bandwidth. Discussions with NLA (National Land Agency) for other sites including Spur Tree Hill have been initiated in this regard.

The quest by this Company to deliver cutting edge technology solutions has resulted in several joint venture initiatives.

During the year AEROTEL collaborated with Mona Informatics in the development of a GPS-based Vehicular Tracking and Navigational System. This real-time, in-car, navigation system will be of value to the tourism sector initially, as well as for fleet management, and an introduction to the general market is to follow.

Another successful AEROTEL innovation was the Voice-over Internet Protocol (VoIP) network designed and implemented for Jamaica Premix Limited. High reliability for Phase I of the project has been maintained & quotations were submitted to the client prior to implementation of Phase II - between Premix offices and Aguacate Vale.
The Target for overall system reliability is 99.97%, and the table below shows the reliability of systems during 2006/2007.

<table>
<thead>
<tr>
<th>System</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radars</td>
<td>99.47%</td>
</tr>
<tr>
<td>Harris Microwave Link</td>
<td>99.95%</td>
</tr>
<tr>
<td>Air-to-ground Radios (Comm.)</td>
<td>99.59%</td>
</tr>
<tr>
<td>AFTN Message Switch</td>
<td>95.39%</td>
</tr>
<tr>
<td>KOOL 97 FM</td>
<td>99.53%</td>
</tr>
<tr>
<td>Non-directional beacon</td>
<td>99.97%</td>
</tr>
<tr>
<td>DVOR/DME</td>
<td>99.99%</td>
</tr>
<tr>
<td>AT Comm Lines (Regional Centres)</td>
<td>97.38%</td>
</tr>
<tr>
<td>Voice Switches</td>
<td>99.99%</td>
</tr>
<tr>
<td>ILS/DME</td>
<td>96.56%</td>
</tr>
<tr>
<td>Raytheon Auto Trac</td>
<td>99.68%</td>
</tr>
</tbody>
</table>

On November 1, 2001 Aerotel began operation of a radio Station, “Kool 97 FM”. Kool 97 FM is mandated by its license to encourage tourism by portraying a positive image of Jamaica. It is 80% music, adult contemporary, and carries no newscasts. However, flight schedules, weather conditions and other information relevant to the travelling public, are broadcast hourly.

The radio station is engaged in the negotiation phase of the tender process to bring the total number of hours leased to 50 per week. This is in accordance with the Cabinet decision regarding the leasing of airtime by KOOL and in keeping with the provision in the license, which allows the radio station to utilize up to 30% of its airtime in non-core activities.

The station presently operates with 85% coverage island-wide and additional sites are being sought to increase coverage to 95%.
The Maritime Transport Sector

The Maritime Transport Sector includes the Maritime Authority of Jamaica (MAJ), the Caribbean Maritime Institute (CMI), the Port Authority of Jamaica (PAJ) and the Ports Security Corps (PSC).

The Maritime Transport Sector played a vital role as it continued to contribute to the economic development of the country by providing a modern, well-regulated transport environment to facilitate the efficient and safe movement of commuters during the 2006/2007 financial year.

The Maritime Authority of Jamaica (MAJ) was established in January 1999 to implement the provisions of the Shipping Act of 1998 and to regulate matters relating to merchants, shipping and seafarers. As a result, the Authority has responsibility for ensuring that the wide-ranging activities regulated under the Act are carried out in an efficient and sustainable manner.

In its regulatory capacity the MAJ is empowered under the Shipping Act (1998) to carry out, inter alia:
- Vessel registration
- Examination, endorsements and certification of seafarers
- Survey and inspection of vessels for safety and marine pollution prevention standards
- Approval of standards of training for seafarers and investigations into maritime casualties.

International Ship Registry

The MAJ administers an International Ship Registry and the total tonnage on the Jamaica Ship Registry at the end of 2006/2007 was 165,663 gross tonnes, which was a 57.2% increase in tonnage over the previous year. The number of vessels on the Register increased by 5.7% to forty-four (44). Twenty-six of the vessels operate internationally with most operating worldwide while others are based in Europe and the Middle East.

The Port Authority of Jamaica is the principal maritime agency responsible for the regulation and development of Jamaica’s port and shipping industry.

The Authority owns and controls the Kingston Transshipment Port, the Port of Montego Bay and the cruise shipping terminals at Ocho Rios and Port Antonio. In its regulatory capacity, the Authority is responsible for the safety of all vessels navigating the ports of entry and the regulation of the tariffs charged on goods passing over the public wharves. In its developmental role, the Authority fosters the expansion and upgrading of port facilities and is responsible for the development of the public sector export free zones. The Port Authority is concentrating on maximizing capacity utilization of the transshipment port facilities through growth in Container volumes.

Vessel Calls to Jamaica

Some 4,014 vessels called at the country’s ports in the 2006/2007 fiscal year, an increase of eighty-three ships over the 3,931 which called in the previous fiscal year.

Cargo Volumes

The total volume of cargo handled in 2006/2007, was thirty 32,397,269 tons or 13.96% more than the 28,429,073 tons handled in 2005/2006.
The Kingston Container Terminal

The Kingston Container Terminal (KCT) moved from a ranking of 62nd to its current ranking of 55th of the top 100 transshipment ports in the world. In recent years the port has been moving up in the rankings.

In 2006/2007, the KCT handled 2,012,647 TEUs or some 21% more than the 1,657,555 TEUs processed the previous year.

The KCT is being developed as a first class transshipment facility and work on Phase 5 is still on target. Its December 2007 completion adds another 1.7 million TEUs, more than doubling the current 1.5 million rated TEU transhipment capacity of the KCT to 3.2 million. Work is significantly advanced on the Western Berth which is a critical component of the Phase 5 Expansion.

To maintain the PAJ’s competitive edge and ensure that its efficiencies increase, equipment is being continually upgraded. In January of 2007 the first two of six new Super-Post Panamax cranes to be installed were received and thereafter commissioned into service. Twenty-four new straddle carriers and six new empty container stackers arrived prior to the end of the 2006/2007 Financial Year and were put into service.

Cruise Shipping

In the fiscal year 2006/2007, Jamaica’s cruise sector recorded 1,329,702 cruise visitors, a 15% increase over the 1,151,705 hosted the previous fiscal year.

Ocho Rios hosted 838,276, up from 814,544 the previous year. Montego Bay hosted 484,839 visitors, up from 329,858 visitors in the previous year. Port Antonio hosted just fewer than the 7,000 it had the previous year and Kingston had 412 cruise ship visitors.

International Competition

The shipping industry is one of the most competitive areas of economic activity. Since the Kingston Container Terminal began operations in 1975, it has competed successfully in the international arena. The Port Authority of Jamaica has engaged in the required forward planning and effected its operations in a manner that continues to make transshipment an attractive vehicle for its clients in the shipping industry.

Jamaican International Maritime Centre

The strategic goal of the Government and the local shipping sector is the development of Jamaica as an international shipping centre facilitating sustainable development and the creation of more opportunities for enhancing the quality of life of Jamaicans.

Investments made in the shipping industry have been successful and the country is being recognized for it. In 2005 Jamaica was recognized as the Caribbean’s Leading Cruise Destination. In 2006 this was bettered and, in addition to being named the Caribbean Leading Cruise Destination, Jamaica was recognized as the World’s Leading Cruise Destination.

The Caribbean Maritime Institute provides professional maritime education and training to Seafarers, the regional shipping industry, Coast Guards, maritime administrations and allied industries. The institute has linkages with the University of the West Indies, the University of Technology and the University Council of Jamaica, as well as close relationships with the World Maritime Institute, the British Columbia Institute of Technology and the Norwegian Shipping Academy.

At the start of the 2006/2007 financial year the CMI committed to establish a new management team and to the introduction of degree programmes. With a new management team in place work began in July 2006 on the development of the degree programmes. After nine months the CMI will offer five (5) new B. Sc. degrees.
These degrees are fully recognised by the University Council of Jamaica and will be delivered in conjunction with the University of Technology. The degrees are:

1. Industrial Systems Operation and Maintenance
2. Port Management
3. International Shipping
4. Cruise Shipping and Tourism Management
5. Logistics and Supply Chain

The CMI is the only facility in the Region with this significant offering of degrees. The CMI has also expanded the Professional Seafaring courses and a wide range of short courses meeting the needs of the Shipping and Logistics industry in Jamaica and the Caribbean.

The Ports Security Corps (PSC) was incorporated in 1989 to safeguard all publicly owned ports and airports throughout Jamaica. A primary function of this Agency is to reduce the trade in illicit goods through air and seaports and to implement a program for restricted access to these sensitive areas. Over the years the services of the Corps have been expanded to include the provision of security services to the major tourist resorts of Negril, Ocho Rios, Port Antonio and Montego Bay, Government residences, and the Jamaica Urban Transit Company.

Just over 400 officers have been assigned to provide security at both International Airports. Their responsibilities include pre-board screening and the provision of anti-harassment security services.

Seaport Security
PSC Officers provide security services, access control, static surveillance and foot patrols for Port Bustamante, Gordon Cay and Montego Bay Cargo & Cruise Shipping Ports on a twenty-four hour basis.

Free Zone Security
Officers assigned to the Kingston and Montego Bay Free Zones provide access control at pedestrian gates, do static and foot patrols, carry out mandatory and routine building checks and monitor the closed circuit camera system used for surveillance of the perimeter fence.

Security for Ground Transport (Buses)
The Corps provides twenty-four hour security for all JUTC bus depots in Spanish Town and Portmore and on Ashenheim and Lyndhurst Roads, by maintaining access control and perimeter patrol.

The Ports Security Corps expanded its deployment at the Sangster International Airport, Norman Manley International Airport and APM Terminals. Improved management resulted in a pre-audited surplus of approximately $3.6M. This is the first realisation of profit since 2001, and marks a recovery from losses of $22M in 2004.
During the 2006/2007 financial year the water sub-sector of the Ministry continued to identify, develop, harness, treat and distribute potable water to households and industries, as well as creating and maintaining the systems for the collection, treatment and safe disposal of sewage. The Water Sector Policy Strategies and Action Plans, established to provide effective water governance, sought to achieve their goal of ensuring that all households have access to water by 2010 through the performance and achievements of the water sector of the Ministry and its portfolio entities, including the National Water Commission, the Water Resources Authority, the Rural Water Supply Limited and the Rural Water Project.

The National Water Commission
During the 2006/2007 financial year the National Water Commission (NWC), which is the principal provider of potable water supply services, as well as wastewater services across Jamaica, continued to undertake activities in its bid to achieve the organizational objectives stated in a Three-Year Action Plan, which ended in 2007. Up to the end of the period 74% of all Jamaican households were supplied directly with piped, potable water via house-to-house connections. A further 11% of households is supplied with potable water delivered at standpipes and by other means, amounting to 85% of households with easy access to centralized water supply services.

Over the last year the NWC facilitated the achievements of its mandate, by focusing on transforming/modernizing the enterprise into a more viable and efficient entity through a two-pronged agenda aimed at improving the quality of service to paying customers and simultaneously expanding the customer base island-wide.

During the 2006/2007 fiscal year the NWC effectively implemented the following series of specific projects and programmes across the island:

Water and Wastewater Projects
The Milk River Water Supply project funded by the European Union was successfully completed at a cost of J$85M and benefited some 6,000 persons, including both previously existing NWC customers and new customers. The installation of pipelines and the water treatment plant for the Christiana/Spaulding Water Supply leg of the project was also completed.

The North Western Parishes Water Supply Improvement Projects, valued at a cost of US$40M consisted of two components. Component 1: Capital Works and Component 2: Service Improvement. Martha Brae-Harmony Hall/Braco (Component 1) included the refurbishing of the Martha Brae Water Treatment Plant, the provision of pumping equipment, installation of pipelines and the construction of two 500,000 gallon water storage tanks. This Project was successfully completed ahead of schedule and within budget.

During the period under review, the NWC also completed the investigations and designs for new works, as well as the institutional strengthening component of the Kingston Metropolitan Area Water Supply Rehabilitation Project at a total cost of US$85M. The project has now moved into the major construction phase with the mobilization of one major contractor in February 2007.

The NWC undertook several projects in partnership with Red Stripe. During the 2006/2007 financial year the series of more than twelve (12) small projects in St. Thomas was completed and is now benefiting a number of communities.
The main elements of the project included the procurement and installation of a booster pump, installation of a 33,000 gallon water tank, laying of transmission and distribution pipelines and the installation of pumping units at various locations throughout the project areas.

Additionally, the Venture River Water Supply Project in Central Westmoreland was substantially completed at a cost of J$30M. This project included the construction of a 250,000 gallon bolted Steel Tank at Williamsfield and a Lift Pump to pump water to the tank. During the period also, installation of Switchgear and other electrical components were completed at Venture River as well as the interconnection of existing pipelines and installation of air valves to complete the piping network.

**Water Resources Authority**

The Water Resources Authority (WRA) is the agency charged with the mandate for managing the Island’s water resources. During the 2006/2007 financial year Capital Projects were approved for an Upgrade of the Hydrologic Monitoring Network at a cost of J$16.314M, an Upgrade of the Rio Cobre Flood Warning System at a cost of J$5.108M and an upgrade of its management information system at a cost of J$2.75M. At the end of the period the major achievements of the WRA included the following:

- Completion of the UNDP funded flood plain map of the Rio Minho River;
- Completion of Phase 1 of the upgrade, rehabilitation and expansion of the National Hydrologic Network of stream flow and groundwater gauges;
- Completion of 93% of the hydrologic monitoring programme;
- Completion of 70% of the web-based Water Resources Management Information System, to enable more effective and efficient dissemination of data and information. A Consultant was engaged during the period under review and a presentation of the database was made to stakeholders on March 22, 2007 as an event in the World Water Day celebrations;
- Completion of the amendments to the Water Resources Act 1995 to enable a more coordinated approach to the regulation of floodwater control;
- Provision of technical support to both public and private sector agencies/companies with responses to over 230 requests;
- Reviews done and comments made on over 300 development proposals submitted by NEPA and Parish Councils.
- The entity processed and approved 27 applications for permits and licenses and received 22 applications from unlicensed abstractors for regularization.

The WRA continued its initiative in assisting the Office of Disaster Preparedness and Emergency Management (ODPEM) and the St. Ann Parish Council with the monitoring of the Moneague and Clapham flood areas in the parish. The WRA also made several public presentations on the reasons for and expected duration of the flooding, and made recommendations to reduce the impact of future flooding on life and property.

**Water Resources Master Plan**

During the period under review the WRA reviewed the second draft of the Water Resources Master Plan and upgraded 60% of the report with new data. The Master Plan was established to provide new inventories of demands and resources, as well as to guide the allocation of water and increase the access to safe water for all citizens.

**Rural Water Supply Limited**

In keeping with its commitment to provide an adequate water supply to rural Jamaica, the government undertook several major rural water supply initiatives during the 2006/2007 financial year. The Rural Water Supply Limited (RWSL) through various projects across the island sought to fulfil its mandate to improve access to potable water supply through the completion of several projects that are now serving rural communities.
Some of these projects included the implementation of water supply systems in Redwood (St. Catherine), Huddersfield/Mango Valley (St. Mary), Dundee, Berkshire/Barneyside, Struie, Cornwall Mountain, Darliston, (Westmoreland), which serve an estimated cumulative population of over 27,000 people.

With respect to the White Horses/ Botany Bay/Pamphret Water Supply in western St. Thomas, pipelines have been laid resulting in 95% completion as at March 31, 2007. At the end of the financial year the Gravel Hill (Clarendon) and Mile Gully/Warwick Castle (St. Mary) Water Supply System Projects were on hold due to technical and administrative issues.

Rapid Response Unit
The Rapid Response Unit (RRU) of the Ministry sought to achieve its main objective of ensuring the provision of water and water tanks to households and institutions in mainly rural communities which do not have water or are experiencing irregular water supply, through the maintenance of an average number of 48 operable water units per quarter. The target was to consistently have 65 to 70 operable units; however, the inadequate inventory of spare parts and poor quality repair work were some constraints that accounted for the actual number of operable units achieved.

Earnings/Collections and Expenditure
During the 2006/2007 financial year the RRU realized increased collections amounting to $215,524,932 which represents an increase of 8% over the previous year. The RRU also earned an amount of $144,241,547 during the period under review. This represents a 2% decrease when compared to the corresponding period in the previous fiscal year.

Water Delivery
The Unit projected a minimum delivery of 200,000 gallons of water per truck, per month, for the financial year. The average delivery per truck was actually 283,841 gallons of water per month resulting in an average increase of 42% each month.
There is no doubt that road construction continues to be one of the drivers of the Jamaican economy. Proper roads help to reduce vehicle operating costs, facilitate the expansion of communities and commuter movements and allow for easier transport of products to market. The main contributions of the Works and Infrastructure related portfolio entities of the Ministry, namely, the National Road Operating and Constructing Company, the National Works Agency, the Toll Authority and the Road Maintenance Fund, are presented below.

Bridge Programme
The Mabey & Johnson Priority Bridge Programme and the R. A. Murray Bridge Programme (Jamaica Bridge Development Programme) are the National Works Agency’s major bridge programmes. These facilitate the construction of new bridges and the rehabilitation of existing ones. Phase II of the Mabey and Johnson Programme is financed by a loan of £22.8M. Fifty-seven (57) bridges have been targeted for replacement or rehabilitation. In respect of the R. A. Murray Programme, a contract valued at US$45 million was signed in December 2006, to facilitate the construction of 20 bridges, including 11 that are already in storage. This arrangement will also include river training, and should include a road construction component.

Special Flood Damage
Given the need to focus on disaster mitigation, and, at the other end, to reduce the impact of flooding from natural disasters, the NWA, through its Special Flood Damage Programme, identified 265 road sections for patching and/or rehabilitation together with the construction of 66 retaining walls, and the cleaning of 470 critical drains. Approximately 75% of the work was completed. This includes 45 retaining walls, 53 road sections and 27 instances of river training works.

Palisadoes Protection and Rehabilitation Project (Airport Road Project)
Consequent on the devastation caused by erosion after several major hurricanes and flood events, the Government of Jamaica accepted an offer of technical assistance from the Government of Cuba, to undertake a study for corrective coastal works to protect the Palisadoes Tombola and preserve the Airport Road. The cost of this project was J$10 million. This study was completed and recommendations for implementation made to all stakeholders.

While the construction of roadways is important to ease traffic congestion, it is well established that poor road surfaces and poor management of traffic flows are major contributing factors to congestion.

Road improvement works were undertaken during the financial year through three types of patching, namely, spray/injection patching, micro surfacing and hot mix patching. The programme was carried out in nine of the fourteen parishes, with an original budget of $250M. During the financial year, the Ministry of Finance and Planning added three additional programmes and provided additional support for the overall patching budget. At the end of the financial year, approximately 452,000 square meters of patching at a total cost of $350M was achieved.

As a result of traffic studies, new traffic signals were erected at several intersections including Stanton Terrace/Old Hope Road, Dunrobin Avenue/Dukharan Avenue, Molynes Road/Seaward Drive, Mahoe Drive and Hasley Park Road and Spaulding’s Roundabout. In addition, the roadway along East Kings House Road from the intersection of Halifax through to the commercial section of Barbican and also the Barbican Road/Russell Heights were improved and expanded, and signalized.
The remaining five parishes not targeted under the patching programme were the subjects of five contracts signed in October 2006, under the National Road Services Improvement Programme, which is an enhanced maintenance programme, covering 1,800km of the island’s main road network. The programme cost is US$18.5M (J$1.2B), of which 54% or US$9.9M is funded by the IDB, while 46% - US$8.4M represents Government counterpart funding provided by the Road Maintenance Fund. There is a three-year implementation period for the programme.

The five parishes targeted, Manchester, St. Catherine, St. Thomas, Portland and Westmoreland, represent one third of the main road network in the programme’s pilot phase. Backlog work in the form of bushing was completed. An assessment of the roadways was also done, with a view to determining which ones were better suited for the programme, given its emphasis on maintaining the surfaces at an acceptable standard.

Road and Infrastructure Development/ Improvement Projects

Highway 2000

Highway 2000 is an efficient and modern link that connects the Kingston Metropolitan Area to the country’s second city, Montego Bay, and passes through the parishes of St. Catherine, Manchester, St. Elizabeth, Westmoreland, Hanover and St. Ann.

The first phase of the project spans Kingston to Williamsfield, approximately 83km in total, at a cost of US$390M. In the period under review, the final stage of Phase 1A, Kingston to Sandy Bay, specifically the Portmore Causeway and the Dyke Road, was completed and opened to traffic in July 2006, meeting the targets set for budget and schedule. This section of the highway consists of 7km of roadway, a six-lane bridge, a twenty-one-lane Toll Plaza, three grade-separated interchanges and reconstruction (6.5km) of the Dyke Road.

Traffic on the Highway has grown steadily, from approximately 10,000 vehicles per day to over 60,000 vehicles per day at its peak. Traffic growth on the Causeway alone nearly doubled from a figure of 27,000 vehicles per day to over 40,000 vehicles per day at peak, since its opening in July.

In terms of future development, it is expected that Phase 1B, Sandy Bay to Williamsfield, will be undertaken in due course. This 37.7km extension will include four new lanes and interchanges and is projected to cost US$120M.

The North South Link from Spanish Town to Ocho Rios is comprised of the Mt. Rosser Bypass, the Spanish Town/Rio Cobre Gorge Bypass and the Fern Gully Bypass. Work is expected to commence on the Mt. Rosser section in the 2007/2008 financial year, at an estimated cost of US$108M, including lands and buildings for the toll plaza.

Northern Coastal Highway Improvement Project

The Northern Coastal Highway Improvement Project was designed to render improvements along the corridor extending from Negril in Westmoreland to Fair Prospect in Portland. Works on the first of the three Segment projects - 71km from Negril to Montego Bay, were completed in 2002.

The second Segment of the project, which is comprised of 70km from Greenside to Ocho Rios, is funded jointly by the GOJ and the IDB, at a cost of US$146M. This stretch, which includes Bypass roads at Rio Bueno, Duncans and Falmouth was completed and opened to traffic on December 14, 2006.

Additionally, Segment 2A, Montego Bay to Greenside, which was in 2005/2006 executed as a separate contract with the Contractor commencing works in March 2006, is comprised of 27km of roadway.
The corridor was designed to feature 13km of four-lane carriageway, two underpasses and a number of signalised intersections. Work on the US$50M project is on target to be completed in the 2007/2008 financial year.

The third and final Segment covers 100km of roadway from Ocho Rios to Port Antonio, costing approximately $5.6B. Funding was secured from the European Development Fund and the contract awarded to E Pihl and Sons.

**Half Way Tree Transport Centre**

The Half Way Tree Transport Centre Plan was developed in response to the need to rationalize the movement in and out of this major transportation hub, and is in fact a key component in the process of restructuring the overall transport system in the Kingston Metropolitan Transport Region. The Centre is designed to consist of 18,600 square meters of bus parking on two levels and 900 square meters of terrace to accommodate all JUTC buses that terminate their routes in the Half Way Tree area. The facility will have 17 commercial shops, 4 commercial and 2 Security Kiosks. During the financial year, over 33.2M Euros was expended on the project which has a general completion date of fiscal year 2007/2008. At the end of the 2006/2007 financial year, work on the Centre had progressed at a very satisfactory rate. Reinforced concrete works at all levels have been moving along at an appreciable level and were at 95% completion. Erection of the steel truss was completed in December 2006 while that of the steel roof framing progressed according to schedule. This was completed in February 2007, after which placement of the roof cladding commenced.
Audit Committee Report

In April 2006 the functions of the former Ministries of Water and Housing and Transport and Works were merged and a new Audit Committee of the Ministry of Housing, Transport, Water and Works was formed comprising representatives from the two separate committees.

As a result of the merger of the Ministries and the challenges associated with creating a new Audit Committee, there was no functioning Committee. One meeting out of a possible four originally scheduled was held during the 2006/2007 financial year, essentially intended to determine the operations of the new Committee.

The Committee noted from a review of the internal audit reports that some weaknesses continued to exist within the Ministry and its Agencies. There continued to be a lack of compliance with prescribed policies and procedures such as the Financial Administration and Audit Act, the Government of Jamaica Procurement Guidelines, the Public Bodies Management and Accountability Act and the Staff Orders.

Issues relating to the lack of a proper system of internal control, poor contract management, overpayment in travelling claims and salaries, improper storage of and access to documentation, poor inventory control/storekeeping and poor human resource management, were issues outlined in the internal reports as areas that required urgent attention.

In light of these problems the Committee made general recommendations which included the need to:

• continue having meetings with the Chairmen of Boards and Heads of Agencies,
• ensure that the managers of the entities are fully aware of the applicable guidelines and regulations,
• discuss specifically the high incidence of overpayment, and
• ensure that there is verification of all claims prior to approval for payment.

It was also recommended that the master inventory is at all times kept current, thus better facilitating the security of Government assets.
# Financial Report
## MHTWW Recurrent Budget
### Appropriation Account - Object Summary

**Financial years:** 04 (04-2006/2007)  
**Financial Pattern:** 10 - Recurrent Voted  
**Period Number:** 1 (Close) To: 12 (Open) (Apr 01 2006 - Mar 31 2007)

<table>
<thead>
<tr>
<th>Code</th>
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<th>Original Estimate</th>
<th>Supplementary Estimates</th>
<th>Revised Estimates</th>
<th>Total Net Expenditure</th>
<th>Less Than</th>
<th>More Than</th>
<th>Net Variance</th>
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<tbody>
<tr>
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Surrenderable Balance: 62,896,805.19

Less AIA  
495,677,000.00 | 579,326,000.00 | 00.00 | 00.00 | 1,075,003,000.00 | 1,077,265,154.46 | 00.00 | 2,262,154.46 |

NET  
1,052,971,000.00 | 87,845,000.00 | 00.00 | 00.00 | 1,140,816,000.00 | 1,075,655,040.35 | 00.00 | 65,159,959.65 |
### MHTWW Recurrent Budget Appropriation Account - Activity Summary

**Financial year:** 04 (04-2006/2007)
**Financial Pattern:** 10 - Recurrent Voted
**Period Number:** 1 (Close); To: 12 (Open) (Apr 01 2006 - Mar 31 2007)

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<tr>
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<th>Activity Description</th>
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<th>Variance</th>
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## MHTWW Capital 'A' Budget

### Appropriation Account - Activity Summary

**Financial years:** 04 (04.06.2006/07)

**Financial Pattern:** 10 - Recurrent Voted

**Period Number:** 1 (Close) To: 12 (Open) (Apr 01 2006 - Mar 31 2007)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimates</th>
<th>Revised Estimates</th>
<th>Total Net Expenditure</th>
<th>Variance</th>
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<tbody>
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**Surrenderable Balance:** 62,896,805.19

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<th>Variance</th>
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<td>Less AIA</td>
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<td>579,326,000.00</td>
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## MHTWW Capital ‘A’ Budget

### Appropriation Account - Object Summary

Financial year: 04 (04-2006/07)
Financial Pattern: 20 - Capital A Voted
Period Number: 1 (Close) To: 12 (Close) (Apr 01 2006 - Mar 31 2007)

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**Total for Fin. Pattern: 20 - Capital A Voted**

2,411,962,000.00 - 256,562,000.00 - 0.00 - 0.00 - 2,155,399,000.00 - 1,472,455,700.44 - 696,565,817.60 - 13,622,518.04 - 682,943,299.56

Surrenderable Balance: 682,943,299.56

Less AIA
NET

2,411,962,000.00 - 256,562,000.00 - 0.00 - 0.00 - 2,155,399,000.00 - 1,472,455,700.44 - 0.00 - 682,943,299.56

## MHTWW Capital ‘B’ Budget

### Appropriation Account - Activity Summary

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimates</th>
<th>Revised Estimates</th>
<th>Total Net Expenditure</th>
<th>Less Than</th>
<th>More Than</th>
<th>Variance</th>
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<td>738,576,259.10</td>
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| Surrenderable Balance: 682,943,299.56 |

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<th>Less AIA</th>
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## MHTWW Capital ‘B’ Budget
### Appropriation Account - Object Summary

**Financial year:** 04 (01-2006/2007)
**Financial Pattern:** 30 - Capital B Voted
**Period Number:** 1 (Close) To: 12 (Open) (Apr 01, 2006 - Mar 31, 2007)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Original Estimate</th>
<th>Supplementary Estimates</th>
<th>Revised Estimates</th>
<th>Total Net Expenditure</th>
<th>Variance</th>
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<tr>
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**Net Variance:** 2,939,345,148.06

**Total for Fin. Pattern: 30 - Capital B Voted**
5,107,020,000.00 -145,116,000.00 | 0.00 | 0.00 | 4,961,904,000.00 | 2,022,058,851.94 | 2,958,358,440.05 | 19,613,281.99 | 2,939,345,148.06

**Unreleasable Balance:** 2,939,345,148.06

**Less AIA**

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**NET**

| NET      | 5,107,020,000.00 | -145,116,000.00 | 0.00  | 0.00  | 4,961,904,000.00 | 2,022,058,851.94 | 2,939,345,148.06 |

# MHTWW Capital ‘B’ Budget

## Appropriation Account - Activity Summary

Financial years: 04 (04-2006/2007)
Financial Pattern: 30 - Capital B Voted
Period Number: 1 (Close) To: 12 (Open) (Apr 01 2006 - Mar 31 2007)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
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<th>First</th>
<th>Supplementary Estimates</th>
<th>Second</th>
<th>Third</th>
<th>Revised Estimates</th>
<th>Total Net Expenditure</th>
<th>Variance</th>
</tr>
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Total for Fin. Patter: 30 - Capital B Voted

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<tr>
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<td>5,107,020,000.00</td>
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Surrenderable Balance: 2,939,345,148.06