

MINISTRY OF WORK AND TRANSPORT  
RESPONSE TO THE 2ND REPORT OF THE JOINT  
SELECT COMMITTEE ON STATE ENTERPRISES

An inquiry into the operations of the National Infrastructure Development Company Limited (NIDCO) including its compulsory land acquisition in relation to major projects.

June 23, 2022

**Response to 2nd Report, JSC State Enterprises – An inquiry into the operations of the National Infrastructure Development Company Limited (NIDCO) including its compulsory land acquisition in relation to major projects.**

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**Response to 2nd Report, JSC State Enterprises – An inquiry into the operations of the National Infrastructure Development Company Limited (NIDCO) including its compulsory land acquisition in relation to major projects.**

**Introduction**

Standing Order 100(6) of the Senate and 110(6) of the House of Representatives respectively, requires the Minister with responsibility for the Ministry/Body reported on by a Joint Select Committee to present to each House, a paper responding to the recommendations/comments contained in the Report. To this effect, by correspondence dated March 15, 2022, the Ministry of Works and Transport was requested to respond to the recommendations/comments contained in the 2nd Report, JSC State Enterprises – An inquiry into the operations of the National Infrastructure Development Company Limited (NIDCO) including its compulsory land acquisition in relation to major projects.

In this context, please see below the responses to the recommendations/comments contained in the aforementioned report.

**Response to 2nd Report, JSC State Enterprises – An inquiry into the operations of the National Infrastructure Development Company Limited (NIDCO) including its compulsory land acquisition in relation to major projects.**

**Key Issues, Findings and Recommendations - (Extract of pages 15-23 of 2nd Report, JSC State Enterprises – An inquiry into the operations of the National Infrastructure Development Company Limited (NIDCO) including its compulsory land acquisition in relation to major projects)**

Objective	Key Findings	Recommendations	Status to Date/Remarks
<p><b>Objective No. 1-</b> To determine whether NIDCO is adhering to the framework for operations as outlined in the State Enterprises Performance Monitoring Manual</p>	<p>Based on the Committee’s findings, NIDCO has displayed strong intent to subscribe to the framework set out in the State Enterprises Performance Monitoring Manual (SEPMM);</p> <p>At the time of this Report, the primary aspect of the SEPMM framework that NIDCO was yet to fully adhere to was timely submission of Annual Audited Financials, the last submission being 2017, and Annual Administrative Reports, which are reliant on audited financials;</p> <p>The Committee was informed that the 2018 audit would be completed within a month of the February hearing. However, the 2019 audit process will require reengagement of an external auditor, with the consent of the Minister;</p> <p>In the absence of audited accounts, the Committee was informed that as a monitoring mechanism, every month, management accounts are submitted to the Board of Directors;</p> <p>The Committee also learned that though NIDCO had accumulated arrears related to statutory</p>	<p>While NIDCO has to a great extent adhered to the framework for State Enterprise operations, as defined in the SEPMM, the Committee encourages timely completion of necessary activities to bring the audited accounts up to date.</p> <p>Additionally, the Committee encourages NIDCO</p>	<p>NIDCO’s external Auditor Deloitte, completed the audit of NIDCO’s Financial Statements for the year ended September 30, 2018 in October 2021. The Audited Financial Statements received Board approval on October 20, 2021, which were then presented to Corporation Sole on November 11, 2021, for review in preparation for the convening of a Shareholders Meeting. In February 2022, NIDCO received written approval of the Shareholder to remove NIDCO’s current external Auditors and appoint the incoming Auditors, Pannell Kerr Forster. However, due to COVID-19 restrictions, NIDCO was given the option of pursuing a ‘Resolution in Writing’ signed by the Shareholder in lieu of convening a Special Shareholders Meeting to effect the appointment. In March 2022 an application was made for the convening of the Shareholder meeting.</p> <p>All principal sums for the period 2016 – 2019 have been paid. Additionally,</p>

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	<p>commitments during the period 2016 to 2018, all related principal payments were brought up to date as at March, 2019 and NIDCO is currently making payments on an instalment basis to cover penalties and interest.</p> <p><b><i>Sub-Heading: Development of an e-Tenders System instead of implementation of the SEPMM mandated e- Auction Portal</i></b></p> <p>The Committee noted with some concern that NIDCO is developing its own e- Tenders system instead of implementing the e-Auction Portal mandated in the SEPMM;</p> <p>The Committee had observed over several inquiries that the e- Auction system is not generally used by State Enterprises and therefore requested that the Ministry of Finance provide some insight into the uptake experienced;</p> <p>The Ministry indicated that during the period 2008 to 2012, the e-Auction initiative was rolled out across thirty-two State Agencies. These agencies benefitted from savings in total expenditure of over one hundred and nineteen million dollars (\$119,000,000) and a reduction in the time taken to invite and receive bids by sixty percent (60%). The Agencies participating also realized</p>	<p>to continue to engage the BIR in the appeal process for the penalties and interests accrued during the period of non-payment of statutory commitments.</p> <p>The Committee is concerned that despite the noted advantages of the e- Auction Portal, the Ministry of Finance has failed to achieve greater buy-in. The Ministry of Finance is encouraged to develop a strategy for relaunch of the Portal in a manner that will achieve greater commitment to utilize by entities.</p>	<p>NIDCO successfully pursued the matter with BIR to waive the penalties and interest for outstanding PAYE and Health Surcharge for the period 2016 – 2019. In this context, NIDCO has no outstanding sums for said period.</p> <p>The Ministry of Finance is encouraged to develop a strategy for relaunch of the Portal in a manner that will achieve greater commitment to utilize by entities and submit a status update to Parliament by September 30, 2021.</p>

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	<p>economies of scale through collaborative events held for common items such as paper and computers;</p> <p>According to the Ministry, implementation of the initiative was ongoing when, due to the “natural attrition of key project champions”, implementation stalled; and</p> <p>Nonetheless, whilst the e-Auction Portal is not presently being utilized as the preferred procurement mechanism by all State Enterprises, all enterprises are expected to undertake procurement based upon Appendix B, Section IV of the SEPMM.</p>		
<p><b>Objective No. 2</b> - To determine whether NIDCO has implemented all recommendations proffered during the 11th Parliament</p>	<p>The following are NIDCO's priority projects for fiscal 2021:</p> <ul style="list-style-type: none"> <li>• Churchill Roosevelt Highway Extension to Manzanilla — allocation of \$75 million has been made</li> <li>• Construction of the Valencia to Toco Road - allocation of \$55 million has been made</li> <li>• Construction the Solomon Hochoy Highway Extension to Point Fortin - allocation of \$65 million has been made</li> <li>• Fleet upgrades and expansion of the Water Taxi Service - allocation of \$25.6 million has been made</li> <li>• The Construction of a Terminal and Associated Facilities of the ANR</li> </ul>	<p>A status report on the completion of necessary activities related to NIDCO's priority projects should be submitted to Parliament by September 30, 2021</p>	<p>Please see <b>Appendix I.</b></p>

**Response to 2nd Report, JSC State Enterprises – An inquiry into the operations of the National Infrastructure Development Company Limited (NIDCO) including its compulsory land acquisition in relation to major projects.**

Objective	Key Findings	Recommendations	Status to Date/Remarks
	<p>Robinson International Airport - allocation of \$70 million has been made.</p>		
<p><b>Objective No. 3 -</b> To determine how the Committee may assist NIDCO in better achieving its mandate as a State Enterprise</p>	<p>The Committee understands that NIDCO operates primarily as an agent of the Government and therefore functions within set policy objectives, which at times may not be the most suitable for NIDCO’s operational efficiency and sustainability.</p> <p>The Committee also understands that there are instances when NIDCO may request a review of the management fees offered, based on a particular project.</p>	<p>The Committee recommends that NIDCO provide a report on:</p> <p>I. The optimal management fee structure based on types of projects; and</p>	<p><b>The optimal management fee structure based on types of projects</b></p> <p>One of NIDCO’s key Primary Corporate Strategic Goals, is “Financial Viability and Operational Resilience”. NIDCO as a project management Company, which relies on management fees to service its day-to-day operations, understands the importance of a fee structure that generates sufficient income to meet operating payments and debt commitments.</p> <p>As such, NIDCO is currently engaged in cross-departmental sessions with the aim of developing strategies and implementing mechanisms to determine the optimal fee structure to support its operations. This is a significant undertaking, which ultimately impacts its financial and operational decisions.</p> <p>NIDCO will in due course table a proposal to its Line Ministry, which best represents ‘optimal management fee structure based on types of projects’.</p> <p>Please see <b>Appendix II</b>.</p>

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Objective	Key Findings	Recommendations	Status to Date/Remarks
		II. Strategies for bringing the Water Taxi operations to a state of profitability, including addition of additional routes and tours.	



No.	PROJECT	DESCRIPTION	STATUS	PROJECT UPDATE	NEXT STEPS
1.	<b>Construction – Churchill Roosevelt Highway extension to Manzanilla</b>	<p><i>The Churchill Roosevelt Highway extension to Manzanilla</i> represents 5 km of highway connecting the communities of Wallerfield, Cumuto and Guaico. To diminish traffic congestion, the roadway will also provide an alternative route for entry and exit to the town of Sangre Grande. 100,000 citizens will benefit from the ease of connectivity by this new highway which is being built for \$1.7 billion.</p>	<p><b>WORKS</b> – Construction of Phase 1 Package 1A - Construction of 2.5km of roadway.  <b>START DATE</b> – 17-September 2018  <b>PROJECTED COMPLETION DATE</b> – August 2022  <b>PERCENTAGE COMPLETED</b> – 88%</p>	<p>– Ongoing works include the completion of the Connector Road to Cumuto. Major works for completion include final paving works, and installation of roadside furniture.</p>	<p>Completion of land acquisition and construction in respect of the Connector Road from Package 1B to Eastern Main Road</p>
			<p><b>WORKS</b> – Construction of Phase 1 Package 1B  Construction of 2.52km of roadway  <b>START DATE</b> – 19-Mar-2019  <b>PROJECTED COMPLETION DATE</b> – October 2022  <b>PERCENTAGE COMPLETED</b> – 78%</p>	<p>– Ongoing works include the completion of the wildlife animal crossings, and roadside drainage. Major works for completion include final paving works, and installation of roadside furniture and part of a Connector Road to Eastern Main Road.</p>	
2.	<b>Construction – Valencia to Toco Road</b>	<p><i>The Valencia to Toco Road</i> will increase opportunities for business and economic investments for the eastern region, in particular the communities between Matelot and Sangre Grande.</p>	<p><b>START DATE</b> – 19-June-2018  <b>PROJECTED COMPLETION DATE</b> – August 2022  <b>PERCENTAGE COMPLETED</b> – 94%</p>	<p>Designs are 86% completed and are expected to be completed in the Third Quarter 2022. (7 out of 10 segments have been completed).</p>	
3.	<b>ANR Robinson International Airport New Terminal Building and Associated Works (ANRRIA)</b>	<p>The existing ANR Robinson International Airport has a capacity deficit and the service level it provides is not sufficient to support development thrust.</p> <p>The Government of the Republic of Trinidad and Tobago (GORTT) is desirous of promoting the development of Tobago by providing the island with an international airport with sufficient capacity and level of</p>	<p><b>UPGRADE WORKS:</b>  <b>START DATE</b> – 18<sup>th</sup> June 2020  <b>PROJECTED COMPLETION DATE</b> – 04<sup>th</sup> July 2022  <b>PERCENTAGE COMPLETED</b> – 97%</p>	<ul style="list-style-type: none"> <li>- Design are 100%</li> <li>- The following aspect were completed and handed over to the works to Airports Authority of Trinidad and Tobago as the end user: <ul style="list-style-type: none"> <li>- New Security Hall and X-ray scanning machine,</li> <li>- New Arrival Hall and commissioned new baggage handling system,</li> <li>- Male and female washrooms,</li> <li>- Concession area,</li> <li>- Gun room, security room,</li> <li>- Carpark and taxi shelter,</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Works are ongoing of 4 sections of the following aspects of the existing terminal and all works are schedule for completion by 5<sup>th</sup> July 2023. <ul style="list-style-type: none"> <li>- Remaining part of queuing area</li> <li>- Expansion area at Domestic Departure Hall</li> <li>- Canopy extension over the airport service road (west and east side extension)</li> </ul> </li> </ul>

No.	PROJECT	DESCRIPTION	STATUS	PROJECT UPDATE	NEXT STEPS
		service to support tourism development. The project comprises the development of a new terminal building and associated airside and landside infrastructure at ANRRIA, while upgrading and maintaining the operation of the existing terminal building during construction of the new terminal.	<b>MAIN WORKS:</b> <b>START DATE</b> – 18 <sup>th</sup> June 2020 <b>PROJECTED COMPLETION DATE</b> – 29 <sup>th</sup> January 2024 <b>PERCENTAGE COMPLETED</b> – 25%	Acquisition - 117/133 completed  Designs - Completed 60% designs - Ongoing review of the 90% designs  Construction - Commenced earthworks on the	Acquisition - Continue with land acquisition  Designs - Finalize 100% by September 2022.  Construction - Continue construction of Terminal Building
4.	<b>Construction – Solomon Hochoy Highway Extension to Point Fortin</b>	A priority link of the Solomon Hochoy Highway Extension to Point Fortin, which entails the construction of 29.5 Km of 4 lane highway is being pursued via (12) twelve work packages using local Contractors.  When completed this link will extend from Dumfries Road (La Romain) to Dunlop Roundabout (Point Fortin).  To-date five (5) of these packages are completed, which include the upgrade and widening of 6 km of the South Truck road and construction of six (6) bridge.  The ongoing seven (7) packages include the construction of five (5) interchanges located at Oropouce Junction, Mon Desir, Grants Road, La Brea and Guapo, two (2) overpass bridges located at Delhi Road and Southern Main Road (Vance River) and 23.5 km of 4 lanes rural arterial highway.	<b>WORKS – Package 1C</b> - Completion of St. Mary’s I/C Bridge Grants Rd I/C Bridge and Delhi Rd Overpass <b>START DATE</b> – 16-January-2019 <b>PROJECTED COMPLETION DATE</b> – 31-July-2022 <b>PERCENTAGE COMPLETED</b> – 88.9%  <b>WORKS – Package 2C</b> - Completion of Stretches Mon Desir to Eccles Trace, and St. Mary’s to Mon Desir stretches <b>START DATE</b> – 29-July-2019 <b>PROJECTED COMPLETION DATE</b> – 30-November-2022 <b>PERCENTAGE COMPLETED</b> – 64.8%	Completed Works  • All works completed at Delhi Road Overpass and Grants Road Overpass. • St Mary’s Interchange – Excavation and embankment works, MSE wall installation and Construction of bridge deck and associated elements completed.  Ongoing Works  - St. Mary’s Interchange - Ongoing works to road pavement structure for mainline and ramps.	Completion of pavement structure at St. Mary’s Interchange  Upcoming works (Mon Desir Interchange)- Completion of pavement structure re mainline and ramps.

No.	PROJECT	DESCRIPTION	STATUS	PROJECT UPDATE	NEXT STEPS
			<p><b>WORKS – Package 3A</b> - Construction of Southern Main Road Overpass and La Brea I/C Bridge  <b>START DATE</b> – 10-June 2019  <b>PROJECTED COMPLETION DATE</b> – 30-November-2022  <b>PERCENTAGE COMPLETED</b> – 65.2%</p>	<p>Completed Works</p> <ul style="list-style-type: none"> <li>• Bridge abutment foundation and stem wall at Southern Main Road Overpass</li> <li>• Bridge abutment foundation, stem wall and Steel girder installation at La Brea Interchange</li> </ul> <p>Ongoing Works</p> <ul style="list-style-type: none"> <li>• Construction of Box culvert for the Vance River crossing at the Southern Main Road Overpass.</li> <li>• Deck rebar and formwork installation.</li> </ul>	<p>Upcoming works –</p> <ul style="list-style-type: none"> <li>• Completion of formwork and rebar installation for bridge deck at La Brea Interchange.</li> <li>• Completion of bridge at La Brea Interchange and at Southern Main Road</li> </ul>
			<p><b>WORKS – Package 5A</b> - Completion of segment between Mosquito Creek to Godineau River  <b>START DATE</b> – 18-July-2018  <b>PROJECTED COMPLETION DATE</b> – 30-October-2022  <b>PERCENTAGE COMPLETED</b> – 83.9%</p>	<p>Completed Works</p> <ul style="list-style-type: none"> <li>• Installation of new 900mm WASA line and decommissioning of old line</li> <li>• Retention, sea wall, embankment, granular base course, asphaltic base course, median barrier and lighting infrastructure (except for the slip area)</li> <li>• Construction of the Northbound lane of Mosquito Creek Bridge and associated elements</li> </ul> <p>Ongoing Works</p> <ul style="list-style-type: none"> <li>• Prep works for the traffic shift onto Mosquito Creek north Bridge.</li> <li>• Demolition of old Mosquito Creek north Bridge</li> </ul> <p>Geotechnical testing of the slip area.</p>	<p>Upcoming works –</p> <ul style="list-style-type: none"> <li>• Completion of the demolition of the old Mosquito Creek Bridge.</li> </ul> <p>Completion of the geotechnical testing and implementation of the remedial works to the slip area.</p>
			<p><b>WORKS – Package 5B</b> - Completion of segment between Eccles Trace and La Brea + La Brea Connector Road  <b>START DATE</b> – 16-January-2019  <b>PROJECTED COMPLETION DATE</b> – 31-July-2022  <b>PERCENTAGE COMPLETED</b> – 85.5%</p>	<p>Completed Works</p> <ul style="list-style-type: none"> <li>• Mainline works up to first layer of asphaltic base course completed from Eccles Trace to Southern Main Road.</li> </ul> <p>Ongoing Works</p> <p>Minor drainage works.</p>	<p>Upcoming works –</p> <p>Commencement of the second layer of asphaltic base course.</p>

No.	PROJECT	DESCRIPTION	STATUS	PROJECT UPDATE	NEXT STEPS
			<p><b>WORKS – Package 5D</b> - Completion of the segment between Southern Main Road (B44) to Dunlop Roundabout  <b>START DATE</b> – 10-June-2019  <b>PROJECTED COMPLETION DATE</b> – 31-August-2022  <b>PERCENTAGE COMPLETED</b> – 76.8%</p>	<p>Completed Works</p> <ul style="list-style-type: none"> <li>Mainline works up to first layer of asphaltic base course completed from Dump Road to Dunlop Roundabout on southbound lane and northbound lane 65%.</li> </ul> <p>Ongoing Works</p> <p>Placement of granular base course at the Road #8 Bridge</p>	<p>Upcoming works –</p> <ul style="list-style-type: none"> <li>Completion of asphalt base course.</li> </ul>
			<p><b>WORKS – Package 6C</b> - Completion of segment between La Brea Interchange to Southern Main Road and Fyzabad Road to Mon Desir Interchange  <b>START DATE</b> – 10-June-2019  <b>PROJECTED COMPLETION DATE</b> – 31-March 2023  <b>PERCENTAGE COMPLETED</b> – 62.0%</p>	<p>Completed Works</p> <ul style="list-style-type: none"> <li>Clearing and grubbing, minor drainage works between La Brea Interchange to the Southern Main Road.</li> <li>Mainline works up to granular base course completed in the Mon Desir Interchange to Fyzabad Main Road segment excepting for the Gas corridor crossing and at the Fyzabad main road due to acquisition issues.</li> <li>Asphaltic base course placed on Eastbound lane to Fyzabad partially.</li> </ul> <p>Ongoing Works</p> <ul style="list-style-type: none"> <li>Construction of the Frontage road connecting Roots avenue to Berridge Trace.</li> </ul>	<p>Upcoming works –</p> <ul style="list-style-type: none"> <li>Continuation of works along the frontage road and completion of works re gas corridor.</li> </ul>
	5. Fleet upgrades and expansion of the Water Taxi Service	<p>In an effort to service the needs of the commuters using the Water Taxi service and/or the inter-island sea-bridge, NIDCO undertook a two (2) pronged approach to sustain reliability. That is: (1) expand the fleet of vessels to service the inter-island sea-bridge and (2) enhance the maintenance programme and management of the operations of the Water Taxi vessels.</p> <p><b>I. <u>Expansion of Fleet of Vessels to Service Sea-bridge</u></b></p> <p>a) In 2018, NIDCO purchased the <u>Galleons Passage</u>, on behalf of the Government of Trinidad and</p>			

No.	PROJECT	DESCRIPTION	STATUS	PROJECT UPDATE	NEXT STEPS
			<p>Tobago for use on the Trinidad and Tobago sea bridge, The Vessel has a passenger capacity of 672 and a vehicular capacity of 94.</p> <p>b) On 9<sup>th</sup> November, 2018 NIDCO entered into a Shipbuilding Contract with Austal Ships Ltd (globally recognised shipbuilder and defence prime contractor) for the construction of a 94 metre high speed passenger/cargo roll-on/roll-off catamaran ferry. The ferry is of all-aluminum construction and has capacity for 926 passengers and up to 230 cars, though the onboard cargo decks may allow the carriage of a total of only 222 cars to free up a combined 90 lane metres for other freight. Maximum speed 37.5 knots - <u>A.P.T James</u></p> <p>c) On 23<sup>rd</sup> November, 2018 NIDCO entered into a Shipbuilding Contract with Incat Tasmania Ltd (globally recognised optimal lightweight ship solutions for ferry operators, special service providers and militaries) for the construction of a 100 metre high speed passenger/cargo roll-on/roll-off catamaran ferry with a passenger capacity of 1,000 persons and vehicle capacity 239. Maximum speed 45 knots, cruising speed 39.5 knots - <u>Buccoo Reef</u>.</p> <p>II. <b><u>Enhance the maintenance programme and management of the operations of the Water Taxi vessels</u></b> – One of NIDCO’s Corporate Strategic Goals is the implementation of a robust, predictive and preventative vessel maintenance programme. To this end the Company has enhanced its maintenance programme and has upgraded its maintenance management software, which has resulted in better performing Water Taxi vessels, and associated operations, and which will also extend the life of the</p>		

No.	PROJECT	DESCRIPTION	STATUS	PROJECT UPDATE	NEXT STEPS
			<p>vessels. NIDCO goal is to maintain a vessel reliability rate of no less than 90%.</p> <p>With respect to elevation of its management regime, NIDCO engaged the services of Matrix Ship Management for the provision of ship management services to the entire fleet of vessels (i.e. Water Taxi Vessels and the vessels operated on the Trinidad and Tobago Seabridge: Galleons Passage, A.P.T James and Buccoo Reef). This has optimised reliability of service across the fleet, impacting not only the Water Taxi service, but also the operations of the sea-bridge.</p> <p>Currently discussions are being held regarding training and building of local capacity. NIDCO’s vision is the development of a cadre of competent local persons to take over the management of the fleet.</p> <p>Expansion of the Water Taxi service is addressed in <b>Appendix II.</b></p>		



**Strategies for bringing the Water Taxi operations to a state of profitability, including addition of additional routes and tours.**

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- The Water Taxi Service operates as a fully subsidised Government service, providing a low cost alternative mode of transportation for commuters travelling between San Fernando and Port-of Spain. Table 1 below shows the annual subsidy requirement over the past five years. The figures also indicate that the Service offsets an average of 10-15% of its operating expenditure, through revenue generated primarily from sale of tickets.

*Table 1: 5-year Income-Expenditure Position of The Water Taxi Service*

	COVID Period: Fiscal Year-end		Pre-COVID Period: Fiscal Year-end		
	2021	2020	2019	2018	2017
Total Operating Income	\$1.9M	\$4.25M	\$5.65M	\$5.92M	\$10.02M
Expenditure	\$35.4M	\$38.4M	\$45.23M	\$53.26M	\$65.58M
Capital Expenditure	\$10.7M				
Net Loss from Operations (financed by Government Subsidy)	\$44.1M	\$34.16M	\$39.58M	\$47.34M	\$55.56M

- Since inception in 2008, the fare per passenger for a one-way sailing on the Water Taxis has remained at \$15.00. The daily ridership, all sailings combined, averages approximately 2200 persons (i.e. pre-COVID periods).
- Wherever passenger ferry services are offered – regionally and globally, there is always a component of government subvention to fund the cost for operations, given the substantial operating costs, which cannot be conceivably passed on to commuters. A 2016 Water Taxi Subsidy Reduction study commissioned by NIDCO revealed that the actual cost per sailing for one passenger was \$260; therefore the subsidy per passenger was \$245.00.
- Profitability relies therefore on the State’s reviewing of the pricing structure. In the interim, NIDCO will investigate the extension of service through the addition of new routes.