



Ministerial Statement

Sen. the Hon. Michael M. Fahy, JP

Merging of Consumer Affairs and the Rent Commissioners Office

Wednesday February 19th 2014

Madam President, you will be aware of the many recommendations highlighted in the SAGE Report ("The Report") that was released to the Minister of Finance and subsequently to the public in the fourth quarter of 2013.

This Report recommended [1] reducing expenditure of rents paid to the private sector, [2] making better use of the existing Government inventory of buildings, to [3] reducing the number of public officers to ensure the long-term sustainability of the Government – among many other recommendations. In January of 2014, my new Permanent Secretary, Mr. Randy Rochester and I undertook a review of the Departments within our Ministry in light of the recent re-organization of Ministries and Departments effected in December of 2013.

Of the many Departments in our Ministry, this review highlighted the fact that the **Consumer Affairs Office** and the **Rent Commissioners Office** had small staffing compliments (five in each Office) and carried out very similar investigate and enforcement functions. **Madam President**, this review was well timed since the Department of Consumer Affairs' lease at their current location situated at 129 Front Street, Hamilton, had expired in the fourth quarter of 2013 with the Department about to enter into a re-negotiated long-term lease for this same facility.

Since the expiration of their lease, Consumer Affairs has been on a month to month lease during this time. Notwithstanding, the landlord was given notice by the **Estates Section** within the **Ministry of Public Works** that the lease would **not** be renewed and that the Department would be **surrendering** the property as of March 31st 2014. Conversely, the **Rent Commissioners Office** had already signed a three-year lease commencing 1st January 2013 with the expiration of this lease in December of 2016. And since the space the Rent Commissioner occupied in the Rego Building situated on Reid Street appeared large enough to house both Offices, it only seemed logical to consolidate Departments into the same location as phase one of this initiative. Phase one is expected to be complete by mid-March at the latest.

Madam President, the Estates Section within the Ministry of Public Works has been working with the Heads of the two Departments to ensure the merging of space is as seamless as possible. And at this time I would like to take this opportunity to thank the **Hon. Patricia Gordon-Pamplin**, Minister of Public Works, for her continued support.

The Director of the Rent Commissioner's Office advised that he had planned to retire in August of 2014 with the Assistant Rent Commissioner advising that she had planned to retire in September of 2014.

Taking the above factors into consideration, and remaining consistent with the SAGE recommendations, it was decided that the two most senior positions within the Rent Commissioners Office be abolished – and that the remaining three officers either being retained by the Department of Consumer Affairs or they be transferred into other Government Departments.

Madam President, as a result of the consolidation of office space and the abolition of two senior civil servant posts, the Ministry is expecting to realize the following savings per year moving forward:

Directors Salary	\$138,145.80
Assistant Rent Commissioners Salary	\$95,503.82
Rental of Accommodations: Former Consumer Affairs Office	\$87,000.72
Total Savings	\$320,650.34/annum

I would also like to thank the Director of the Rent Commissioners Office and Executive Officer of the Department of Consumer Affairs who have been very supportive of the merger – understanding the long term sustainability of the Government as the bigger picture.

Madam President, the two Department Heads have also been tasked with reviewing their relevant legislation in consultation with the Attorney General Chambers in short order to determine what the legislation would be required to best assist the one Department now carry out their consolidated functions.

The Management Consulting Services within the Cabinet Office are also working with the two Departments with respect to the most cost effective use of the remaining staff. We are anticipating the two Department will become one before the end of the summer.

Madam President, this is just one of many initiatives within my Ministry currently under review to assist the Government reduce the financial challenge we are now faced with. And although the \$320,650.34 savings will by no means balance the books, I firmly believe that each little bit will contribute to the overall picture so our children will not have to be faced with a problem they did not cause.

Thank you, Madam President.