

**REPORT on the Remuneration and Allowances of the Speaker and other
Members of the House of Assembly**

(Pursuant to section 124(2) of the Constitution)

Introduction

1. Schedule 2 to the Turks and Caicos Islands Constitution Order 2011 (the Constitution) empowers the Integrity Commission (the Commission) to provide a Report recommending appropriate levels of remuneration and allowances to be paid to the Speaker and other members of the House of Assembly. In pursuance of its constitutional mandate, the Commission humbly presents this Report.

2. Specifically, section 124 of the Constitution enacts as follows:

“(1) There shall be paid to the Speaker and the other members of the House of Assembly such remuneration and allowances as may be prescribed by Ordinance.

(2) The House of Assembly shall not proceed on any bill for an Ordinance referred to in subsection (1) unless a Report by the Integrity Commission recommending the appropriate levels of such remuneration and allowances has been laid before the House and has been published; and no Ordinance shall provide for levels of remuneration or allowances that exceed the levels recommended in such Report.

(3) The remuneration and allowances payable to the Speaker and the other members of the House of Assembly are hereby charged on and shall be paid out of the Consolidated Fund.”

Contextualising the Issue

3. In the view of the Commission, fixing remuneration for parliamentarians cannot be done in a vacuum. The fundamental and overriding question to be asked is: What price are the people of the Turks and Caicos Islands (TCI) prepared to pay for good governance? The Constitution itself is predicated upon the need to implement best practices and notions of good governance in the Islands.

4. Good governance includes the maintenance of law and order, and acknowledgment of the importance of honesty, fairness and transparency in public affairs and the creation of an environment in which citizens are afforded an opportunity to maximize their potential. Obviously, also inherent in the notion of good governance is the absence of corrupt practices.

5. Members of the House of Assembly are law makers. But Ministers, especially, perform critical roles as policy and decision-makers. They are charged with responsibility for the implementation of programmes and policies for the development of the Islands. Accordingly, the role of government and the concept of governance in the TCI are of paramount importance in the context of the political, social and economic development of the Islands.

6. It follows that the representatives of the people in the House of Assembly should be persons not only of good character and standing but should be persons in whom the people are satisfied of their credentials for representation and leadership. Competent political leadership is crucial for good governance and the country must be prepared to pay the people's representatives decent remuneration for decent work.

7. At the same time, remuneration must never be the motivation for public service. On the other hand, virtues such as a sense of duty and public purpose and a desire to contribute to the growth and development of one's country ought to be the motivating factors. But public service also entails some personal sacrifice and members of the House of Assembly cannot expect to earn salaries comparable to the highest paid executives in the private sector.

8. The foregoing are some of the general considerations which the Commission took into account in formulating the recommendations which appear later in this Report.

9. Before setting out its recommendations, the Commission deems it prudent to explain the manner in which it proceeded and the methodology it adopted in arriving at its recommendations.

Background Considerations

10. In developing its recommendations, the Commission took into account the following matters:

(a) *The Fiscal and Economic State of the Islands.*

It is undoubted that the recession which has engulfed the world since 2008, has had a severe impact on the financial and economic health of the TCI. For the last several years, the Government's finances have been in a parlous state and it has been obliged, *inter alia*, to raise a loan of US\$260 million from Scotia Bank backed by a guarantee of the British Government for the period 2011 to 2017. The effects of the global recession were compounded by other factors specific to the TCI and the end result has been a significant increase in the Government's fiscal deficit. The dire financial situation required the most stringent response by the INTERIM ADMINISTRATION and it is common knowledge that the TCI are experiencing a period of great austerity reflected in the introduction and implementation of a wide range of measures.

11. Accordingly, having regard to the fiscal and economic realities of the times, the Commission considered it essential to bear in mind the ability of the TCI Government to pay reasonable and respectable remuneration and allowances to the

members of the House of Assembly. After all, public officials and workers can only reasonably expect to receive such remuneration as the TCI can bear.

(b) The Underlying Principles

12. The Commission also took account of certain principles which should underpin the fixing of remuneration. The Commission identified seven principles against which remuneration and allowances should be determined. These are:

- (i) Members of the House of Assembly must be remunerated at a level that is proportionate to the responsibilities associated with membership of the House or Ministerial responsibility.
- (ii) Levels of remuneration must adequately reward public service and render such service satisfying to the member.
- (iii) Levels of remuneration must be so reasonable and proportionate that they serve as a disincentive to members to become corrupt.
- (iv) There must be differentiation between remuneration paid to Ministers who will serve as full-time officials and other members of the House of Assembly who will be free to pursue their private occupations while still serving as members of the House.
- (v) Levels of remuneration must reflect the realities of public service in a small Commonwealth jurisdiction.
- (vi) Levels of remuneration must bear relativity to the remuneration accorded to members of legislatures in the Commonwealth Caribbean.
- (vii) Levels of remuneration must take account of the cost of living.

Methodology

13. The Commission examined and analysed the remuneration packages for members of Parliament in the following Commonwealth Caribbean countries: Anguilla, Barbados, Bermuda, British Virgin Islands, the Cayman Islands, Jamaica and Montserrat.

14. In addition, the Commission took into account the salaries and allowances paid to members of the last elected House of Assembly in the TCI.

15. At all times the Commission was aware that some British Overseas Territories in the Commonwealth Caribbean region, though small in population, are more financially and economically robust than the TCI and even several of the independent Commonwealth Caribbean nations. This last observation applies in its fullest rigour to Bermuda and the Cayman Islands especially.

Comparative Tables

16. The Commission sets out below a series of tables (1 to 5) which were used to assist and inform the Commission in making the recommendations below at Tables 6 and 7.

17. Table 1 sets out the population and per capita income in US dollars of the countries examined.

TABLE 1

		Pop'n	Per capita (US\$)
<i>Anguilla</i>		15,000	11,667
<i>Barbados</i>		287,733	22,855
<i>Bermuda</i>		69,080	65,142
<i>BVI</i>		31,000	27,516
<i>Cayman</i>		52,560	42,808
<i>Jamaica</i>		2,889,000	5,126
<i>Montserrat</i>		5,164	8,521
<i>TCI</i>		31,458	21,266

Sources: World Bank 2011 "Current Prices" Data
CIA World Fact Book
IMF Country Report No. 12/8 January 2012
UNdata 2009
TCIDS Development Strategy

18. It should be noted that in Tables 2 – 5 for certain allowances we have indicated the provision of an allowance, e.g. a car, but have not quantified the US\$ value of that Allowance, accordingly the associated total remuneration figure is understated to the extent of the value of such allowance.

Table 2 sets out the salaries and allowances payable to Ministers, Elected Members and the Speaker in the above-mentioned countries.

19. Table 3 sets out the salaries and allowances payable to Premier/Prime Minister, Deputy Premier/Deputy Prime Minister and Leader of the Opposition in the eight countries.

TABLE 3

	SALARY	CONST Allow	TRAV	EX-CO	TELE	HEALTH	ENT	HOUSING	OFFICE	ALLOWANCE/ SUBS	TRANS	DUTY	TOTAL
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Premier (or equivalent)													
Anguilla	91,209			13,333	1,778								106,320
Barbados	101,588		Car		*		27,419					Off Res	129,007
Bermuda**	212,887					*					BMW		212,887
BVI	72,000		15,888		4,860		26,544	39,360	5,184				163,836
Cayman	216,848									21,948			238,796
Jamaica	81,409		8,918					*		873			91,200
Montserrat	37,449				1,333		4,444	24,000			6,667	22,222	96,115
TCI Last elected Gov't	150,000									138,000			288,000
Deputy Premier (or equivalent)													
Anguilla	79,680			13,333	1,778								94,791
Barbados	86,355		16,293				16,688						119,336
Bermuda**	172,438					*					Toyota Camry		172,438
BVI													
Cayman	196,463									20,124	4,878		221,465
Jamaica	71,241		8,918		336			*					160,695
Montserrat													
TCI Last elected Gov't	135,000									72,000			207,000
Leader of the Opposition													
Anguilla	39,316				889	6,960							47,165
Barbados	64,513						9,169					14,708	88,393
Bermuda	82,070												82,070
BVI													
Cayman	154,258									43,908			198,166
Jamaica	71,241		8,918					2,976		873			84,008
Montserrat													
TCI Last elected Gov't	48,000									12,000			60,000

* - these are paid allowances for which the figures are not available

** -The post of Premier, Deputy Premier and Cabinet Ministers attracts additional allowances in respect of Health, Pension and Parking.

20. Table 4 is a spreadsheet in relation to the office of Deputy Speaker.

TABLE 4

	<i>SALARY</i>	<i>TRAVEL</i>	<i>EX-Co ALLOW</i>	<i>TELE ALLOW</i>	<i>ALLOW/ SUBS</i>	<i>CONS TITUE NCY</i>	<i>TRANS</i>	<i>DUTY</i>	<i>PROF</i>	<i>OTHER</i>	<i>TOTAL</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Deputy Speaker											
Anguilla											
Barbados	39,260							7,354		8,290	54,904
Bermuda	65,843										65,843
BVI											
Cayman	146,824				21,948						168,772
Jamaica	45,804	4,702		359	873						51,738
Montserrat											
TCI last elected Gov't	36,000				72,000						108,000

21. Table 5 sets out the salaries and allowances paid to members of the last elected House of Assembly as well as the salaries and allowances paid currently to certain officials such as the Governor, Chief Justice, Attorney General *et al.*

TABLE 5

TCI									
POSTS	Salary p.a.	Ministers Allowance	Members Allowance	Special Allowance	Special Housing Allowance	Housing Allowance	Telephone Allowance	Transportation Allowance	Professional Allowance
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Premier	150,000	138,000							
Deputy Premier	135,000	72,000							
Minister	125,000	60,000			18,000				
Leader of the Opposition	48,000		12,000						
Speaker of the House	48,000								
Elected Members	36,000		12,000						
Appointed Members	30,000		6,000						
Attorney General	125,000			60,000					
Chief Justice	160,000						720	2,760	6,000
Judge of the Supreme Court	120,000					24,000	720	2,760	6,000
Chief Magistrate	71,400					18,000	1,800	2,760	6,000
Resident Magistrate	57,600					18,000	1,800	2,760	6,000
Governor	135,000								
Deputy Governor	110,000								

Sources: TCIG, Treasury Department
Parliament of Bermuda
Cayman Islands Portfolio of Internal & External Affairs
Jamaica Parliament
Deputy Governor's Office, Anguilla
Ministry of Finance, Montserrat
Parliament of Barbados

RECOMMENDATIONS

(A) Perquisites to be provided by TCI Government

The Commission is of opinion that the TCI Government should provide certain perquisites of office to certain members of the House of Assembly as follows:

(i) Provision of Official Cars

22. The Commission recommends that, in future, the TCI Government lease official vehicles for use by the Premier, Deputy Premier and Ministers in Grand Turk.

(ii) Provision of Housing

23. The Commission also recommends that the Government provide for the Premier, a fully maintained official residence in Grand Turk and Providenciales, at a monthly rent in the vicinity of \$6 000 for each of these Islands, and also provide necessary household staff.

(B) Allowances*(i) Constituency Allowance*

24. The Commission is satisfied that the allowances attributed to members in the last elected House of Assembly were grossly disproportionate to the basic salaries or the work associated with the respective offices. The Commission, however, is not in favour of the total abolition of allowances. The fact that the Constitution specifies that there must be a minimum number of 9 meetings of the House of Assembly per calendar year does not derogate from the inescapable duty of members of the House to service and be seen to service their constituencies on a regular basis. Accordingly, the Commission recommends that every member of the House of Assembly be paid a monthly constituency allowance of \$1 200.

(ii) Telephone Allowance

25. The Commission recommends that all members of the House of Assembly should receive a monthly telephone allowance of \$100.00.

(iii) Travel Allowances

26. The Commission recommends that actual expenses incurred by Members for subsistence and travel should be reimbursed by the Government in accordance with procedures set out in the Government's travel policy and procedures.

(C) Salaries

27. The Commission does not believe that the salaries and allowances paid in the Cayman Islands and Bermuda are an appropriate benchmark for the TCI. These are jurisdictions with per capita incomes far in excess of what obtains in TCI. The Commission therefore sought to find a level of salary which would be more tolerable in the TCI. The Commission specially considered the offices of Premier, Deputy Premier, Speaker and Leader of the Opposition in order to fix appropriate levels of remuneration for all members of the House.

Premier

28. The office of Premier is arguably the most important in the Islands. It is therefore vital that this office be remunerated by taking into account the vast responsibilities associated with this office while, at the same time, paying due regard to

the levels of remuneration of other persons in the public service and the ability of the country to pay reasonable remuneration.

29. Accordingly, the Commission recommends that the basic annual salary of the Premier should be \$140 000. Thereafter, the Commission has applied a 10% differential between the salaries of the Premier, Deputy Premier and Ministers.

Deputy Premier, Other Ministers and Members

30. The salary of the Deputy Premier should be fixed at \$126 000 and those of Ministers should be pegged at \$113 400. Other Members of the House should be paid \$70 000 per annum.

Speaker and Deputy Speaker

31. The primary role of the Speaker is to preside over debates in the House of Assembly. The Speaker must ensure that the Rules of the House are followed and must be fair and impartial to all parliamentarians in the execution of his role. The office of Speaker is clearly one of tremendous responsibility, sensitivity and importance. The previous salary of the Speaker (\$48 000) was altogether too low. The Commission recommends that the Speaker's salary be increased to \$75 000 and the Deputy Speaker be paid \$72 000.

Leader of the Opposition

32. The role and function of the Leader of the Opposition in a democratic society are of the greatest importance. Such a person is recognised by the Constitution and is expected to be the leading voice in the House of Assembly and the society at large holding the Government of the day accountable for its stewardship. And, of course, the Leader of the Opposition is often perceived to be the leader of the "Government-in-waiting".

33. The salary of the Leader of the Opposition should be equated with that of the Speaker as is the case in Barbados. Thus, the Commission recommends that a salary of \$75 000 per annum be assigned to the office of Leader of the Opposition.

34. Table 6 below sets out the annual salaries recommended by the Commission.

TABLE 6 – ANNUAL SALARIES

Premier	\$140 000
Deputy Premier	\$126 000
Ministers	\$113 400
Speaker	\$ 75 000
Deputy Speaker	\$ 72 000
Leader of the Opposition	\$ 75 000
Other Members	\$ 70 000

35. Table 7 sets out the monthly allowances that the Commission recommends to be paid to all members:

TABLE 7 – MONTHLY ALLOWANCES

Constituency Allowance	\$1 200 per month	Payable to all members
Telephone Allowance	\$100.00 per month	Payable to all members


Conclusion

36. The Commission commends this Report for laying in the House of Assembly and publication in accordance with the provisions of s.124 (2) of the Constitution.

Dated this 6th day of November 2012



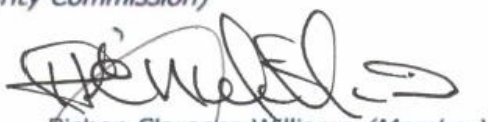
Sir David A.C. Simmons K.A., B.C.H., Q.C.
(Chairman, Integrity Commission)



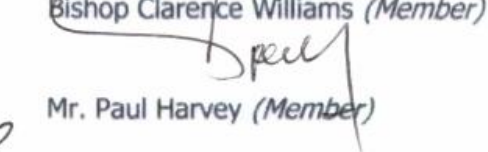
Mr. Gary Brough (Member)



Rev. Reuben Hall (Member)



Bishop Clarence Williams (Member)



Mr. Paul Harvey (Member)



Mr. Martin Green (Member)