

TURKS AND CAICOS ISLANDS



**REPORT**

**OF**

**THE INTEGRITY COMMISSION**

**RECOMMENDING REVISIONS TO THE**

**ALLOWANCES OF THE SPEAKER AND OTHER MEMBERS**

**OF**

**THE HOUSE OF ASSEMBLY**

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

**JUNE, 2016**

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

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

## **1. Introduction:**

- 1.1** Section 124 of the Constitution provides the constitutional authority for the preparation and revision of the Remuneration Report (RR)<sup>1</sup> by the Commission. This is a critically important and politically sensitive assignment for the Commission. Regionally, it is unique to Turks and Caicos Islands.
- 1.2** It will be recalled that the Commission prepared and published the current RR on 6 November, 2012 shortly before the 2012 General Elections and under severe resource and time constraints. In preparing the RR, the Commission took account of the fiscal and economic realities of TCI in 2012, the comparative remuneration figures from selected Caribbean Independent Countries and British Overseas Territories and other factors which are more particularly set out in paragraphs 10 to 12 of the RR, attached as Appendix A to these recommendations.
- 1.3** The RR has been generally accepted by the public and the political directorate. In particular, no issue has been raised to date about the salaries recommended for the different categories of the House of Assembly Members. The RR informed the provisions of the House of Assembly (Speaker and Other Members) (Salaries and Allowances) Ordinance 2012 (the Remuneration Ordinance) as envisaged by section 124 of the Constitution. From the onset however, the RR, by its very nature, was considered a living document. Accordingly, it was envisaged to undergo such periodic revisions, as the practical implementation of its provisions and indeed the Remuneration Ordinance it informed, might dictate.

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<sup>1</sup> Sec. 124 provides: (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.*

## **2. Considerations for the Revision**

- 2.1** The Commissioners considered that the Remuneration Report was due for a review after more than 3 years of its existence. In doing so, the Commissioners were mindful of the factors they considered while preparing the original RR as set out in paragraphs 10 - 12 therein, including the fiscal and economic circumstances of TCI. The Commissioners also took into account, joint representations made by the Premier and the Ministers. It must be emphasized that the Premier and his Ministers have not sought an increase in their salaries. However, the Deputy Governor in her submissions to the Commission, among other things, specifically invited the Commissioners to review the salaries of the Ministers with a view to removing the anomalies that will exist between their current salaries and those of the Permanent Secretaries, Deputy Secretaries and others in the Executive cadre of the Public Service, which have been recommended for significant increases, following the recent Pay and Grading Structure exercise across the government.
- 2.2** On the matter of allowances, the Commissioners took into account the overriding principle that the allowances currently existing, and being requested for revision, have been considered relative to the official duties of the Premier, Ministers, Speaker and other members of the House of Assembly. It is the Commissioners' belief that allowances should be provided to facilitate those official duties, but are not, and must not be considered, or be seen to be additional compensation. Further, any revision to allowances should be made with due consideration to the country's economic circumstances, and priorities for spending. Any increase in, or addition of allowances will be subject to Cabinet's confirmation that the financial resources are available, and that this is an appropriate allocation of such resources.
- 2.3** The Commission prepared and circulated its first draft recommendations to all the Honourable Members of the House of Assembly and requested their feedback. Several Honourable Members responded and the Commissioners took time to consider these and earlier representations made to the Commission.

## **3. Recommendations:**

Accordingly, the Commission presents the following recommendations.

### **3.1 CONSTITUENCY ALLOWANCE:**

This allowance is provided to contribute to activities which, in the opinion of the elected Member of the House of Assembly, will promote cohesion or fellowship in the constituency, or advance the overall and not partisan political interest of the constituency, such as holding meetings in the constituency. There is a 25% differential between the All-Islands District and the Electoral District

Members of the House in accordance with the 25% differential in campaign expenditure limits under section 46 of the Political Activities Ordinance.

**Recommendations:**

**(i). “All-Islands” elected Members of House should receive a constituency allowance of \$1,500.00 per month;**

**(ii) All other elected Members should receive a constituency allowance of \$1,200.00 per month.**

**3.2 TELEPHONE ALLOWANCE**

3.2.1 It is not considered reasonable that the Premier and Ministers are utilizing their personal telephones for official business, especially for those with portfolios that require them to travel extensively, both domestically and overseas. In particular, roaming costs can be extremely expensive. While efforts can be made to reduce such costs, this is not always feasible. On this basis, the Commissioners agree to increase this allowance.

3.2.2 In doing so, consideration was further given to a sliding scale for the Premier and other Ministers based on portfolio, but it was felt that the increased administrative burden would outweigh the benefit of trying to allocate differing amounts to different roles, especially when considering that portfolios are often re-allocated or persons regularly deputize.

3.2.3 Consideration was also given to the telephone allowance for other members of the House holding office. The Leader of the Opposition does have certain official duties which would likely require such use, although at a lower level than Ministers. As a result, we would suggest a telephone allowance for this post. We do not believe that the Speaker, Deputy Speaker or other members have significant official duties outside of the House that warrant use of personal telephones, and therefore do not consider an increase necessary.

**Recommendations:**

**(i) Premier and Ministers of Government should receive a telephone allowance of \$500.00 per month.**

**(ii) The Leader of the Opposition should receive a telephone allowance of \$300.00 per month.**

### **3.3 HOUSING ALLOWANCE**

3.3.1 Given that currently, the usual residences of the Ministers are outside of Grand Turk, the provision of accommodation is necessary to facilitate performance of their official duties. On this basis, we do not have an issue with the provision of housing allowance on the assumption that those Ministers will now be expected to reside in Grand Turk. However, there is a concern that this allowance in particular may be viewed as effectively an increase in compensation. However, the amount of \$3,000 does not appear unreasonable for appropriate accommodation on Grand Turk.

#### **Recommendations:**

**(i) Where a Minister will ordinarily be residing in Grand Turk, and Grand Turk is not his home base, then a housing allowance of \$3,000.00 a month should be paid.**

**(ii) Where a Minister ordinarily resides in Providenciales, but has to perform his official functions in Grand Turk, he or she should claim the associated expenses, limited only to accommodation, meals and flights**

**(iii) Where a Minister ordinarily resides in Grand Turk but has to perform his official functions in Providenciales, he or she should claim the associated expenses, limited only to accommodation, meals and flights;**

### **3.4 PREMIER'S ACCOMMODATION**

3.4.1 The Commission maintains its recommendation in the original Remuneration Report for an "Official Residence" to be provided for the Premier on both Grand Turk and Providenciales. This residence should be separate and distinct from the Premier's personal residence, and on that basis, we do not agree that the Premier should be allowed the alternative of taking a housing allowance and utilizing his private residence as an official residence. We also agree that the amounts stipulated currently do not facilitate the rental of a suitable residence on Providenciales. An official residence should be of suitable stature to properly promote the Turks & Caicos Islands when used for its primary purpose of receiving visitors, both domestic and foreign. We believe the actual amount to rent a suitable property on Providenciales is more likely in the \$10,000 to \$15,000 range. It is noted that an Official Residence in Grand Turk is already set at \$6,000 per month in the original Remuneration Report and the Ordinance.

3.4.2 We suggest that the Cabinet be provided with authority to approve an amount per month for an official residence on Providenciales, following demonstration that, on valuation, the property provides value for money but that the Cabinet's authority is only up to the cap

determined by the Commission. We would also suggest that the Cabinet provide information on what they feel that cap should be, with some supporting evidence. All costs relating to the maintenance of the official residence should be borne by the government, including full maintenance and utilities. Section 6 of the Remuneration Ordinance would need to be accordingly re-drafted to clarify this position.

**Recommendations:**

- (i) A suitable official residence should be sought in Providenciales for the Premier within a range of \$10,000.00 - \$15,000.00 rental per month. However, Cabinet must determine and approve what the actual monthly rent should be, based upon a proper and credible evaluation report on the relevant property.**
  
- (ii) All costs associated with maintenance of the official residence in Grand Turk and Providenciales should be borne by the Government, including full maintenance and utilities. Consequently, Section 6 of the House of Assembly (Speaker and Other Members) (Salaries and Allowances) Ordinance (otherwise called the Remuneration Ordinance) will need to be amended accordingly for clarity.**

**3.5 LEASE OR PURCHASE OF VEHICLES FOR PREMIER AND MINISTERS OF GOVERNMENT**

The Commission believes that the majority of the Ministers' official functions are performed in Grand Turk, and assumes that Ministers will be principally resident on Grand Turk, being the location of their Ministries. However, it is also recognized that official duties occur for various Ministers in Providenciales frequently, but it is not anticipated that all Ministers would have official duties on Providenciales at the same time. Accordingly, Commissioners believe that provision needs to be made for Ministerial transport on Providenciales to facilitate those duties.

**Recommendations:**

- (i) Section 5 of the Remuneration Ordinance should be amended to allow for Purchase or Lease of official vehicles, on the condition that all Purchases and/or Leases be subject to the requirements of the relevant Public Procurement Ordinance.**
  
- (ii) Official vehicles should be provided for the Premier and for each of the Ministers in Grand Turk and Providenciales.**

### **3.6 TRANSPORTATION ALLOWANCE - SPEAKER OF THE HOUSE OF ASSEMBLY ONLY**

#### **Recommendation:**

- (i) The Speaker of the House of Assembly should receive a transportation allowance of \$500.00 per month. This allowance shall be paid retroactively from such time (not being earlier than 1<sup>st</sup> of April 2015) as the Cabinet may decide, in terms set out under the sub-head RETROACTIVITY OF RECOMMENDATIONS below.**

### **3.7 RECOMMENDATIONS FOR INCREASE IN THE SALARIES OF MINISTERS AND LEADER OF THE OPPOSITION**

Having considered the submissions of the Deputy Governor on this item as well as the feedback from the Honourable Members of the House, including the Ministers, the Commission forms the distinct impression that the Honourable Members do not support any salary increase at this time. Accordingly, the Commission makes no recommendation for increase in the salaries of the Ministers or other Members of the House.

### **3.8 ACTING ALLOWANCE AND OUT OF POCKET EXPENSES**

The Commission recognizes and endorses, as an established practice, the payment of acting allowances whenever public officials act in a position higher than their current substantive posts. Similarly, the Commission considers it reasonable that the TCIG should bear and charge to public purse, all costs reasonably incurred by an Honourable Member in connection or associated with his or her attendance to the business of the House or any of its Committees.

#### **Recommendations:**

- (i) Acting allowance should be paid to a Minister who acts in a higher position in accordance with such policy as is for the time being in force in relation to the senior or executive cadre of the Public Service;**
- (ii) TCIG should bear and charge to the public purse, all costs reasonably incurred by an Honourable Member in connection or associated with his or her attendance to the business of the House of Assembly or any of its Committees.**

#### **4. RETROACTIVITY OF RECOMMENDATIONS**

Commissioners agreed that discretion should be given to the Cabinet to decide to make these recommendations retroactive to any date, being not earlier than 1 April 2015, and on the condition that Cabinet confirms by way of a formal decision, that the financial resources are available, and that this is an appropriate allocation of such resources.

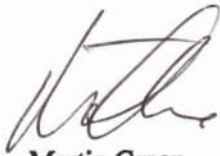
#### **5. Conclusion**

The Commission commends this revised Report for laying in the House of Assembly and for publication in accordance with Section 124(2) of the Constitution

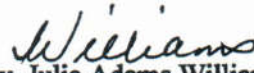
Dated the 30<sup>th</sup> day of June, 2016



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



Martin Green  
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Rev. Julia Adams Williams  
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Rev. Pedro Williams  
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