



TURKS AND CAICOS ISLANDS GOVERNMENT
CITIZENS' GUIDE TO **BUDGET** | **2022**
2023



**An Economy
that Works for All**
'People, Opportunity and Prosperity'



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THE HON. EJ SAUNDERS

Minister of Finance, Investment and Trade

My fellow Turks & Caicos Islanders! It is my pleasure to present to you the Citizens' Guide to the Budget for the Financial Year 2022/2023.

This Citizens' Guide to the Budget gives you a summary of the TCIG's budget reflecting the proposed revenue, expenditure, policies, and programmes for the period April 1, 2022, to March 31, 2023.

When our Government came into office on February 20, 2021, the primary focus was on jumpstarting our economy, as the prolonged shutdown (particularly the tourism industry) due to the COVID-19 pandemic, had put the lives and livelihood of our residents in jeopardy. We had to urgently fix the main pillars of the economy, and lay solid foundations to advance growth and development, and to create a more secure and prosperous future for our people.

Our Government is focused on creating the opportunities that will allow our people to have a future that they can look forward to. Since coming to office, our government has implemented policies and programmes targeting many of the social and economic issues, including:

- Providing approximately US\$30M in direct stimulus grants, and approximately US\$50M in total assistance to our people.
- Increasing the salaries of Public Servants and giving them a fully paid up retirement plan.
- Increasing investments in health care, tourism, training, disaster preparedness, and climate change resilience.

The budget is designed to create an economy that works for all, an economy that is centred on People, Opportunity, and Prosperity.

The outstanding, and in some cases, historical achievements of our economy in the last financial year, plus the positive outlook for the main economic drivers in this financial year, confirm that our Government made sound and prudent decisions which have put the TCI on the right path.

Notwithstanding, we are concerned about the ongoing rise in inflation and cost of living. This is not limited to the TCI. Inflation rates have doubled in 37 of 44 advanced economies over the past two years.

The lockdowns in China (the world's largest manufacturer of goods) have added to the global supply chain problems; and the war between Russia and the Ukraine have created a shortage of food and fuel worldwide.

The rise in global inflation and the cost of living will continue to affect our people, as we import approximately 100% of the goods consumed in the islands.

Our Government continues to cushion the impact of the rise in inflation and cost of living on our people. As our government has consistently done, we will ensure that the poor and most vulnerable are protected from the worst effects of this crisis.

Despite the global economic downturn, I am happy to report that investment interest in the Turks & Caicos Islands remains robust. Our Government is closely monitoring developments within the global markets, and where necessary, will adjust our policies to ensure that our people, and our country, derive maximum benefits from investments in the country.

We will continue to use all the tools at our disposal to expand the economy, and most importantly create opportunities and prosperity for our people. Our goal is to "build economic resilience, protect and develop our people, while supporting inclusive growth, sustainability, and security".

Together we will create **"An economy that works for all – People, Opportunity, and Prosperity"**.

Major Achievements Financial Year 2021/2022

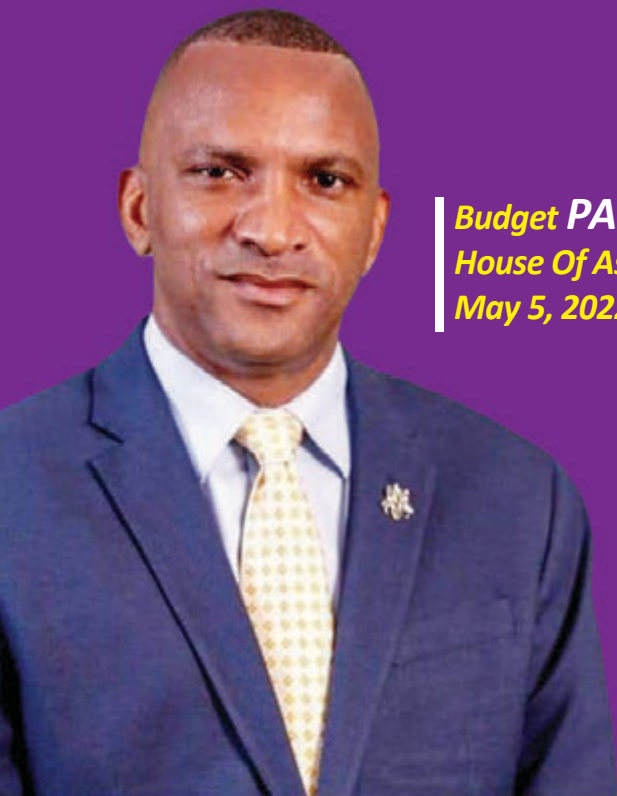
- 10% growth in the economy
- Operating surplus- \$87.5M
- Cash Reserves increased by \$74M to \$195.7M
- Revenue Collection increased by \$195.8M over 2020/2021
- The \$80-million credit facility obtained in 2020 was retired
- Issued two economic stimuli to address TCI Status Holders and BOTC who were impacted by inflation
- Permanent unemployment benefit now a reality

Making The Budget

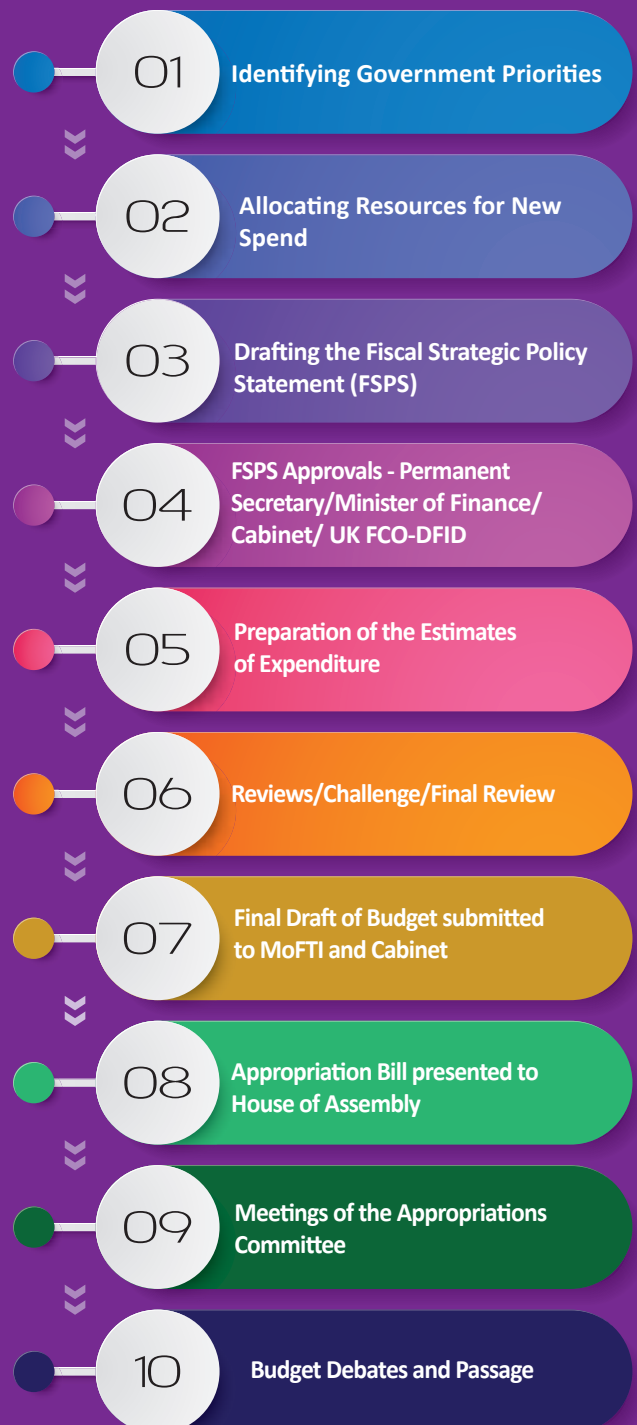
The main planks of the budget are the Estimates of EXPENDITURE and REVENUE. The Annual Budget details the amount of money the Government intends to spend during the fiscal year on the economic and social development of the TCI.

The Budget is funded primarily through taxation and fees such as import and customs duties, accommodation, and restaurant taxes. It is also funded through non-taxation measures such as grants from External Donors and Capital Receipts.

The budget preparation is a rigorous process with several stages.



Budget PASSED in the House Of Assembly on May 5, 2022



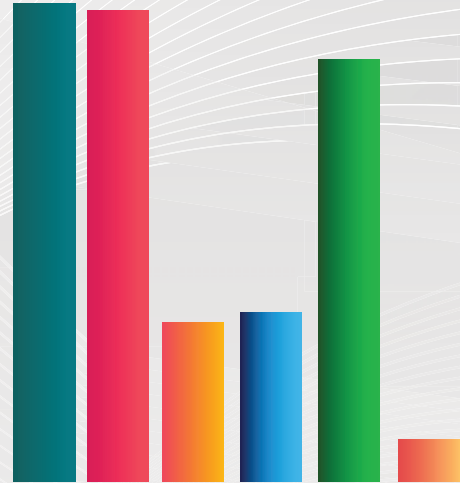
BUDGET BY THE NUMBERS

Revised Expenditure

What we plan to spend

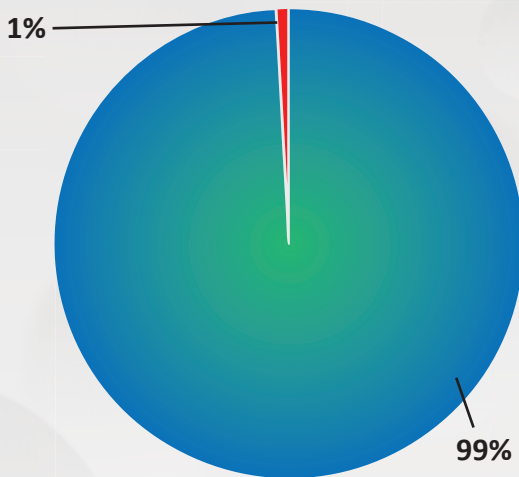
- \$401.9M-\$78M (20.2%) over last year.
- \$326.9M represents Recurrent Expenditure, such as Salaries and Wages and Goods and Services.
- \$24.0M for Non-Recurrent spending or One-off Expenses
- \$50.0M for Capital Development, such as projects, land, furniture, computers, and software.

Major Revenue Sources



Revised Estimated Revenue

Estimated Revenue
\$402.7M



- Accommodation Tax = \$96.5 M
- Import Duties = \$89.3M
- Other Customs Duties = \$30.3M
- Work Permit = \$32.2M
- Stamp Duty on Land Transactions = \$80M
- Fuel Tax = \$7.8M

- \$402.7M represents recurrent revenues
- \$3.4M from Capital Receipts, including Grants from External Donors and earnings from the sale of lands.



Measures To Manage Inflation

DIRECT ASSISTANCE - \$12M

Direct Assistance of US\$1000 will be paid to approximately 12,000 Turks and Caicos Islanders and British Overseas Territory Citizens.

This one-off payment will assist citizens with their general living expenses such as mortgages, rental accommodation payments, utility bills and food. Persons who received the \$500 stimulus earlier this year do not have to apply for this.

REMEDIAL WORKS PROGRAMME - \$2M

\$2 million has been allocated through the Ministry of Planning, Infrastructure and Development to expand the remedial works programme and increase the number of jobs in the local market

REDUCTION IN THE FUEL TAX

Fuel Tax reduced from 85 cents per gallon to 64 cents per gallon – effective date - April 1, 2022 – March 31, 2023.

REDUCTION IN CUSTOMS FEES

Across the board reduction in Customs Processing fees from 7.5 % to 5% - effective date - April 1, 2022 – March 31, 2023.

WAIVER OF IMPORT DUTIES AND CUSTOMS FEES - \$2M

Import duties and customs fees will be waived on the following items for the period August 1, 2022 to November 30, 2022:

Rice, Flour, Grits, Bread, Spaghetti/ Instant Noodles, Macaroni & Cheese Dinner, Cornflakes - Cereal, Chicken Canned Sausage, Vienna, Fresh and Canned Meats, Cheese Evaporated Milk, Eggs, Cooking Oil, Fruits, Sugar, Instant Baby Food/Juices, Water, Cleaning supplies (gloves, bleach, alcohol, Lysol, detergent), Disinfectant (bleach, hand sanitiser, anti-bacterial soap), Adult and Baby Diapers, Protein Nutritional Shakes such as Ensure, Boost or Glucerna, and Facial Masks. The Stimulus Package will be funded from existing revenues.

PRIORITY INITIATIVES

Digitization and E-Governance



\$2.0M is being invested in Digitization and E-Governance to optimize the economy, improve and increase services to the people. This includes a new national ID smart card that will make it easier for everyone to conduct business with the Government.

The work will include building new platforms, products and services that will create cohesion among government departments. The allocation in this financial year will only partially fund the system and equipment required.

Tourism Development



\$7M has been allocated to improve the tourism product, including developing a Destination Management Organization (DMO). The transition from the Tourist Board to a Destination Management Organization has started.

The DMO will include a regulatory authority which would set standards and guidelines to ensure quality service delivery from accommodations, recreational facilities, and attractions.

The aim is to improve destination competitiveness, increase stakeholder synergy through the efficient marketing and management of the TCI destination as well as working in close partnership with the private sector. The transition should be completed by February 2023.

Investment in Law Enforcement Border Control and Security



An additional \$1.4M has been allocated to enhance border protection and security. The TCI Regiment will see an increase in its reserve force by 20 officers with two full-time permanent posts. A Defence Board will be established to provide oversight.

12 marine officers will be added to the Royal Turks and Caicos Islands Police Force (RT&CIPF) plus 10 new Immigration Officers.

More money is being invested in intelligence gathering and investigations to help crime fighting efforts.

\$5.8M will be spent on new projects, including the police station in Grand Turk, a mobile station, and new boats.

Civil and Public Service



\$117.0M is allocated for Personnel Costs including wages and \$12.0M in Pensions and Gratuity.

The Government is increasing staff costs by 10%. This includes a direct salary increase of 4% and a 6% allocation towards the newly formed pension scheme.

Of the \$20M needed to start the pension fund \$8.4M was paid in the 2021/22 financial year and over the next six years \$2M will be contributed annually.

The \$20M will cover pension payments for past services. For current employees, the Government will assume responsibility for the employer and employee contributions of 3% respectively. The TCI Public Sector Pension Fund Ordinance was passed in March 2022.

Human Capital Development

In this financial year \$1.2M is added to previous \$10.2M allocation to increase the number of international and local scholarships awarded annually.

This includes an increase in the allocation for scholarships at the tertiary and Community College levels.

Effective September 2022, access to the Community College for Belongers and British Overseas Territories citizens will be free.

Increased Access to Secondary Education



\$2.6M has been provided to upgrade the Clement Howell and Louise Garland-Thomas high schools to senior high schools offering 1st to 5th form education.

Social Welfare

An additional \$1.65M is allocated to increase the monthly payments to the indigent population.

Statistical Surveys/National Census



Reliable data is important for planning and the proper functioning of any government. \$0.8M is being spent to improve the national statistical system including the regulatory framework for coordination and governance.

The Central Statistics Organization (CSO) will be transformed into the National Statistics Institute. Preliminary work has started on the 2022 census.

The information will be used to determine the location, number and types of schools, the demand for housing, water supply and other amenities.

Environmental Health and Emergency Medical Services



A new unit with eleven Port Health Officers is being established to enact the International Health Regulations of 2005. These regulations set standards to prevent the importation and spread of diseases through airports and seaports.

A Dump Attendant for Kew North Caicos, an additional Deputy Chief Environmental Officer, and a Vector Control Coordinator will be hired. A second ambulance base with appropriate staffing will be established in Providenciales.



Government Communication and Protocol



Effective, integrated and coordinated communication is integral to our goal of building a better, more prosperous, and healthier future for Islanders. Currently, there is no framework to guide effective government communication and citizen engagement.

The people have a right to access timely, consistent, and accurate official information, particularly, information related to government programmes, projects, and services. \$655k has been provided to create a Communications Directorate to manage government communications and citizen engagement.

The first step is to hire an expert to set up the directorate, purchase equipment, tools, hire and train staff.

The Protocol Division will be expanded and improved with new recruits this financial year.

BUDGETARY PRIORITIES



Economic Affairs - \$103.7M

- Infrastructure development, including land acquisition
- Tourism product enhancement
- Agriculture
- Catastrophic risk insurance
- Environmental and coastal resources
- Energy and utilities
- Media and communication

Health - \$78.9M



Public health and hospital services, mental health, research, health emergencies, dental, laboratory services, the promotion of healthy lifestyles, and policy planning.

Public Order and Safety - \$67.3M



- \$32.5M will go towards Police Services.
- \$19.2M is for the Law Courts, AG Chambers, Director Public Prosecution, Judicial Administration, and the Labour Tribunal.
- \$8.2M for Public Order, including Disaster Management, Customs and Border Protection, Immigration, and Repatriations.
- \$5.4M for Prisons, Correctional, and Rehabilitation Services.
- \$1.3M for Fire and Rescue.

Education - \$37.5M



- Creating modern schools that are accessible, equipped with the latest technical tools, and the right student/teacher ratios Improving early childhood, primary, secondary, and tertiary education.
- Providing scholarships to young people at the community college level.
- Maintaining recreational/sporting facilities.
- Supporting TVET pursuits.

General Public Services - \$62.0M



Public service operations, including the following offices:

- Governor
- Deputy Governor
- Premier
- House of Assembly
- Financial and fiscal affairs

Social Protection - \$31.2M



Assistance to the poor and vulnerable Home Health and Social Assistance programme Payments for stimulus applications under review Pensions and gratuities for Public Servants Domestic violence victim support and gender equality.

Environmental Protection - \$7.7M



Public health, solid waste, and sewerage management. Fisheries and marine resource management.

Defence - \$2.7M



National Security Secretariat and the Contingent Forces. Patrol vessels and motor vehicles for the Defence Forces.

Housing and Community Amenities - \$3.8M



Housing and Community renewal. Water Services, including water treatment and distribution. District Administrations.

Major Projects/Infrastructure Development - \$50M



\$50M has been earmarked for major projects and infrastructure development.

- \$16.8M for ongoing projects
- \$33.2M for new projects

The new projects are aligned with the priority areas of the Government including:

- \$8M for Law Enforcement, Border Control and Security
- \$6.4M for Education
- \$6M for Water Undertaking, Prison, and Fire Services
- \$21M investment in Infrastructure development throughout all Islands
- \$1.7M investment in Tourism
- \$1.2M investment in Health

Recreation, Culture and Religion – \$4.65M

- Recreation and Sports
- Youth Development
- Development and promotion of culture
- Religion, partnerships with churches to support community upliftment and crime reduction

TURKS AND CAICOS ISLANDS AIRPORTS AUTHORITY

The Turks and Caicos Islands Airports Authority manages all airports including the flagship Providenciales International Airport. It is responsible for all construction, control and management of passenger flows, maintaining runways, taxiways and terminals for the efficient operation of airports.



In Phase B, the Consultants will conduct a series of workshops with the Advisory Committee and Cabinet and meet with Industry Stakeholders to present their data findings and proposal. If a decision is made to move forward with the redevelopment of the Airport, an invitation to tender for the construction will open.

The intent is to construct a world-class airport terminal that will accommodate the needs of TCI's growing tourism industry for the next 20-30 years and beyond. It is anticipated that the selection of a contractor and groundbreaking for the terminal will occur in the first quarter of calendar year 2023.

Several projects are slated for completion in 2022/23.

- South Caicos Terminal and Combined Services Buildings
- The Providenciales Control Tower and Combined Services Building
- The Grand Turk Fire Station Building
- The construction of the southern perimeter fence at the South Caicos Aerodrome

Upgrade JAGS McCartney International Airport to include concession spaces to make it more attractive to investors.

The Providenciales International Airport

- The Providenciales International Airport is critical to the growth and development of the TCI. \$12M is being spent to repair and retrofit critical areas of the existing terminal building. This includes an airside canopy for the protection of disembarking passengers, improvement to the traffic flow and a better user experience.

The Providenciales International Airport Redevelopment Consultancy Project is on track with the culmination of Phase A.

- \$250K legal fees for the critical airport expansion has been allocated in the 2022/2023 budget



PORTS

Ports support domestic trade, commerce and increases competitiveness of the Turks and Caicos economy.



Just over \$65 million has been allocated in the 2022/23 to fund the rebuilding of the entire ports system, over the next few years. Port infrastructure projects on all islands are at different stages of development.



The projects Include:

- \$1M provided in 2022/23 budget for the Rehabilitation of Grand Turk Port Office.

- On North Caicos the Bellefield Landing Welcome Center should open during the summer, other projects for the Island includes the commissioning of 16 boat slips at Bellefield Landing, port dredging and marine cleanup
- The South Caicos Port Rehabilitation and Pavement projects will be completed by the end of summer. 6 hundred thousand dollars is included in the 2022/23 budget for the South Caicos Port dredging project.
- On Providenciales, the construction of 2 new berths as part of phases 1 and 2 of the South Dock Provo Redevelopment Port as well as the Port Office building will commence this year.



The Ports Authority will prioritize port maintenance and dredging to always ensure safe access to ports and shipping channels.

Premier's Delivery Unit



Every project we undertake, every piece of legislation and every dollar spent must be guided by sound policy, delivered on time, within budget and of maximum benefit to our people.

The TCIG has been unable to recruit and retain the technical expertise necessary to complete projects in a timely manner.

The Government of Turks and Caicos Islands (TCIG) in recognizing the need to accelerate the progress of priority projects is establishing the Premier's Delivery Unit (PDU) that will monitor, track, and facilitate the delivery of prioritized projects.



\$2.5M spread over two years will be spent to establish this Project Management System and improving the Public Sector Investment Programme.

The Delivery Unit's mantra is "business unusual". It will foster flexibility and agility in the way Government does business to produce "better and quicker results".

The Premier's Delivery Unit whilst accelerating implementation will bring about impactful timely outcomes, in addition to knowledge transfer and fostering a transformative work culture focused on delivery and results.



Islands in focus

Projects across Multi Islands \$21.2 million

- \$3.8 million for police boats
- \$5.65 million for highway and road improvements
- \$5.6 million for drainage improvement works
- \$666k for replacement vehicles for Departments

Grand Turk - \$15.2 million

- \$1 million for the Refurbishment of Grand Turk Ports Authority office
- \$2.34 million to Purchase and Install a 1-million-gallon Saltwater Reverse Osmosis Unit
- \$1.88 million for the installation of another 1-million-gallon tank
- \$1.5 million Drainage and Site Works HJRHS
- \$2.750 million for Remedial Works to Ponds and Bridges
- \$2 million for the Construction of Floating Dock

Providenciales - \$15.1 million

- \$3 million for the Judicial complex
- \$2 million for the Training Academy and Headquarters for TCI Regiment
- \$1.95 million will purchase a Patrol Vessel for the TCI Regiment

North Caicos

- \$1 million will be spent on roads for Promenade in North Caicos



Special Features

Mental Health Wellness Centre

The Mental Health Wellness Centre will provide quality community-based mental health and substance abuse services.



The goal is to remove the stigma associated with mental illness and provide a nurturing environment that enables individuals to recover and live meaningful lives.

The centre will provide treatment, psychosocial rehabilitation, links to support networks and other services, 24 hour 7 days per week supervision, Emergency assistance, Group/Individual/family therapy as needed, Drug Abuse Counselling, Peer support and Medication Supervision.

Green And Gender Budgeting



Over 140 TCI representatives from Central Government, Constitutional and Statutory Bodies, including Cabinet Ministers, Board Chairmen, Accounting Officers and department heads were trained in green and gender budgeting between May 23 and June 2, 2022.

The training was a collaboration between the Caribbean Regional Training Assistance Centre (CARTAC), and the Ministry of Finance, Trade and Investments. The Turks and Caicos Islands Government intends to introduce Green and Gender- budgeting in the 2023-24 financial year.

Green Budgeting integrates climate and environmental considerations such as mitigation and adaptation into budget planning and decision-making. Gender budgeting recognizes that fiscal policies and budget decisions can help promote gender equality.

Climate Change



The Government of The Turks and Caicos has launched a Climate Change Charter which is a Road map outlining the country's approach to climate change.

As a group of small islands, the TCI is very vulnerable to natural disasters and climate change. The TCI is committed to integrating Climate Change Mitigation and adaptation into its development plans including a reduction in greenhouse gas emissions by 2030.



CONSUMER COMPLAINTS PROCESS A 5-STEP PROCESS



WWW.GOV.TC/TRADE



Treasury

Don't wait in line... PAY ONLINE.

THREE EASY STEPS FOR MAKING ONLINE PAYMENTS TO THE TREASURY:

1. Get an electronic receipt from the department with which you are conducting business (e.g., Customs, Revenue Department, Lands Division)
2. Process electronic transfer of payment online to any of Government's accounts listed.
3. Email a copy of the receipt voucher and screenshot showing proof of payment to treasuryreceipts@gov.tc

BANKING ACCOUNT INFORMATION:

CIBC FCIB: Account#: **1575027**, Name – Treasury

SCOTIABANK: Account#: **000754415**, Transit: **94045**,
Name – Turks and Caicos Islands Government

RBC: Account#: **4020087**, Transit: **05395**, Name – Turks and Caicos Gov

Once payment is verified
a confirmation email will be sent to you.



Congratulations

The Hon. Charles Washington Misick - Premier

The Ministry of Finance Investment and Trade congratulates our Premier, the Hon. Charles Washington Misick on receiving his Honorary Doctor of Commerce award from Northern Caribbean University in Jamaica. The people of the TCI admire your hard work and are proud of all that you have achieved.



THE BEAUTY OF OUR ISLANDS



